

ADVENT AIR LTD
(‘Advent Air’ or the ‘Company’)

CONSOLIDATED UNAUDITED RESULTS FOR THE
SIX MONTHS ENDED 31 DECEMBER 2006

Advent Air, which owns and operates Western Australian based Skywest Airlines Pty Ltd (“Skywest”), is pleased to announce interim results for the six months to 31 December 2006.

HIGHLIGHTS

- 245 per cent. increase in pre-tax profits to S\$4,422,950 (six months to 31 December 2005: S\$1,283,276);
- 950 per cent increase in post-tax profits to S\$4,422,950 (six months to 31 December 2005: S\$421,072);
- Sales up 18% to S\$58.7m (six months to 31 December 2005: S\$49.8m);
- 15-fold increase in earnings per share to 1.79 Singapore cents (six months to 31 December 2005: 0.12 Singapore cents);
- The interim dividend payment to shareholders will increase to Singapore Cents 0.3 per ordinary share;
- Completed the acquisition of Skywest through its subsidiary, Captive Vision Capital Ltd; and
- Strong growth in passenger numbers due to growing regular scheduled airline passenger business and number of charter contracts signed with resources companies.

Note:

The Company’s results are reported in Singapore Dollars (‘S\$’ or ‘SGD’), all reference to Dollars are Singapore Dollars unless otherwise stated. References to AUD\$ are to Australian Dollars.

Advent Air Chairman Jeff Chatfield said:

“We remain well positioned with a growing number of long term charter contracts in place – providing high levels of revenue visibility. Meanwhile, fuel hedging provides a degree of comfort for our passengers, which continue to grow in number. We plan to strengthen relationships with resource production companies and add further destinations to our schedule.”

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CHAIRMAN'S STATEMENT

I am pleased to present our interim results for the six months ended 31 December 2006 (the "Period"). The Company announces that the airline operating performance by Skywest Ltd has resulted in improved Group operating results with Group revenues for the half year increasing to S\$58,726,491 with earnings before interest, taxation, depreciation, amortization and aircraft rentals of S\$10,400,199.

The Company's net pre-tax profit in the Period was S\$4,422,960 (2005: S\$1,283,276). Profit post income tax was S\$4,422,960 (2005: S\$421,072).

The interim dividend payment to shareholders will increase over the payment for the same period last year to Singapore Cents 0.3 per ordinary share paid with Ex-Dividend date of 11 April 2007, record date 13 April 2007 and payment to be dispatched to shareholders on 30 April 2007

The Company's results are prepared in accordance with IFRS and are un-audited.

TRADING

The growth strategy of the Company continues with emphasis on the acquisition of long term charter contracts to service the resource production companies operating in Western Australia and the Northern Territory. This strategy will continue for the foreseeable future.

The resource production companies benefit from Skywest's reliable services, using its relatively modern fleet of large aircraft and excellent reliability and on time performance. The Company will also endeavour to establish new routes and more frequent services to the destinations that it currently serves.

During the Period we extended the existing Argyle charter contract and added further flights. This revised contract will contribute an additional AUD\$5m in revenue per annum to Skywest. We also signed a contract worth AUD\$2m with BHP Billiton to operate a weekly scheduled air charter.

Since the period end Skywest has signed a contract with Portman Iron Ore Ltd worth S\$2m per year. Skywest has also recently agreed with The Pilbara Infrastructure Pty Ltd to operate scheduled charter services from Perth to the iron ore region of Western Australia including the airports at Port Hedland, Cloud Break and Newman during the construction phase of their iron ore project. The initial contract term is for 15 months and involves five flights per week and is worth over AUD S\$6m per year. The passengers will be construction workers involved on the construction phase of the iron ore facilities.

We also continue to grow our regular scheduled airline passenger business. In November 2006, Skywest won a Tourism Award, confirming its status as Western Australia's premier regional airline.

During the period, we entered into the fuel hedging arrangements providing our passengers with a degree of certainty in the level of airfares. We will continue to look at ways of improving our margins and further growing our fleet.

Skywest Airlines has now hedged 90% of its fuel requirements to 30 June 2007 thereby reducing the impact of volatility in the Company's fuel expenditure. A combination of both swaps and collars has been used. The current fuel levy arrangements charged to passengers will remain in place for this period.

As at the date of this announcement, the Company owned seven aircraft, with 10 in operation in total. The Company estimates that the aircraft operated and owned within the group have a useful life of approximately 70% remaining which will amount to 12 to 15 years of use.

The Company depreciates aircraft over a period of six years, which the Company understands is conservative compared with the typical useable aircraft life of 20 to 25 years.

OUTLOOK

The Company and the shareholders need to remain aware of the risks involved with the aviation industry along with issues relating to fuel costs and any resultant loss of business resulting from any downturn in the world commodities markets.

We remain well positioned with a growing number of long term charter contracts in place, providing high levels of revenue visibility. Meanwhile, fuel hedging provides a degree of comfort for our passengers, which continue to grow in number. We plan to strengthen relationships with resource production companies and add further destinations to our schedule. The Directors are confident that the Company will continue to show good progress for the year as a whole.

Jeff Chatfield
Executive Chairman
16 March 2007

**UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006**

In Singapore Dollars (S\$)

	6 months ended 31 December 2006	6 months ended 31 December 2005
Revenue	58,726,491	49,798,208
Cost of sales	<u>(28,819,916)</u>	<u>(26,251,396)</u>
Gross profit	29,906,575	23,546,812
Other operating income	568,633	155,537
Selling, general and administrative expenses	(19,362,967)	(16,634,112)
Other operating expenses	<u>(712,042)</u>	<u>(117,155)</u>
Earnings before rental of aircraft, depreciation and finance cost	10,400,199	6,951,082
Rental of aircraft	(2,712,532)	(2,690,846)
Depreciation	(3,248,204)	(2,656,911)
Interest expense	<u>(16,503)</u>	<u>(320,049)</u>
Earnings before tax	4,422,960	1,283,276
Income tax	<u>-</u>	<u>(862,204)</u>
Profit after income tax	4,422,960	421,072
Minority Interest	<u>(787,860)</u>	<u>(315,892)</u>
Profit attributable to shareholders of the company	<u>3,635,100</u>	<u>105,180</u>
Earnings per share	<u>1.79 cents</u>	<u>0.12 cents</u>

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

In Singapore Dollars (S\$)

	As at 31 December 2006	As at 31 December 2005
Current assets		
Cash	12,988,611	8,680,492
Trade receivables	8,138,999	9,795,168
Other receivables and prepayments	651,048	2,536,116
Inventories	1,037,769	912,851
Other investments	229,132	190,629
Total current assets	<u>23,045,559</u>	<u>22,115,256</u>
Plant and Equipment	39,626,570	29,656,647
Other receivables	603,309	-
Intangible assets	16,853,860	10,045,638
Total non-current assets	<u>57,083,739</u>	<u>39,702,285</u>
Total assets	<u><u>80,129,298</u></u>	<u><u>61,817,541</u></u>
Current liabilities		
Interest bearing loans and borrowings	-	1,665,046
Trade payables	5,013,199	15,261,250
Other payables	7,493,128	897,683
Unearned revenue	9,401,835	5,473,450
Deferred income	578,178	-
Loan facility from related party	-	122,081
Provisions	4,539,840	4,090,185
Income tax payables	-	268,864
Dividend payable	1,077,116	-
	<u>28,103,296</u>	<u>27,778,559</u>
Non-current liabilities		
Deferred government grant	-	507,366
Borrowings	5,307,391	5,000,000
Deferred tax liabilities	928,019	954,455
Provisions	81,062	154,198
	<u>6,316,472</u>	<u>6,616,019</u>
Minority interest	-	7,512,319
Capital and reserves		
Issued capital	45,844,250	36,476,194
Assets Revaluation reserve	625	625
Foreign currency translation reserve	739,801	51,431
Accumulated losses/profits	(875,146)	16,617,606
	<u>45,709,530</u>	<u>19,910,644</u>
Total liabilities and equities	<u><u>80,129,298</u></u>	<u><u>61,817,541</u></u>

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

In Singapore Dollars (S\$)

	6 months ended 31 December 2006	6 months ended 31 December 2005
Profit before income tax and minority interest	4,422,960	1,283,276
Adjustments for:		
Depreciation expenses	3,248,204	2,656,911
Gain on disposal of plant and equipment	-	(8,845)
Interest expense	16,502	320,049
Interest income	(429,357)	(190,897)
Operation profits before working capital changes	7,258,309	4,060,494
Trade receivables	1,656,169	(712,138)
Other receivables	1,281,759	(666,849)
Inventories	(124,918)	21,864
Intangible assets	-	(119,679)
Trade payables	(10,248,051)	2,864,525
Other payables	6,595,445	(8,129,583)
Provisions	376,519	284,830
Unearned revenue	3,928,385	-
Deferred income	578,178	-
Deferred government grant	(507,366)	507,366
Cash from (used in) operations	10,794,429	(1,889,170)
Interest paid	(16,502)	(320,049)
Interest received	429,357	190,897
Income tax paid	(295,300)	(50,217)
Net cash from (used in) operating activities	10,911,984	(2,068,539)
Cash flows used in investing activities		
Purchase of property plant and equipment	(12,296,925)	(4,435,701)
Proceeds from disposal of property, plant and equipment	-	12,004
Purchase of short term investments	(38,503)	(83,627)
Interim dividend paid	(365,310)	-
Additional investment in subsidiary paid to minority shareholders	(10,754,077)	-
Net cash used in investing activities	(23,454,815)	(4,507,324)
Cash flows from financing activities		
(Repayment of) proceeds from borrowings	(1,479,736)	37,966
Proceeds from issuing shares	18,437,472	5,922,433
Dividend paid to minority shareholders of a subsidiary	(533,824)	(653,193)
Net cash from financing activities	16,423,912	5,307,206
Net effect of exchange rates in consolidating subsidiaries	427,038	(254,120)
Net increase (decrease) in cash	4,308,119	(1,522,777)
Cash at beginning of period	8,680,492	10,203,269
Cash at end of period	12,988,611	8,680,492

Notes:

- 1) The directors will propose an interim dividend of 0.3 Singapore cents per share amounting to S\$609,000 based on 203,000,000 shares. These financial statements do not reflect this interim dividend payable.
- 2) The results for the Period are derived from continuing activities.
- 3) The calculation on earnings per shares have been on a weighted average 203,229,406 (2005: 84,505,940) ordinary shares in issue for the during the 6 months period. The weighted average of ordinary shares is derived by addition the opening balance of issued shares with closing balance of issued shares and divided by 2.
- 4) The un-audited results have been prepared on a going concern basis and on the basis of the accounting policies adopted in the audited accounts for the period ended 30 June 2006 and 30 June 2005. The interim figures have not been audited. The interim financial statement does not constitute statutory accounts within the meaning of Section of the Singapore Companies Act (as amended).
- 5) The interim statement for 2006 has been approved by the board of Directors. Copies of this statement will be available to shareholders and members of the public, free of charge, from 10-12 Copthall Avenue London EC2R 7DE and the Company's registered office and the Company website www.advent.com.sg
- 6) The exchange rate applying at 31 December 2006 was AUD:SGD 1.20997. The average rate applied during the six months period ended 31 December 2006 was AUD:SGD 1.1983.