

NEWS RELEASE

For Immediate Release

LIAT responds to LIALPA's concerns about proposed new base

ST. JOHN'S, Antigua, April 15, 2010 – For the past two years LIAT and the Leeward Islands Airline Pilots Association (LIALPA) and the Leeward Islands Flight Attendants Association (LIFAA), the groups representing the airline's pilots and cabin crew, have been engaged in talks about establishing a base in Trinidad.

The need for the new base arises from LIAT having to overnight a minimum of 18 crewmembers every night in hotels in Port-of-Spain at an annual cost of over US\$1 million. The opening of a base in Trinidad is a part of the company's attempts to respond to the dynamics of regional inter-island traffic, including Trinidad's significance as a business and commercial centre for the southern Caribbean.

The management of LIAT, although not required by law or contract, has retained professional accounting and consulting services firm PriceWaterhouse Coopers (PWC) to undertake a Cost of Living Adjustment (COLA) study to assess any differentials in costs that might arise for pilots and flight attendants as a result of having to be based in Trinidad. The PWC study specifically included costs associated with the increased security risks associated with Trinidad.

A similar study, without the security risk factors, was done when LIAT successfully re-established its Barbados base in May of 2001.

The existing collective agreements between LIAT and the unions that represent the flight crewmembers stipulate the working conditions for all pilots and flight attendants employed by the company irrespective of where they are based. These agreements specifically state that the company can transfer its crewmembers to new bases. Established provisions exist for the transfer of flight crews including for relocation of their families and of certain types of property.

LIAT's management wishes to emphasize that it remains committed to the safety, security and general welfare of its staff. The company expects to continue its discussions with the unions representing the Flight Attendants and Pilots in order to establish a base in Trinidad.

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About LIAT

LIAT is one of the leading Caribbean airlines. It is owned by regional shareholders, with the major shareholders being the Governments of Barbados, Antigua and Barbuda and St. Vincent and the Grenadines. More information about LIAT may be found at www.liat.com.

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