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AIRPORT PUTS TERMINAL EXPANSION ON HOLD

Darwin International Airport and Jetstar, representing the broader Qantas group, have been unable to reach a commercial agreement necessary to underpin the \$60 million terminal expansion planned for Darwin. As a result, the terminal expansion has been put on hold.

Consequently, this portion of the debt facility has now expired but this will not affect the other debt facilities currently in place and available to NT Airports. If a commercial agreement allowing for the terminal expansion is reached with the airlines in the future, NT Airports will seek to re-engage with its financiers on the funding of the expansion.

The Chief Executive Officer for NT Airports Mr Ian Kew said "Darwin International Airport has devoted considerable resources to the expansion project including agreeing the project scope with the Qantas Group and obtaining planning approvals from the Commonwealth Government."

"Gaining the support of Qantas and Jetstar was critical given that they represent over 80% of our business. We believe that Qantas and Jetstar remain committed to Darwin and the concept of the hub but recognize that because of the pressures of the current economic conditions, it was difficult for them to agree to an investment program in the near term that required a proportionally greater increase in airport charges." he said.

"Although disappointed, Darwin International Airport will continue to work with all its airline partners to support their growth and expand air services through Darwin. At the same time, we are a commercial operation and have an obligation to achieve appropriate returns for our shareholders."

In the past five years, the airport has delivered more than \$77 million in aviation related capital projects. Although the major terminal project is now on hold, the airport is expected to invest a further \$19 million in aviation related projects in the 2009/10 financial year. This includes the two additional aircraft parking positions currently under construction to accommodate additional peak period services and over-nighting aircraft.

NT Airports would like to thank the Northern Territory and Commonwealth Governments for their strong support throughout the terminal expansion process.

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