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10 June 2010

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

Dear Mr Bird,

Re: Application for PNG Route Freight Capacity

Pionair Australia Pty Ltd operates its own aircraft on an Australian issued Air Operators Certificate and is seeking IASC allocation of 18,000kg per week freight capacity between Australia and PNG.

Pionair Australia Pty Ltd currently operates dedicated Convair 580 cargo aircraft that have a unique capability in the PNG context in that they are able to operate to and from more austere runways than many other jet and turboprop aircraft with meaningful payloads. The 18,000kg of capacity will allow three weekly flights (6,000kg each) from Brisbane and Cairns to Port Moresby and destinations within PNG that cannot be serviced either effectively or economically by most other freighter aircraft.

Since 2008, Pionair have operated the Convair 580 aircraft from Australia to a wide range of ports in PNG. Pionair has operated on behalf of many internationally renowned clients including multi-nationals and other airlines and is confident that forward interest (subject to the award of Freight Capacity) is sufficient to commence these services in July 2010.

The allocation of 18,000kg per week is requested on the following basis:

- 3 Flights per week
- Allocation for a period of 5 years
- Capacity will be utilised incrementally from July 2010 and be fully utilised by end July 2011.

Pionair Australia believes that this application meets all requisite criteria for assessment in accordance with IASC policy and ministerial statements.



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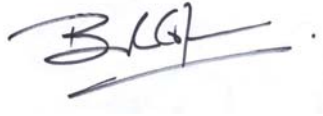
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Australia has a significant opportunity to be part of the growth and development of PNG's vast resource sector and Pionair Australia Pty Ltd brings unique capability to Australian business and multinationals alike.

We would be pleased to provide any additional information as required in support of this application.

Yours sincerely



Brian Esplin

Chief Executive Officer
Pionair Australia

