ANNOUNCEMENT

For Immediate Release
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Effect of Covid-19 and declaration of a State of Emergency by the PNG Government on PNG Air Ltd

PNG Air Ltd advises that like most businesses in PNG and most aviation businesses worldwide it has been affected by the Covid-19 pandemic and the actions taken by governments in response to the pandemic (in the case of Papua New Guinea, the decision of the Government on 22 March 2020 to declare a State of Emergency).

The immediate effects of the State of Emergency declaration are that domestic regular passenger transport flights and regular charter passenger flights have been suspended. The Airline’s dedicated freighter aircraft is able to operate, and some ad hoc charter flights have operated to evacuate personnel from mine sites. The operating flights equate to approximately one day out of a normal week’s flying.

The flight suspensions were imposed for a period of 14 days, expiring on 6 April 2020. It is not known at this time whether the suspensions will be extended.

There are 2 and possibly 3 categories of revenue losses as a result of the pandemic and these flight suspensions, the first being revenue lost during the period leading up to the declaration of a State of Emergency, the second being losses during the suspensions themselves, and the possible third being the continuing reductions in flying that will may after the suspensions are lifted, because of ongoing effects on the overall economy, possible continuing limits on movement and social distancing concerns. It is difficult to estimate this third category of possible losses at this time as there are too many variables at play.

While the Airline’s revenue is seasonal, and the position is complicated by reductions in flying leading up to the suspensions and the possibility that some flights will be delayed until after the suspensions are lifted, the losses in annual revenue may approximately equal the proportion of the year during which flying is suspended.

ENDS

PNG Air Ltd operates ATR 72-600 and Dash 8 aircraft to 25 ports throughout PNG, with 410 flights each week carrying over 500,000 passengers each year.

For further information; contact PNG Air Media Relations: