21st April 2020

Alliance Aviation Services Limited (ASX code: **AQZ**)

Trading Update regarding impact of Virgin Australia Holdings Ltd (ASX code: VAH) Voluntary Administration

Alliance Aviation Services Limited ("Alliance") refers to the disclosure lodged by Virgin Australia with the ASX this morning that confirms voluntary administrators have been appointed to VAH.   Virgin Australia has been a long term partner of Alliance and our thoughts are with the staff of Virgin Australia at this difficult time.

Alliance's commercial arrangements with VAH are through:

(1)   a Wetlease Agreement;

(2)   an "Alliance Agreement" which has Australian Competition & Consumer Commission (ACCC) approval to cooperate in the charter market; and

(3)   a Marketing & Distribution Agreement ("MDA") pursuant to which Alliance operates flights between Brisbane and Gladstone and Bundaberg.

Alliance's current exposure, as a result of VAH's voluntary administration, is in the order of $250,000 to $300,000.

Notwithstanding VAH entering administration, the flights operated by Alliance pursuant to the MDA will continue. The current schedule operated by Alliance is detailed below.

Flt No.	Day of the Week	Departure Airport	Departure Time	Arrival Airport	Arrival Time
VA 2973	12345.7	BNE	08:00	BDB	08:55
VA 2905	12345.7	BDB	09:25	GLT	09:55
VA 2904	12345.7	GLT	10:25	BNE	11:25

ENDS

This trading update has been approved by the Alliance Board of Directors.

About Alliance

Alliance is Australasia's leading provider of contract, charter and allied aviation services currently employing in excess of 550 full time staff.

The Company provides essential services to mining, energy, tourism and government sectors and holds IATA's IOSA certification and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.

Alliance currently operates a fleet of 24 Fokker F100, 13 Fokker 70LR jet aircraft and five Fokker 50 turboprops with an additional five aircraft in storage and available for entry into the fleet.

Alliance has world leading operational performance, a key attribute sought by its customers.

The Company has operational bases in Brisbane, Townsville, Cairns, Melbourne, Adelaide, Perth, Darwin and Rockhampton.

For more information contact:

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