



NEWS RELEASE

FOR IMMEDIATE RELEASE

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Island Air Announces Successful Completion of First Step in Corporate Re-Capitalization

HONOLULU - Hawaii Island Air, Inc. dba Island Air today announced the successful conclusion of the first step of their corporate re-financing with Kahala Aviation based in Dublin, Ireland. This is the first financial step in the company's New Business Plan (NBP). The details of the transaction are private.

Charles Willis IV, Chairman of Gavarnie Holding, LLC, the parent company of Island Air said, "The transaction with Kahala Aviation marks the beginning of new capital coming into the company. Later this fall, we will bring more capital into the company facilitating the re-fleeting of the airline, all part of the NBP. "

Lesley Kaneshiro, CEO of Island Air is delighted with the addition of capital into the company. "This gives us the necessary capital to continue our plans. It is even more significant because we've raised these additional funds with a partner that has local ties to Hawaii."

Kahala Aviation Managing Director, Brad Smith, stated "We've leased aircraft to airlines running from Delta Air Lines to United, down to operators in Belarus and Kenya however, this is the first transaction here in our own back yard of Hawaii. Island Air is a fine company and we are pleased to support the local community."

Island Air is wholly owned by Gavarnie Holding, LLC and is Hawaii's leading low cost inter-island carrier and employs 235 dedicated employees. Founded in 1980 to provide scheduled service between Princeville and Honolulu, Island Air now offers 352 weekly flights between the islands of O'ahu (Honolulu International Airport), Maui (Kahului Airport and West Maui's Kapalua Airport), Moloka'i (Ho'olehua Airport), Lana'i (Lana'i City Airport), Kaua'i (Lihue Airport), and the Island of Hawai'i (Kona International Airport). For reservations, flight information, and free membership in Island Air's Cloud 9 Customer Rewards Program, visit www.IslandAir.com.

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