

**MEDIA RELEASE**

Thursday, 22nd November 2007

**O'CONNOR AIRLINES CONTINUES TO FLY**

Troubled South Australian regional airline service, O'Connor Airlines, will continue to operate as normal, despite being placed in Voluntary Administration.

And administrator, Mr Sam Davies, of McGrathNicol, said today that "significant interest" had been shown in the Mount Gambier-based company by internationally-based airline operators "looking to establish a footprint in Australia".

Other existing regional operators in Australia were also making enquiries about the financially-troubled airline company.

"This level of interest in the airline so early in the administration is very pleasing and we are hopeful of a going concern sale," Mr Davies said today.

"In the meantime, O'Connor Airlines is continuing to operate all of its existing services," he said.

"All existing customer bookings will be honoured and the airline was taking new bookings as well.

"The company's key stakeholders - employees, CASA, the South Australian Government, regional councils and suppliers – have provided their ongoing support in order to continue the airlines operations."

O'Connor Airlines – a regional airline servicing flights from Adelaide to Mount Gambier and Port Augusta in South Australia and Mildura in Victoria – was placed in Voluntary Administration yesterday at the request of the Company's Directors.

The airline company has been providing regional airline services for 34 years, operating flights under an exclusive licence from Adelaide to Port Augusta as well as servicing the Mildura and Mount Gambier routes.

It is understood the collapse of the airline has been caused by a number of factors, including the significant competition on some routes resulting in price discounting which had in turn caused cash losses.

A meeting of creditors will be held jointly in Mount Gambier and Adelaide on 28 November 2007.

McGrathNicol is a leading independent advisory firm specialising in Corporate Advisory, Forensic, Transaction Services and Corporate Recovery. McGrathNicol has approximately 240 staff with offices in all major Australasian cities.

**For further information:****Sean Whittington****Senior Consultant****Field Public Relations**

Tel: (08) 8234 9555

Mob: 0412 591 520

Email: [sean@fieldpr.com.au](mailto:sean@fieldpr.com.au)