STRATEGIC

29 September 2009

Mr Michael Bird Executive Director International Air Services Commission GPO Box 630 Canberra ACT 2601



Dear Mr Bird

Request for transfer of name and amendment to IASC determination

As you may be aware the Strategic Aviation Group Pty Ltd recently acquired OzJet Airlines Pty Ltd ("Ozjet") from the Administrator. OzJet is now the subject of a Deed of Company Arrangement (DOCA) and is owned by Strategic Global Pty Ltd (see attached), which is a wholly owned subsidiary of Strategic Aviation Group Pty Ltd. Strategic Airlines Pty Ltd ("Strategic") is also a wholly owned subsidiary of Strategic Global Pty Ltd.

• Transfer of allocation to Strategic Airlines

Strategic intends to operate the air service between Brisbane and Denpasar and is seeking the transfer of capacity of 408 seats allocated under IASC Decision 214 (which was a variation of IASC Decision 101) to reflect the applicant name as "Strategic Airlines Pty Ltd".

Strategic was awarded its Australian Air Operator's Certificate on 19 September 2009 (see attached). To this end, Strategic will be operating the BNE-DPS service using this capacity in its own right.

Capacity and Schedule

Strategic plans to operate an Airbus 330 aircraft between Brisbane and Denpasar twice weekly. This aircraft has a capacity of 229 seats and if operated twice weekly, represents 458 seats per week. Therefore we are seeking an additional 50 seats per week.

We understand that the Commission has no additional capacity to allocate but we understand that it may be available through the 'spillover' provisions of the capacity entitlements under the Australia-Indonesia air service arrangements.

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Strategic intends to operate this service weekly on a Sunday (BNE-DPS-BNE) from 6 December 2009. The intention is to introduce the second service prior to 30 June 2010.

Legislative and Policy Considerations

It is acknowledged that this application should be considered against the general criteria for assessing the benefit to the public in Paragraph 4 of the Minister's Policy Statement. Paragraph 4 criteria provides that the use of entitlements by an Australian carrier under a bilateral air services agreement is of benefit to the public, provided that the carrier is reasonably capable of obtaining the necessary approvals and implementing the proposal.

Supporting Documentation

Attached are the following documents in support of this application for the Commission's reference:

- Constitution of Strategic Airlines Pty Ltd
- ASIC Certificate of Registration of a Strategic Airlines
- ASIC extract OzJet ownership
- ASIC extract Strategic Global ownership
- Strategic Aviation Business Plan -
- Strategic AOC

We would be pleased to provide any further information supporting this request. The abovementioned DOCA will be made available to the Commission as soon as I receive approval to distribute, if required.

Yours sincerely

Damien Vasta

Head of Commercial

Strategic Aviation Group Pty Ltd