



NEWS RELEASE

For Immediate Release

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Provincial Airlines & Air Greenland Cooperation Agreement

Canada–Greenland Flight Connections

Ottawa, ON, Canada, February 2, 2012 --- Provincial Airlines and Air Greenland announced today at the Northern Lights 2012 Business and Cultural Showcase in Ottawa that they have signed a Memorandum of Understanding (MOU) to enter into a cooperation agreement which will enable each of them to provide passenger and cargo air service between points in Canada and points in Greenland.

Both airlines have independently identified a new and developing market requirement for an air service connecting points in Canada with points in Greenland without transiting through Europe. The market demand for air service between Canada and Greenland is driven by the growth in the resource sector in both countries. Initially, the airlines will offer same day connections between points in Newfoundland & Labrador and Greenland through Iqaluit.

Provincial Airlines (“PAL”) is the leading independent airline in Eastern Canada providing scheduled and charter passenger and cargo air services, FBO, and ground services throughout Newfoundland and Labrador, Nova Scotia, and Québec. PAL affiliate, Innu Mikun Airlines, provides airline services to communities on the Labrador Coast from its base in Goose Bay. With the emergence of the resource sector in Labrador, PAL and Innu Mikun are the preferred aviation logistics partner for companies operating in that sector in Labrador, and more recently northeastern Quebec.

Air Greenland is the national airline of Greenland, operating more than 35 aircraft as diverse as small 5 seat helicopters to the 245 seat Airbus 330-200. The company has been in operation since 1960 and has strong ties to Canada. The initial fixed wing operations in Greenland for the company during the 1960’s were performed by Eastern Provincial Airlines. Air Greenland has also performed offshore operations in Eastern Canada in the 1980’s. The company services Greenland, Denmark and Iceland, and accommodates passengers, cargo, mail, charter and bush operations.

The new route between Greenland’s capital, Nuuk, and Iqaluit will be performed using DHC8-200 aircraft of which the company operates 5 alongside a fleet of DHC7.

“This is an exciting first step for PAL and Innu Mikun in assisting in opening up the northern gateway for the people and businesses of our province. This partnership with Air Greenland will create a much more efficient travel schedule for people flying between our regions”, said Calvin Ash, Director of Commercial Operations for PAL. “We are delighted to be working with the dedicated team at Air Greenland.”

Air Greenland’s Chief Commercial Officer, Christian Keldsen, was quoted saying that “the new cooperation with PAL is thrilling and exciting. Due to our companies’ similar history and the expertise in operating under harsh conditions this partnership was a natural one to venture into. Our schedules and general operations complement each other very well in servicing the growing interest in exploration and mining in Greenland. We look forward to operating into Canada again. Air Greenland had a route to Canada from 1981-2001.”

“This new and convenient link between Labrador and Greenland will open new business opportunities for companies and people in Labrador”, said Tom Randell, Managing Director of Innu Mikun Airlines. “It will allow both regions to benefit from their experience and share common interests.”

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