



News Release

FOR IMMEDIATE RELEASE  
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## **ORNGE AND CANADIAN HELICOPTERS INCOME FUND ANNOUNCE AGREEMENT IN PRINCIPLE**

TORONTO, ON and MONTREAL, PQ – Ornge and Canadian Helicopters Income Fund (TSX: CHL.UN) (the “Fund”) announced today that they have reached an agreement in principle that will result in the renewal of their relationship for a period of three years with the potential of an additional two years. This agreement in principle is subject to, among other things, the execution of definitive agreements which is anticipated to occur later this fall as well as to various third party consents. Ornge, a charitable organization, operates one of the largest aero medical and land transport programs in North America. The definitive agreements would be entered into between Ornge and the Fund’s subsidiary, Canadian Helicopters Limited (“CHL”). Ornge recently announced its intention to transition its rotary wing operations from a third-party fleet to an Ornge-owned fleet through the purchase of 10 new AgustaWestland AW139 helicopters.

Key provisions of the agreement in principle are as follows:

- Ornge’s current rotary wing transport medicine service involves the operation of 11 medium category Sikorsky S-76 helicopters (owned by CHL) from seven bases in Ontario. The agreement in principle will also involve the transfer of aviation related assets at fair market value.
- In late 2010, the 11 Sikorsky S-76 aircraft are scheduled for replacement by Ornge over an approximate two-year period coinciding with the delivery of its 10 new state of the art AgustaWestland helicopters.
- CHL will provide services in support of Ornge’s transport medicine operation for a period of three years starting April 1, 2009 (and a potential two year extension at Ornge’s option). CHL will continue to provide flight operations, maintenance, airworthiness and related support for Ornge’s fleet of helicopters.
- Terms and pricing between Ornge and CHL will be changed effective April 1, 2009 to reflect a different risk model, reflecting recognition of the transfer of assets from CHL to Ornge and in order to address specifics of the approximate two-year transition period referred above.

“We are confident CHL’s extensive experience and commitment will assist us in providing Ontario residents with high quality transport medicine services,” said Dr. Chris Mazza, Ornge president and Chief Executive Officer.

“We are excited to continue our partnership with Ornge, a world leader in Transport Medicine, and are very pleased that we have been awarded this contract following an extensive and competitive bid process. We are also extremely pleased for the opportunity to become the largest operator in Canada of the new generation AgustaWestland AW139 aircraft,” added Don Wall, CHL’s senior executive vice-president.

**ABOUT ORNGE**

Ornge operates from a number of bases across the province of Ontario and performs approximately 18,000 admissions annually. It coordinates all aspects of Ontario's aero medical transport system, the new critical care land transport program, and the authorization of air and land ambulance transfers between hospitals. Ornge is dedicated to the provision of high quality patient care through innovative transport medicine.

**ABOUT CANADIAN HELICOPTERS INCOME FUND**

Through Canadian Helicopters Limited, Canadian Helicopters Income Fund is the largest helicopter transportation services company operating in Canada and one of the largest in the world based on the size of its fleet. From over 40 base locations across Canada, Canadian Helicopters provides helicopter services to a broad range of sectors, including emergency medical services, infrastructure maintenance, utilities, oil and gas, forestry, mining and construction. In addition to helicopter transportation services, Canadian Helicopters operates three flight schools and provides third party repair and maintenance services. With over 60 years of experience, Canadian Helicopters is an industry leader in establishing safety standards and operating procedures.

**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements relating to the future of the contractual relationship between Canadian Helicopters and Ornge. Such forward-looking statements are subject to certain risks and uncertainties, and actual results or events may differ materially. Consequently, readers should not place any undue reliance on such forward-looking statements. In particular, the agreement in principle is subject to execution of definitive agreements governing the terms of such agreement and various third party consents. The parties may fail to agree on the terms of definitive agreements in which case the contract renewal could be subject to modification; alternatively, CHL could even lose such contract to competitors. Failure to enter into definitive agreements could have a material adverse effect on the Fund. The forward-looking statements relate to the date on which they were made. The Fund disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise unless being required by applicable laws.