24th July 2013

<u>Alliance Aviation Services (ASX code: AQZ)</u>

<u>Alliance concludes contract extensions with two foundation customers</u>

Alliance Aviation Services (ASX: **AQZ**) today announced it had signed extensions to existing contracts with two major foundation customers, Incitec Pivot and MMG.

Incitec Pivot has extended the existing contract for fly-in, fly-out (FIFO) services to its Phosphate Hill site in north Queensland for a further five years, and MMG has extended the existing contract for its Century Mine in north-west Queensland for a further 18 months.

Alliance Airlines operates eight weekly services between Phosphate Hill and Townsville on behalf of Incitec Pivot and eight Cairns - Lawn Hill and twelve Townsville - Lawn Hill flights each week for MMG.

Alliance has had a relationship with Incitec Pivot since 2002 and the contract rollover extends the relationship until at least 2017. Alliance's services to Century Mine commenced in 2002 and will now run to the end of the mine life.

Alliance Aviation Managing Director, Scott McMillan said these contract extensions demonstrate the company's strong track record of meeting and exceeding performance and reliability standards and reinforce the long-standing relationships it had built with its customers.

"Our unique FIFO offering, with an Australia-wide network of aviation services, allows us to provide the responsiveness and flexibility our customers require, which is a key driver of our success," he said.

"We are committed to building a sustainable earnings pipeline and the long-standing relationships we've built with blue-chip customers like Incitec Pivot and MMG contribute to this goal."

Mr McMillan said the latest extensions build on the contract wins and roll-overs the company had achieved over the past 12 months. These include an extended contract with BHP Billiton's Groote Eylandt Mining Company (GEMCO) for its manganese operations in the Gulf of Carpentaria for a further five years.

The introduction of additional Fokker 70 aircraft increases Alliance's fleet of 75-seat aircraft to seven. The long range capability of the Fokker 70 has greatly enhanced the product offering to our customers with the aircraft now based in Brisbane, Melbourne, Perth and Darwin.

About Alliance Aviation

Alliance Aviation is Australia's leading provider of fly-in, fly-out ("FIFO") transportation. Alliance provides an essential service to the mining and energy industry – the safe and efficient air transportation of their employees and contractors to and from remote locations.

The company was recently award the Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.

The Company operates a fleet of 18 Fokker 100 and seven Fokker 70LR jet aircraft and six Fokker 50 turboprops at industry leading on time performance.

Alliance flies workers to and from some of the largest mining operations in Australia for a predominantly "blue chip" mining and energy customer base, and also provides ad hoc charter, aircraft wet lease and aviation engineering services to a range of corporate and government customers.

The Company has a growing national footprint with operations now based in Brisbane, Townsville, Cairns, Adelaide, Melbourne, Perth and Darwin.

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