

27 November 2009

Mr William Vate
First Assistant Secretary (ASI/ATR)
Aviation Safety Regulation Directorate
Department of Transport
PO Box 1489
Boroko, NCD
Papua New Guinea

Dear Mr Vate,

**AIRLINES OF PAPUA NEW GUINEA – APPLICATION FOR FREIGHT
CAPACITY ALLOCATION –SINGAPORE & PHILLIPINES**

Further to our letter dated 17 September 2009, Airlines of Papua New Guinea is now further developing our plans for expansion into Asian destinations.

Based on a realistic business case, Airlines of Papua New Guinea would like to now, by way of this letter, formally apply for the following freight rights via the Department of Transport.

The routes and freight capacity applied for are:

- Singapore route – 40 Tonne in both directions per week
- Phillipines route – 60 Tonne in both directions per week

The estimated commencement of these services will be from mid 2010. Aircraft selection exercises are currently being finalised to meet this startup date.

The capacity and allocations above are essential for Airlines of Papua New Guinea's growth plans. We feel that these services will be a benefit for Papua New Guinea and will offer competition to the market.

We would be pleased to provide any further information that Department of Transport may require in support of this application.

Could you please provide acknowledgement of receipt of this application by email to craig.chapple@apng.com

Yours Sincerely



Craig Chapple
General Manager Strategy & Risk

17 September 2009

Mr William Vate
First Assistant Secretary (ASI/ATR)
Aviation Safety Regulation Directorate
Department of Transport
PO Box 1489
Boroko, NCD
Papua New Guinea

Dear Mr Vate,

**AIRLINES OF PAPUA NEW GUINEA – APPLICATION FOR CAPACITY
ALLOCATION –SINGAPORE, PHILLIPINES, INDONESIA, HONG KONG &
SOLOMON ISLANDS**

Airlines of Papua New Guinea currently operates regular international services between Papua New Guinea and Australia under the bilateral agreements between Papua New Guinea and Australia.

Airlines of Papua New Guinea proposes to extend our international network into various overseas markets and requests the following allocations and approvals for capacity via the Department of Transport.

The capacity and allocations that we are seeking are:

- Singapore route – total of 422 seats in each direction weekly;
- Hong Kong route – total of 211 seats in each direction weekly;
- Phillipnes route (Manila) – total of 422 seats in each direction weekly;
- Indonesia route (Jakarta) – total of 422 seats in each direction weekly;
- Solomon Islands route (Honiara) – total of 422 seats in each direction weekly

The capacity and allocations above is essential for Airlines of Papua New Guinea's growth plans and we propose to implement these services within the next eighteen (18) months. We feel that these services will be a benefit for Papua New Guinea and will offer competition to the market.

We would be pleased to provide any further information that Department of Transport may require in support of this application.

Could you please provide acknowledgement of receipt of this application by email to craig.chapple@apng.com

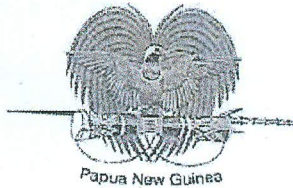
Yours Sincerely



Craig Chapple
General Manager Strategy & Risk



Hon. Don Pomb Polye, MP
Member for Kandep Open



Papua New Guinea

OFFICE OF THE MINISTER
MINISTRY OF WORKS, TRANSPORT & CIVIL AVIATION

25th October 2010

File: 94-6-1

Mr Craig Chapple

General Manager – Strategy & Risks

Airlines of Papua New Guinea

P O BOX 170

BOROKO

National Capital District

Dear Mr Chapple,

**SUBJECT : APPROVAL FOR DESIGNATION - AIRLINES OF PAPUA
NEW GUINEA**

Your application requesting granting of “Designation” as an International Airline to operate agreed services under the PNG/SINGAPORE, PNG/PHILIPPINES and PNG/INDONESIA Air Services Agreements is hereby acknowledged.

With huge business investments now taking place in PNG especially in the Multi-billion Kina LNG project including mining and petroleum activities the Government would like to encourage more *PNG owned and incorporated Air Operators* to venture into International markets to cater for the escalation in Air transportation needs that would ensue and simultaneously benefit from these operations commercially which would contribute positively to the overall economic development of PNG.

Therefore, I as Minister responsible and on behalf of the Government of Papua New Guinea hereby “designate” Airlines of Papua New Guinea as an International Airline to operate the agreed services as specified under the PNG/SINGAPORE, PNG/PHILIPPINES and the PNG/INDONESIA Air Services Agreements and as required under Article 2 of these Bilateral Agreements.

Yours Sincerely,

HON. DON POMB POLYE, BE, (Civil), MBA, MIEPNG, (Reg.), MP

Minister for Transport, Works & Civil Aviation

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