



Provincial Aerospace

Media Release

For Immediate Release

November 12, 2014

St. John's, NL - The PAL Group of Companies announced today that it has reached an agreement to be acquired by Exchange Income Corporation (EIC) based in Winnipeg, MB. Under the terms of the deal, the PAL Group will continue to be operated independently under its current management at its headquarters in St. John's, NL.

"It is a very exciting day for our company, and the province of Newfoundland & Labrador. This marks the launch of our next phase of growth," said Brian Chafe, CEO of the PAL Group of Companies. "EIC is committed to supporting our continued growth at home in Newfoundland & Labrador as well as nationally and internationally. EIC's support will enable us to pursue large scale contracts, such as Canada's Fixed Wing Search & Rescue program. We look forward to a very bright future," added Chafe.

"Our investment in PAL will enable it to grow its infrastructure and employee base in Newfoundland & Labrador and abroad," said Mike Pyle, CEO of EIC. "PAL has built a labour force that is as good as any we have ever seen, so we are delighted with this acquisition," said Pyle.

PAL's key partner on the airline side of the business is the Innu Nation of Labrador. Together with Provincial Airlines, the Innu Development LP (IDL) own Innu Mikun Airlines which services the coastal communities of Labrador. The leadership of the IDLP is very supportive of the EIC transaction. Luke Rich and Greg Pone, co-CEO's of IDLP stated, "We welcome EIC as our new partners and are very encouraged by their confidence in the staff and leadership at Innu Mikun Airlines."

"I recently met with representatives from EIC and am pleased to learn that they are committed to growing PAL's presence at St. John's International Airport. I look forward to working with them as our newest airport partners," said Keith Collins, President and CEO of St. John's International Airport Authority.

PAL has demonstrated that Newfoundland & Labrador based companies can be world leaders in service and innovation. PAL is proud of that history and is eager to build upon it as it moves forward. "PAL's current owners fostered a culture of innovation and creativity for its employees that enabled success to occur. We are proud of the success they achieved as entrepreneurs. As they move on they have chosen new owners that share their philosophy and are committed to our continued success. We thank them for that," said Chafe.

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