BALUS TOKTOK

NEWSLETTER

Managing Director's Message



Managing Director, Alan Milne

Happy New Year to you, welcome to the first edition of the Balus Toktok Newsletter for January 2020.

I hope you celebrated the start

of 2020 in good spirits with family, friends and loved ones.

As we are now into the New Year, it's always good to look ahead and think about what this year may bring us.

Although the current financial market and economic climate is no different to last year, we are optimistic.

We do not expect a drastic turnaround, however with continuous focus on our Higher Altitudes transformation program, we are taking serious

steps to further strengthen our financial performance, balance sheet and reduce our risk profile.

Under the Higher Altitudes program, I encourage staff in all ANG network to continue to work smarter to achieve the 100 percent On Time Performance (OTP) mark.

We must ensure to meet customers' expectations and deliver on time, every time, but at the same time we must not compromise safety.

We have pulled out of

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Air Niugini supports PNGAAA bushfire appeal

Air Niugini was among many corporate organisations that supported the PNG Australia Awards Alumni (PNGAAA) Australian Bushfire Appeal Breakfast held this month at Gateway Hotel in Port Moresby.

Air Niugini has been a beneficiary of Australia and its citizens through the Australian awards with many of our staff both past and present been recipient of the scholarship awards, some of whom attended the event.

PNGAAA organized

bushfire breakfast appeal as a way to raise funds for the victims of the devastating bushfires in Australia with a total of K330, 000 raised at the event.

The appeal breakfast was also attended by Prime Minister, Hon James Marape.

All donations and funds will go towards New South Wales Rural Fire Services and Victoria Bushfire Appeal to help those affected.



Our staff who are members of PNGAAA with the PM during the appeal breakfast.

Milne gives an overview of 2020

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commercially unviable routes and expanded our codeshare and ancillary revenue, more will follow this year.

A clear example of improvement is the move by Air Niugini to become a key player in regional airline servicing with the introduction of the maintenance repair overhaul.

Word has already gone out and

we are hopeful more regional airlines in Australia and the Pacific will be knocking on our door soon.

Air Niugini is also looking at fleet replacement. The priority for the next two to three years will be a replacement for our narrow-body jet aircraft, followed shortly thereafter by a replacement for our wide bodied 767s.

We are working with the various manufacturers to see what aircraft

will best suit our purposes.

Our objective in renewing the fleet with more efficient aircraft is to reduce costs, improve on on-time performance and reliability, lowering our operating cost-based and enabling lower airfares.

I take this opportunity to thank you all and look forward to your support this year.

Thank-you!

Air Niugini offers to uplift firefighters to help Australia battle bushfires

Air Niugini had offered to uplift Papua New Guinea firefighters free of charge who may be asked to travel to Australia to assist with the current effort to stop the spread of wildfires.

These devastating fires have so far burned over 17 million acres of land, killed at least 25 people, half a billion animals and destroyed millions of dollars' worth of properties.

The airline's response is in support of the PNG Government's offer to provide firefighters and Defence Force soldiers to combat the spread of fires, and adds to relief efforts being currently coordinated by the Australian Defence Force.

Air Niugini Managing Director Alan Milne said although small, it is the airline's contribution to support Australia which is not only PNG's closest neighbor but also ANG's biggest international market.

He said, "Australia is our biggest international market and it is only



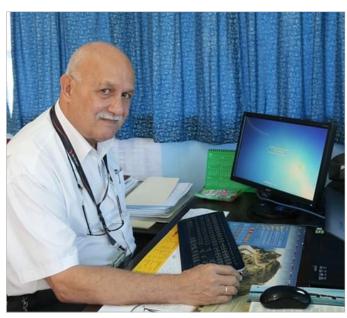
Fire fighters continue to battle the spread of bushfires in Australia

fitting for Air Niugini to assist. What we are offering to provide may not be much but it is what we can offer at this time of need. Our thoughts and prayers are with the Australian families who have suffered the loss of loved ones, incalculable damage to homes, businesses and properties."

Air Niugini operates daily flights to three Australian cities including Cairns, Brisbane and Sydney with a total of 19 weekly flights to these ports. They include two weekly flights to Sydney, seven to Brisbane and ten weekly flights to Cairns which adds up to over 2,500 seats per week in each direction.

Fire fighters from Australia and other parts of the world continue to battle the blaze in several parts of Australia in a bid to contain the widespread fires.

Gus Kraus Pioneers Aviation Industry in PNG



Gus Kraus in his current office at 7mile, Port Moresby

The aviation industry in Papua New Guinea has come a long way well before the country gained Independence in 1975.

One of Air Niugini's long service staff, Gus Kraus, who is currently General Manager for ANG Cargo, has been there since day one pioneering the aviation industry.

Kraus began his career in 1968 when he joined Talair in Goroka then moved to Rabaul to join Ansett Airlines PNG in 1969, and was part of the team when Ansett transitioned into ANG in 1974.

He has worked with the ANG on and off during his 51 years serving the aviation industry in PNG and abroad.

During the journey, Kraus achieved milestones which include the recipient of the PNG 10th Anniversary Independence Medal for services to Community and Aviation, and most recently awarded MBE in the Queen's honour list in June, 2019.

Kraus was humbled and grateful to have been honoured by the Queen.

"It was, in some way, a small token of appreciation considering the hard years in an ever developing aviation industry both in PNG and Solomon Islands.



Gus sharing a lighter moment with staff.

Getting an award that recognized this is very gratifying but humbling."

Kraus has worked with ANG for 27 years now, leaving in between but is back for the third time.

Kraus was put in the front line doing customer service work and was promoted to manager in Manus then to Wewak and later as deputy manager at the Jacksons Airport, before being placed in Traffic Systems to ensure a smooth implementation of the Dash7 aircraft into ANG.

In between; Kraus was attached to the Training Department as the Weight & Balance trainer and was responsible for all of Air Niugini's fleet as trainer in load-control as well as training for the Qantas B747 Combi.

Kraus has a wide range of experience in various areas in the aviation industry from commercial and airport plus engineering



Talking to ECM Cargo, Ms Pala Leka

oversight to flight operations, cabin crew oversight, airport handling and customer services. aircraft leases. charter organisation, schedules planning, cargo handling, catering oversight, aircraft cabin cleaning and domestic port audits.

In between his early aviation career, Kraus had a passion for rugby league and was the first ever coach of Brothers Rugby League team in Mt Hagen and the Sea Eagles team in Wewak after playing for Sea Eagles in Rabaul and later joined Kokopo United.

After the first year of coaching and leaving, Brothers won the premiership three years running while Sea Eagles won two premierships after he left.

"I must thank my employer Air Niugini for giving me the opportunity to grow and develop my career in the aviation industry and making many friends and colleagues during career. I also would like to thank my family that gives me the sense of purpose to continue my journey in aviation and sincerely thank my wife Ateca for raising our 6 children on her own. Thank you and vinaka!" Kraus concluded.

Delayed Delivery of Four 737 MAX Jets until at Least 2024

Air Niugini has updated its purchase contract with the Boeing Company to delay the delivery of the four Boeing 737 MAX jets it has on order until at least 2024, the airline's Managing Director Alan Milne said on Tuesday.

The four 737 MAX jets were ordered in 2014, and the airline had originally been due to receive its first aircraft later this year.

Mr Milne said, "This delay will give the airline more time to complete a broader review of its fleet plans, including a future replacement type for its

s maller Fokker regional jets. This will then determine if the MAX is still appropriate for Air Niugini, or whether other Boeing products would better suit as a replacement for the airline's existing Fokker, Boeing 737 and 767 aircraft types".

Mr. Milne further said that it was possible the

737 MAX orders could be switched to the smaller Embraer E2 regional jet family, if Boeing's deal purchase the bulk of the Brazilian plane maker's commercial division proceeds. Alternatively, the MAX order could bе switched for other Boeing aircraft types.

The airline is also carefully evaluating aircraft types from other manufacturers such as Airbus to fulfill the Fokker or the 737/767 replacement roles.

Mr. Milne continued, "Boeing remains a valued and long standing supplier of aircraft to Air Niugini, and we are committed to working closely with them to satisfy our evolving future fleet requirements".

A number of other Boeing customers, including Virgin Australia, have already postponed the delivery of 737 MAX jets.



Air Niugini's flagship carrier, the B767 aircraft

Measles Vaccination proof for passengers traveling to Solomon Islands

Air Niugini wishes to advise passengers travelling from Papua New Guinea to the Solomon Islands that they are now required to provide proof of Measles vaccination, effective as of 20th January 2020.

In an update issued by Solomon Islands Ministry of Health on January 02, 2020 PNG was added as one of the measles "affected"

countries, along with New Zealand.

The original list of affected countries comprised American Samoa, Samoa, Fiji, Tonga, Australia and the Philippines.

The Ministry of Health advise that it is mandatory to fill in a Traveller Health Declaration Card before entering the Solomon Islands. Proof of

vaccination will be in the form of a vaccine Card, vaccination records for proof of immunization for children, and medical certificate from a recognized medical practitioner/hospital.

These requirements are not applicable for infants less than 6 months of age, pregnant women, and passengers transiting through PNG where the original port of departure

is not an affected country.

Solomon Islands first made the announcement in December 2019 for everyone to receive the vaccination as a requirement prior to traveling into the country.

Air Niugini operates six weekly flights to Honiara, Solomon Islands. Volume 2 Issue 1 Page 5

Link PNG's New Q402 Aircraft Arrives in Port Moresby

Link PNG, a subsidiary of Air Niugini, proudly welcomed its first Q402 aircraft into Port Moresby on Monday, 27 January, 2020.

The Q402, under registration P2-PXQ, is near new and brings substantial additional capabilities to the Link PNG operation.

aircraft operates close to jet speeds, and is 30% faster than the other turbo-props presently being operated in PNG. On a such as Moresby to Rabaul, the Q402 will only take 1 hour 38 minutes, rather than 2 hours 10 minutes on the other turbo-props.

With 76 seats, it has over



The new Q402 parked at Jackson's International Airport

50% more passenger capacity than Link PNG's present Dash 8's.

Link PNG General Manager, Bruce Alabaster said the new aircraft will be able to operate longer direct routes, and the additional seating capacity can be expected to result in lower airfares.

He said, "Since Q402 has

the potential to operate longer routes, it now aives Link PNG opportunity to open up new, long direct routes that the current Dash 8 is unable to operate to. Additionally, it has 50% more seats than present DHC-8's, but similar operating costs, this can expect to result in airfares. Lower lower lease rates and the airport

upgrades under CADIP, now makes the fleet more economically efficient and also able to operate to a lot more airports than previously," he said.

The immediate use of the O402's will be to airports that are planned for runway upgrades during 2020 under the CADIP program and hence will not be available for Fokker jet operations. These airports include Rabaul, Alotau, Madang Kavieng at varying times throughout 2020.

Additional Q402 aircraft are scheduled to be delivered, with the next aircraft arriving in late February.



From left to right- Captain Caleb Oki, cabin crew Amy Makis, Actor Zac Efron, cabin crew Idaak Essau and First Officer Patrick Kiromat

Air Niugini was pleased to have American actor and former High School Musical Disney star, Zac Efron fly with the national airline while he was here for up to 3 weeks filming a new adventure series in December, 2019.

Zac, 32, was in PNG where he travelled to the Sepik river in East Sepik

to film his new survival reality TV show called 'Killing Zac Efron', which he stars in and is the executive producer as well.

Our flight crew were honored to have him on board his first leg of the domestic trip to Boram airport, Wewak.



Zac Efron at the Sepik river

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STAFF SOCIAL ACTIVITIES





Air Niugini staff meeting SP PNG Hunters players.

team's annual sponsors engagement program on Saturday, 25th January at the Oil Search National Football Stadium here in Port Moresby.

The event saw sponsors meet and mingle with the players and were involved in some fun games and activities.

We wish SP PNG Hunters the very best for season 2020 in the Queensland Intrust Super Cup competition.

Air Niugini farewells staff



Magdelene Gutuma

Three staff members were fare welled this month in a small parting event attended workmates.

Tabara of Staff Travel.



Helen Tabara

Elaine Ravu, Domestic Ticketing Officer and Magdelene Gutuma of Planning & Management who have They include Helen been with Air Niugini for over 10 years. During

their farewell kaikai with staff from each of their respective departments, the three ladies thanked Air Niugini for giving them the opportunity to learn about the industry



Thank-you for your

contribution towards ANG. We wish you the very best in your future endeavors.



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The National Airline of Papua New Guinea

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Papua New Guinea's national airline, Air Niugini serves over 20 destinations domestically and 10 internationally. Air Niugini strives to provide safe, efficient, affordable and comfortable airline services.

Mission:

To continue to be the premier airline to Papua New Guinea striving to provide safe, reliable, cost-effective and profitable air operations while exceeding the expectations of our customers and stakeholders.

Staff Noticeboard



