

30 July 2009

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

Michael
Dear ~~Mr~~ Bird,

Application for Freight Capacity Allocation – Vanuatu Route

Pacific Air Express Australia Pty Ltd (PAE) proposes operating a twice weekly freighter service between Australia and Vanuatu. We propose introducing the two services progressively, with the first service to be operating by 30 October 2009. We expect to fully utilise the capacity by 30 March 2010.

PAE will operate these services using a B737-300F ACMI leased from Toll/Airwork.

Allocation Sought

Pacific Air Express seeks an allocation of 35 tonnes per week on the Vanuatu Route on the following basis:

1. The capacity will be utilised by Pacific Air Express Australia Pty Limited
2. The allocation is requested for a period of five years
3. The capacity will be fully used by 30 March 2010

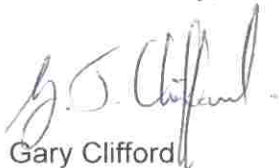
IASC Act and Policy Statement Considerations

PAE believes this application meets the general criteria for assessing the benefit to the public in paragraph 4 of the Minister's statement.

The Paragraph 4 criteria provides that the use of entitlements by an Australian carrier under a bilateral air service agreement is of benefit to the public, provided that the carrier is reasonably capable of obtaining the necessary approvals and implementing the proposed services.

We would be pleased to provide any further information in support of this application if requested.

Yours sincerely,



Gary Clifford
Managing Director
Pacific Air Express Australia Pty Limited