CHC GROUP FILES FOR CHAPTER 11 BANKRUPTCY PROTECTION

News / Business aviation

Offshore helicopter operator CHC Group has filed for Chapter 11 bankruptcy protection to allow it time to restructure its financial assets. The company said it expects day-to-day operations to continue without interruption during a court-supervised process.

The company filed “voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas”, according to a statement.

Like many other helicopter suppliers the company has been hit by a downturn in business following the dive in oil prices. Just last week a CHC Group supplied EC255 Super Puma crashed near Bergen, Norway with the loss of 13 lives.Sources close to Helicopter Investor revealed that the helicopter was worth $27.5 million.

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4 May Oil giant Shell suspended all helicopter flights through the operator as a result of the fatal air crash. Both Norwegian and UK civil aviation authorities have moved to ground the model of helicopter that crashed.

Norway's Accident Investigation Board said yesterday that a technical error was almost certainly behind the helicopter crash.

Karl Fessenden, president and chief executive officer of CHC Helicopter Services, said: "CHC continues to be a strong company operationally and we remain fully committed to delivering safe and reliable service to our customers. Importantly, normal business operations will continue.

"The step we have taken today provides an orderly path to enhance our financial flexibility and establish a competitive capital and operating structure that will allow us to invest in and grow CHC's business over the long-term. We remain committed to maintaining our position as a world class helicopter service provider – one that continues to set the standard for safety, customer service and value across the industry. We thank our customers and suppliers for their ongoing support as well as our employees for their continued dedication."

On March 21, Moody's downgraded CHC Group's CFR to Caa3 from B2 and its PDR to Caa3-PD from B2-PD. Moody's also downgraded CHC Helicopter S.A.'s senior secured notes to Caa3 from B1 and the senior unsecured notes to Ca from Caa1. The financial ratings firm change the outlook for CHC Group to negative.

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SOURCE: HELICOPTERINVESTOR
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