

FedAnnouncement #14

April 2011

Fuel Surcharge 2011

KEY POINTS

- Fuel Surcharge on all Shuttle routes
- Effective 01 June 2011
- Fares paid in full by **31 May 2011** will be exempt

In an attempt to alleviate the negative effect already associated with the stronger Rand and its implications on the international inbound tourism market, Federal Air has endeavored to hold our current shuttle fares in place for as long as possible. Our last Shuttle Rate increase was in April 2009, and has either remained steady or in some cases reduced over the last two years. In order to keep the rates competitive during the economic downturn, Federal Air has absorbed both the fuel price escalation experienced over the past 14 months, as well as various other charges that continue to increase. These include, the Airports Company of South Africa's Passenger Service Charge, The SSW gate entry fee, The SA Civil Aviation Authority fuel levy and Air Traffic and Navigation Services fee increases.

We've been successful up to now by generating greater efficiencies and negotiating better fuel prices with our suppliers. Unfortunately, our fuel costs remain a very real burden on our company. The price of oil has risen above \$120 a barrel and experts anticipate it staying at these levels for an extended period of time. The price of Jet-A aviation fuel has increased by 30% in the past 6 months.

Fedannouncement #12 outlined our pricing and timetable until December 2012. In this announcement we made mention of the fact that we may need to impose a fuel surcharge. Unfortunately, considering the above, we have no alternative but to introduce a Passenger Fuel Surcharge on all Shuttle routes. Details are as follows:

- Effective on ALL flights from **01 June 2011**.
- Applicable to ALL passenger sectors flown after **31 May 2011** irrespective of booking date.
- Fares paid in full by **31 May 2011** will be excluded.
- Affects ALL Federal Air Shuttle Departures.

We anticipate that some of our customers would like to be exempt from this increase for confirmed future bookings. We have therefore put the following procedure in place:

- For all Shuttle bookings, please send an email on or before 15 May 2011 to the following email addresses: Madikwe Shuttle kim.siddall@fedair.com; ALL other Shuttle bookings please contact claudine.claassen@fedair.com with the following information:
- Email Subject: **"Invoice for Fuel Surcharge Pre-Payment"**
- Please attach an excel spreadsheet that outlines which bookings you would like to settle before the new fuel surcharge comes into effect.
- An invoice will be sent by **23rd May 2011**
- Payment must be received before **31 May 2011**

We've committed, as much as possible, to keeping as our existing Fare Structure (R2 650 and R 2 350) in place during the calculation of this Fuel Surcharge as most of you (Lodges, Agents and Tour Operators) have already committed to brochures for Indaba 2011. This is the reason for the different levels of Fuel Surcharges over our different departure times.

We understand the inconvenience caused by changes in our fare structures. For 10 years we've remained committed to providing you with a consistent, efficient and value driven Air Shuttle Service. We endeavor to continue doing this for another 10 years.

Please contact the following Federal Air Team Members on 011-395-9000 or via email with any questions:

- Vicky Oosthuizen (Shuttle Reservations Manager) vicky.oosthuizen@fedair.com
- Celine Mulder (PR- Madikwe) celine.mulder@fedair.com
- Brad Dickson (Commercial Manager) brad.dickson@fedair.com



Updated 2011/12 Fares & Timetable effective 01 June 2011

Johannesburg (JNB) - Departures

Airport / Airstrip		Times		Current Fare	Fuel Surcharge	Effective Fare 01 June 2011
Departure	Arrival	Departure	Arrival			
Johannesburg (JNB)	Sabi Sand	09:30	10:40	2 650	40	2 690
Johannesburg (JNB)	Sabi Sand	11:00	12:30	1 950	400	2 350
Johannesburg (JNB)	Sabi Sand	13:00	14:10	2 350	300	2 650
Johannesburg (JNB)	¹ Singita KNP	09:30	11:00	2 860	140	3 000
Johannesburg (JNB)	¹ Singita KNP	13:00	14:30	2 860	140	3 000
Johannesburg (JNB)	² Northern Sabi Sand ² Timbavati	³ 11:00	13:00	3 050	150	3 200
Johannesburg (JNB)	Ngala	³ 11:00	13:00	2650	40	2690
Johannesburg (JNB)	⁴ Madikwe	⁴ 10:00	11:00	1 980	105	2 085
Johannesburg (JNB)	⁴ Madikwe	⁴ 13:00	14:00	1 980	105	2 085
Sabi Sand	Johannesburg (JNB)	11:00	12:10	2 350	300	2 650
Sabi Sand	Johannesburg (JNB)	13:00	14:30	1 950	400	2 350
Sabi Sand	Johannesburg (JNB)	14:30	15:40	2 650	40	2 690
¹ Singita KNP	Johannesburg (JNB)	10:20	12:10	2 860	140	3 000
¹ Singita KNP	Johannesburg (JNB)	13:30	15:40	2 860	140	3 000
² Northern Sabi Sand ² Timbavati	Johannesburg (JNB)	12:30	14:30	3 050	150	3 200
Ngala	Johannesburg (JNB)	12:30	14:30	2650	40	2690
Madikwe	Johannesburg (JNB)	11:30	12:30	1 980	105	2 085
Madikwe	Johannesburg (JNB)	14:30	15:30	1 980	105	2 085

Notes

¹ Singita Kruger National Park is transfer over Singita Sabi Sand –effective 01 May 2011

² Northern Sabi Sand / Timbavati / Ngala are transfers over Skukuza - effective 01 May 2011

³ Northern Sabi Sand / Timbavati / Ngala are only available on this Departure- effective 01 May 2011

⁴ All Madikwe flights require a Minimum of 2 guests.

From Nelspruit / KMIA (MQP)

Airport / Airstrip		Times		Current Fare	Fuel Surcharge	Effective Fare 01 June 2011
Departure	Arrival	Departure	Arrival			
Sabi Sand	Northern Lodges / Singita KNP	09:15	10:00			On Request
Nelspruit (MQP)	Lowveld Lodges	09:30	10:30			Daily
Nelspruit (MQP)	Lowveld Lodges	13:15	14:15			Daily
Lowveld Lodges	Nelspruit (MQP)	09:00	10:00			On Request
Lowveld Lodges	Nelspruit (MQP)	11:00	12:00			Daily
Lowveld Lodges	Nelspruit (MQP)	14:30	15:30			Daily
Northern Lodges / Singita KNP	Sabi Sand	15:00	15:45			On Request
Nelspruit (MQP)	Sabi Sands / SKZ / NSS	1 550	125	1 675		
Nelspruit (MQP)	Northern Lodges	1 750	125	1 875		
Nelspruit (MQP)	Singita KNP	1 750	125	1 875		
Nelspruit (MQP)	Hoedspruit (HDS)	1 950	125	2 075		
Sabi Sand	Sabi Sand	1 150	125	1 275		
Sabi Sand	Northern Lodges / Singita KNP	1 590	125	1 715		
Hoedspruit (HDS)	Lodges	1 860	125	1 985		

• All MQP, HDS and Inter Lodge Transfers require a Minimum of 2 guests.

• For all special requests or flights earlier / later than the stipulated MQP schedule, please contact Lyndall at our KMIA branch on 013 750 3140 / lyndall.herbst@fedair.com

• **Important! Federal Air operates a Shuttle Service and is NOT a Scheduled Carrier.**

Routings and departure times from lodges may vary day to day depending on actual lodge and guest requirements as well as landing Conditions. Times subject to change without notice.

• Please note effective 01 June 2011, the landing fee at Ulusaba will increase to R350 per person