

12 May 2016

Mr Vincent Ivosa
Port Moresby Stock Exchange Ltd
PO Box 1531, Port Moresby
NCD, Papua New Guinea

By Email

Dear Vincent

**Airlines of Papua New Guinea Limited (POMSoX: CGA) ("Airlines PNG")
Amended Appendix 4B Year to December 2015**

I refer to Airlines PNG's Appendix 4B for the year to December 2015, filed with the Exchange on 15 March 2016 in accordance with Listing Rule 4.3.

In the process of the audit of the company's accounts for that period, the company's auditors considered that an unsecured loan of PGK5 million to the Company from its shareholder MRDC should be treated as "other capital contributions from shareholder" under equity, rather than as a borrowing under item 4.23, as the loan amount became repayable upon a share issue at a corresponding value being made to MRDC.

As a result of this PGK5 million decrease to the borrowing figure in item 4.23:

- total non- current liabilities (item 4.26) and total liabilities (item 4.27) have correspondingly decreased by PGK5 million; and
- each of the following has increased by the same amount:
 - 4.28 - net assets;
 - 4.29 - capital;
 - 4.32 - equity attributable to shareholders of the parent entity; and
 - 4.34 - total equity.

I now attach a further version of the Appendix 4B with those changes made, for immediate release to the market.

Yours sincerely,



John Biddle
General Counsel & Company Secretary

Encl

