

Comair Limited

(Incorporated in the Republic of South Africa)
(Registration Number: 1967/006783/06)
ISIN: ZAE00002983
Share Code: COM
("Comair" or "the Company")



NOTICE OF BUSINESS RESCUE RESOLUTION AND SUSPENSION OF LISTING OF COMAIR SHARES

Further to the cautionary announcement released on 30 April 2020, shareholders are advised that the Company is unable to operate given the current restrictions in place. It appears that restricted air travel may commence at Risk Level 3, full domestic air travel at Risk Level 2 and regional and International air travel at Risk Level 1. The level of the prevailing COVID 19 risk will determine the progression from Risk Level 5 to Risk Level 1. It is not anticipated that Comair will commence operating prior to October or November 2020.

The Comair business model is sound as the airline has been profitable for the past 74 years. Unfortunately, due to the abovementioned restrictions, operations have ceased. The Board believes that once again operational, Comair will take to the skies and return to being a major player in the South African airline industry.

The Comair board of directors ("**Board**") is therefore of the opinion that:

1. the best option to ensure the long-term survival of the Company is to implement a business rescue plan as contemplated in Chapter 6 of the Companies Act 71 of 2008 as amended ("the Companies Act"); and
2. under the direction of the right business rescue practitioner a return to operations may be achievable once restrictions are lifted.

The Board accordingly resolved on 4 May 2020 to commence with voluntary business rescue proceedings as provided for by Section 129 of the Companies Act.

In the light of this decision, the Board has applied to the JSE Limited ("**JSE**") (and was granted approval by the JSE) for the suspension of trading in the Company's shares on the JSE with immediate effect in terms of paragraph 1.10(a)(iii) of the JSE Listings Requirements on the following basis:

- the Board will no longer be in control of the Company;
- the Board is not in a position to confirm to the JSE that the Company will be able to comply on an ongoing basis with the JSE Listing Requirements;
- with the material discussions to be undertaken with all stakeholders, the risks of leaks of price sensitive information are great, which could result in different levels of information in the market;
- the nature and extent of the restructure referred to above, and its effect on the value of the Company, is unknown; and
- it is uncertain which of the Company's operations will continue and on what basis.

The Board considers this decision to be prudent and in the best interests of shareholders while the Company and its business rescue practitioners explore solutions to the current situation facing the Company.

Shareholders will be updated as further material information becomes available and are advised to exercise caution in relation to the Company.

Bonaero Park
5 May 2020

Sponsor
PSG Capital



PSG CAPITAL

IMPORTANT NOTICE TO FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS

FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS IN COMAIR LIMITED (“COMAIR”) SHOULD NOTE THAT, IN ORDER TO ENABLE COMAIR (AS A LICENSED AIR SERVICES OPERATOR IN SOUTH AFRICA) TO REMAIN COMPLIANT WITH THE FOREIGN OWNERSHIP RESTRICTION CONTAINED SECTIONS 16(4)(c) AND 19(a) OF THE AIR SERVICES LICENSING ACT, NO. 115 OF 1990, THE VOTING RIGHTS OF FOREIGN SHAREHOLDERS MAY BE DECREASED PROPORTIONATELY SUCH THAT THE VOTING RIGHTS OF FOREIGN SHAREHOLDERS DO NOT, IN AGGREGATE, EXCEED 24.99%. FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE REFERRED TO THE COMAIR’S MEMORANDUM OF INCORPORATION AND WEBSITE (www.comair.co.za) FOR FURTHER DETAILS. IF FOREIGN SHAREHOLDERS OR PROSPECTIVE INVESTORS ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE THEY SHOULD SEEK ADVICE FROM THEIR BROKER, ATTORNEY OR OTHER PROFESSIONAL ADVISER.