



ANNOUNCEMENT

ICCC Determination – Proposed Acquisition of Shares in PNG Air by Link PNG

Independent Consumer & Competition Commission (ICCC) released its final determination on proposed acquisition of shares in PNG Air limited, which states the following:

*“The Independent Consumer and Competition Commission (“ICCC”), after considering all information on this application, **DECLINES AUTHORIZATION**, pursuant to Section 82(3)(c) of the Independent Consumer and Competition Commission Act 2002 (“ICCC Act”), for Link PNG Limited to acquire 49% of the shares in PNG Air Limited.”*

PNG Air is surprised and disappointed by the ICCC’s determination. PNG Air believes that the ICCC failed to consider key national interest and commercial imperatives for the airline industry and air line services generally in PNG which Link PNG’s application highlighted.

PNG Air believes that many key players in PNG’s airline industry strongly support some form of closer co-operation between PNG Air and Air Niugini as a way of helping both organisations to survive the unprecedented economic challenges currently facing the airline industry in PNG.

PNG Air is awaiting the ICCC’s final determination on Link PNG’s separate application for authorization of a proposed joint operating agreement and codeshare share arrangement with PNG Air on domestic routes.

Whatever the ICCC’s final determination happens to be, PNG Air’s board and management will continue to look for opportunities to improve the company’s operating conditions and financial performance and with a view to delivering improved value to all PNG Air’s stakeholders.

ENDS

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