



May 5, 2016

Team,

As you know, we have been actively working to address CHC's financial structure and fleet to help position the Company for long-term success. Today, we have taken the next step in our efforts by voluntarily entering a court-supervised reorganization process with the filing of Chapter 11 bankruptcy reorganization cases in the United States. While this is a U.S. proceeding, it may affect many of our global business entities either directly or indirectly.

After carefully evaluating all alternatives to enhance our financial flexibility, we believe this option is the best path to continue managing our fleet of aircraft while allowing us to reduce the Company's long-term debt. CHC expects to continue day-to-day operations without interruption throughout this court-supervised reorganization process.

Although the actions taken today are focused on our balance sheet, we must also address our operating costs – including our direct labor costs – in the coming weeks ahead in order to complete an overall plan to position CHC as the clear option for customers.

We believe that taking decisive action today will allow CHC to reorganize to become financially stronger and more competitive. It is the right decision – and the right time – for our company and its future.

I realize this news might be a lot to absorb. We will do our very best to keep you informed, understanding that there may be questions we are not able to answer right away. I can tell you that we expect to continue to provide employee salaries, healthcare coverage, and other benefits without interruption. The Company expects to maintain sufficient liquidity throughout the restructuring process to maintain its business operations.

We intend to move through this process as quickly and efficiently as possible. Moving forward, I want to make sure you understand that:

- **We will continue normal business operations during this process.** You should see little effect on your day-to-day job responsibilities. We ask that you remain as focused as ever and not let this process distract you from maintaining our record of safety, compliance, customer service and operational excellence.
- **Employees** can expect to be paid and receive their benefits in the normal course throughout this process.
- **Customers** can expect CHC to provide uninterrupted safe and reliable transportation, and great service.
- **Suppliers** can expect to be paid in the normal course of business for goods and services delivered on or after May 5, 2016.



Like many companies in the oil and gas industry, CHC's operations have been significantly affected by the dramatic decline in oil prices since their peak in 2014 and general uncertainty in the energy market, which has led to decreased customer demand and an increase in idle aircraft. Despite significant efforts to reduce costs, these factors, coupled with CHC's debt and aircraft lease obligations and operational costs, resulted in the Company's decision to engage advisors to assist in evaluating strategic alternatives to improve its financial structure. CHC and its advisors determined a court-supervised reorganization process provides the best and most efficient way to align the Company's debt, lease and interest costs with customer demand in the current operating environment, and help position CHC for long-term success. We expect to emerge a stronger, more competitive company, with a financial and operating structure that will allow us to invest in and grow our business in the years ahead.

We will continue to keep you informed, as appropriate, of new information as we move through this process. We have posted some Frequently Asked Questions on Landing Pad regarding this process. A copy of the press release we issued today is also available for your information on our website www.chc.ca/restructuring. If you have any additional questions, please do not hesitate to contact your manager or Human Resources.

We appreciate everything you do for CHC and our customers every day. Thanks to your hard work and dedication, CHC is a world class helicopter service provider – one that continues to set the standard for safety, customer service and value across the industry. We have a proud history at CHC and we are committed to building a successful future.

Sincerely,

Karl Fessenden
President and Chief Executive Officer