

For Immediate Release

July 12, 2017

**PAL Aerospace Announces \$30M, Two-Year Contract Extension
With the Government of the Netherlands**

St. John's, Newfoundland, Canada – PAL Aerospace is pleased to announce that a \$30 million, two-year contract extension with the Netherlands will continue to ensure operational surveillance and search and rescue capabilities are provided to the Caribbean region until February 2020.

“PAL Aerospace has a strong partnership with the Government of the Netherlands – one of Canada’s allies in operations around the world. We are committed to assisting the Netherlands with the delivery of key capabilities and we are honored this important client appreciates our approach to providing a flexible, proven, reliable and low-risk solution,” says Brian Chafe, Chief Executive Officer, PAL Group.

PAL Aerospace owns and operates two Dash 8 aircraft based in Curacao on behalf of the Netherlands. In cooperation with Dutch Caribbean Coast Guard, this contract offers strategic services that protect the Caribbean region by providing actionable intelligence concerning illegal immigration, illegal fishing, drug operations and other matters of interest to law enforcement agencies. PAL Aerospace has held this contract since 2008.

Brigadier General de Vin, the senior Dutch military commander in the Caribbean Region stated, “As the director of the Dutch Caribbean Coast Guard, I can say that I am extremely pleased with the continuation of the current contract with PAL Aerospace. As an intelligence-collecting asset, the Dash 8 is a critical enabler for our intelligence-based operations.”

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About PAL Aerospace

PAL Aerospace is a Canadian aerospace and defence company with a focus on intelligence, surveillance, and reconnaissance (ISR) solutions. Recognized by governments and militaries for on time/on budget delivery, and high reliability rates, the company has grown globally. This track record of success has led to on-going operations around the world.

For more information, please visit www.palaerospace.com

About Exchange Income Corporation

Exchange Income Corporation is a diversified acquisition-oriented company, focused in two sectors: aerospace and aviation services and equipment, and manufacturing. The Corporation uses a disciplined acquisition strategy to identify already profitable, well-established companies that have strong management teams, generate steady cash flow, operate in niche markets and have opportunities for organic growth. The Corporation currently operates two segments: Aerospace & Aviation and Manufacturing. The Aerospace & Aviation segment consists of the operations by Perimeter Aviation, Keewatin Air, Calm Air International, Bearskin Lake Air Service, Custom Helicopters, Regional One and Provincial Aerospace. The Manufacturing segment consists of the operations of Overlanders, Water Blast, Stainless Fabrication, WesTower Communications in Canada and Ben Machine.

For more information on the Corporation, please visit www.ExchangeIncomeCorp.ca. Additional information relating to the Corporation, including all public filings, is available on SEDAR (www.sedar.com)

Media contact:

PAL Aerospace

Darlene Stone
613-809-6537
darlenestone@provair.com

Stephen Dinn
709-725-0027
sdinn@provair.com