

7 June 2016

DP AIRCRAFT I LIMITED (the “Company”)

INTERIM UPDATE

The Company is issuing this report for the period from 1 January 2016 to 27 May 2016 as an investor update. It should not be relied on by Shareholders, or any other party, as the basis for an investment in the Company or for any other purpose.

Overview

DP Aircraft I Limited, a Guernsey based company, was launched in October 2013. Its US\$ 113 million placing was oversubscribed. To date the company has acquired four Boeing 787-8 aircraft, with two leased to Norwegian Air Shuttle ASA and two leased to Thai Airways. DP Aircraft I Limited took over the Norwegian aircraft, EI-LNA and EI-LNB, on 9 October 2013 and the Thai aircraft, HS-TQC and HS-TQD, on 18 June 2015. Since these dates all lease obligations have been met in full by Norwegian and Thai and no incidents of note concerning operations of the aircraft have occurred.

Given the delay in Norwegian Air Shuttle, through its Irish operations, receiving traffic rights to the United States under the open sky agreement, EI-LNA was re-registered in Norway with new registration LN-LNA on 10 February 2016 (EI-LNB having been re-registered in 2015). (Subsequently, the U.S. Department of Transportation tentatively decided to grant a foreign air carrier permit to Norwegian’s Irish subsidiary, Norwegian Air International (NAI)).

Inclusive of the May 2016 dividend, the Company has so far paid out, as scheduled, ten dividends of 2.25 cents each. The Company pays out dividends on a quarterly basis and targets a yearly distribution of 9 per cent on the initial placing price of US\$ 1.00. The next interim dividend payment is due in August 2016. The quarterly distributions are targeted for February, May, August and November in each year.

Company Information

Ticker	DPA
Company Number	56941
ISIN Number	GG00BBP6HP33
SEDOL Number	BBP6HP3
Traded	Specialist Fund Market
SFM Admission Date	4 October 2013
Share Price	USD1.0525 as at 27 May 2016
Country of Incorporation	Guernsey
Current Shares in Issue	209,333,333 Ordinary Shares
Administrator and Company Secretary	Fidante Partners (Guernsey) Limited
Asset Manager	DS Aviation GmbH & Co. KG
Auditor and Reporting Accountant	KPMG
Corporate Broker	Canaccord Genuity Limited
Aircraft Registration (Date of Delivery)	LN-LNA (28 June 2013) LN-LNB (23 August 2013) HS-TQC (29 October 2014) HS-TQD (9 December 2014)
Manufacturer Serial Number	MSN 35304 MSN 35305 MSN 36110 MSN 35320
Aircraft Type and Model	B787-8
Lessees	Norwegian Air Shuttle ASA Thai Airways International PCL
Website	http://www.dpaircraft.com

The company’s investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then, when the Board considers it is appropriate, selling the aircraft.

Aviation Market

Demand in air traffic continued to grow in the first quarter of 2016. According to the International Air Transport Association (IATA), Revenue Passenger Kilometres (RPKs) grew by 7.2 per cent in January, by 8.6 per cent in February and by 5.3 per cent in March 2016, compared to the respective months of the previous year. Air traffic for the first quarter grew on average by 7 per cent in total and by 6 per cent (if adjusting for the extra day in February 2016) compared to the first quarter 2015. According to Tony Tyler, IATA's Director General and CEO, air traffic demand in the first quarter this year is in line with long-term trends. Although he expects the global economy to remain subdued, he anticipates a positive impact from network expansions and a decline in travel costs. A quarterly survey by IATA revealed that a significant majority of CFOs believe there will be further improvement in passenger numbers in 2016.

European air traffic in March 2016 increased by 5.3 per cent, while capacity grew by 4.6 per cent compared to the same month a year ago. The load factor slightly increased by 0.5 percentage points. The strongest growth was seen on routes between the United Kingdom and Germany, as well as to and from Spain. Furthermore, according to IATA, the aviation sector supports 12 million jobs as well as 4.1 per cent of European GDP. However, the progress towards a Single European Sky (SES) and airspace modernisation is slow. IATA argues that an SES would decrease carbon emissions; at the same time, it would be expected to have a positive impact on European GDP, as it would decrease costs and increase connectivity through improved efficiency which, in turn, would provide new jobs.

In the Asia Pacific region in March 2016, capacity rose by 6.7 per cent and demand by 5.1 per cent and the load factor decreased by 1.2 percentage points. During the first quarter of 2016, international air traffic increased by 9.5 per cent which is the strongest growth since 2010. There was strong growth on key routes within Asia, and to the Middle East as well as across the Pacific. For 2016, the market share for the Asia Pacific region is expected to account for 34 per cent of global air passengers and grow to a market share of 42 per cent in 2034. In respect of RPKs, Airbus expects this region to account for a market share of 36 per cent. According to the Airports Council International (ACI), eight airports (Beijing, Tokyo-Haneda, Hong Kong, Shanghai-Pudong, Singapore, Guangzhou, Jakarta and Bangkok-Suvarnabhumi) of the Asia Pacific region are amongst the 20 busiest airports worldwide with regard to total passenger numbers.

The major aircraft manufacturers, Airbus and Boeing, expect demand for 32,585 aircraft worth USD 4.7 trillion and 38,050 aircraft worth USD 5.6 trillion respectively over the next 20 years, according to their Global Market Forecast (Airbus) and Current Market Outlook (Boeing) for the period spanning 2015 to 2034. According to Airbus, twin aisle aircraft will account for 43 per cent of the total value of new deliveries in this 20-year period. Both manufacturers assume that more than 13,000 aircraft will be retired due to lower fuel efficiency or older technology. Global passenger and freighter aircraft fleets would thus, based on their forecasts, double in size to 38,500 and 43,560 aircraft respectively by 2034.

2015 saw the strongest traffic growth in five years, and for 2016 IATA remains confident that air traffic demand is still strong. The organisation expects global airline profits to be USD 36.3 billion this year, and that 3.8 billion passengers will travel by air. IATA sees efficiency gains through higher load factors, lower oil prices and more fuel-efficient aircraft (e.g. Boeing 787), as well as joint ventures, consolidations and airline alliances. IATA expects total passenger numbers to have grown by another 3.2 billion to a total of 7.0 billion passengers by 2034.

The Assets - Boeing 787-8s

Since 2011, there have been more than 100,000 revenue flights of B787s operated by circa 35 different airlines. The B787 is a favoured aircraft which is operated on all continents across different climatic conditions and by airlines with different business models. According to Ascend, the aircraft

model is deployed on nearly 370 different routes, of which a quarter are either new city pairs or at least new routes for the operating air carrier. While many carriers immediately use the B787 aircraft to open new routes, they also employ them to replace older and less cost efficient aircraft such as B767s and A340s, as well as to enhance the on-board experience of their passengers.

By the end of April 2016, 403 Dreamliner Boeing 787 aircraft had been delivered to 39 customers (airlines and lessors) and a total of 1,154 B787s had been ordered by 63 different customers. The number of deliveries includes 297 aircraft of the B787-8 variant, whereas the current backlog of all three different B787 types counts for 751 aircraft. The aircraft remains in demand, with new orders for 99 aircraft placed in 2015. China Eastern placed an order of 15 B787 aircraft in April 2016 and became an additional customer.

Norwegian has equipped its B787 fleet with a total of 291 seats in premium economy and economy class. This type of aircraft is used to fly out of Europe to destinations in Asia, America and the Caribbean including, amongst others, Las Vegas, Fort Lauderdale, San Juan and Bangkok.

Since DP Aircraft I Limited took over the two aircraft LNA and LNB in 2013, Norwegian has met all of its lease obligations in full. In November 2015, both aircraft LNA and LNB were inspected by DS Skytech Limited at the Boeing maintenance facilities at Copenhagen International Airport. Both aircraft and their technical records were found to be in good condition with no significant defects or airworthiness related issues. Due to administrative reasons and existing Norwegian civil aviation regulations, MSN 35304 (LNA) was transferred during the first quarter 2016 from its original Irish registration to the Norwegian registry. Thus both LNA and LNB are now operating under Norwegian registration.

Since DP Aircraft I took title of the two aircraft TQC and TQD in 2015, Thai Airways has met all of its lease obligations in full. The carrier's B787 fleet offers a total of 264 seats in business and economy class. The carrier operates this aircraft type on routes within the Asia-Pacific region such as Singapore, Sapporo and Delhi, as well as to and from destinations in Australia such as Brisbane and Perth. Both aircraft, TQC and TQD, were inspected by DS Skytech Limited in July 2015 at Bangkok International Airport. The inspection found the aircraft to be in good condition with no significant defects or airworthiness related issues and their records are being maintained to an acceptable standard.

The two charts below give a short overview of the utilisation of airframe and engines of each of the four aircraft. Both LNA's and LNB's engines had completed the upgrade, which extends the maintenance intervals for the engines, at Rolls Royce's Derby facilities in June 2015. The engines of TQC and TQD had already been upgraded upon delivery.

AIRFRAME STATUS (31 March 2016)	Norwegian Air Shuttle LN-LNA		Norwegian Air Shuttle LN-LNB	
	TOTAL	March 2016	TOTAL	March 2016
Total Flight hours	12,073	514	13,406	405
Total Cycles	1,470	62	1,641	52
Average Monthly Utilisation	364.7 hours 44.2 cycles	---	428.6 hours 52.3 cycles	---
Flight hours/Cycles Ratio	8.21 : 1	8.28 : 1	8.17 : 1	7.80 : 1
ENGINE DATA (31 March 2016)				
Engine Serial Number	10118	10119	10130	10135
Engine Manufacturer	Rolls-Royce	Rolls-Royce	Rolls-Royce	Rolls-Royce
Engine Type and Model	Trent 1000	Trent 1000	Trent 1000	Trent 1000
Total Time [flight hours]	10,310	7,637	7,921	8,331
Total Cycles	1,282	995	862	989
Location	LNA	LNF	LNA	LNB

AIRFRAME STATUS (31 March 2016)	Thai Airways International HS-TQC		Thai Airways International HS-TQD	
	TOTAL	March 2016	TOTAL	March 2016
Total Flight hours	5,890	359	4,977	417
Total Cycles	1,541	79	1,319	89
Average Monthly Utilisation	333 hours 87 cycles	---	305 hours 81 cycles	---
Flight hours/Cycles Ratio	3.82 : 1	4.55 : 1	3.77 : 1	4.68 : 1
ENGINE DATA (31 March 2016)				
Engine Serial Number	10239	10240	10244	10248
Engine Manufacturer	Rolls-Royce	Rolls-Royce	Rolls-Royce	Rolls-Royce
Engine Type and Model	Trent 1000	Trent 1000	Trent 1000	Trent 1000
Total Time [flight hours]	5,890	5,890	4,977	4,977
Total Cycles	1,541	1,541	1,319	1,319
Location	TQC	TQC	TQD	TQD

The Lessees

Norwegian Air Shuttle ASA

Norwegian Air Shuttle continues to grow. The airline transported 17 per cent more passengers in the first quarter this year. As demand grew more strongly than capacity, the passenger load factor increased by 2 percentage points to 85 per cent. As at 31 March 2016, Norwegian operated 447 routes to 138 destinations. The fleet as at 31st March 2016 comprised 109 aircraft, not taking any wet-leased aircraft into account. The airline started flights from Paris Charles de Gaulle to New York, Fort Lauderdale and Los Angeles. Norwegian received six new aircraft including one B787-9. According to Norwegian, the airline's European network plays an important role in providing passengers to its long-haul routes. In addition, the number of business travellers is growing, especially as the carrier signed new corporate contracts with, amongst others, the Norwegian Labour and Welfare Administration (NAV). In April 2016, the U.S. Department of Transportation (DOT) tentatively decided to grant a foreign air carrier permit to the carrier's Irish subsidiary, Norwegian Air International (NAI).

Norwegian's operating revenues in the first quarter of 2016 increased by 23 per cent to NOK 4,961 million (USD 597 million) compared to the same quarter in the previous year. Passenger revenues accounted for NOK 3,971 million (USD 478 million), ancillary passenger revenues were NOK 802

million (USD 97 million) and other revenues amounted to NOK 188 million (USD 23 million). Available Seat Kilometres (ASKs) and RPKs increased by 17 per cent and 20 per cent respectively. EBITDAR excluding other gains and losses increased from NOK 66 million (USD 8 million) to NOK 591 million (USD 71 million). The operating loss increased by 24 per cent to NOK 895 million (USD 108 million) while the net loss augmented by 49 per cent to NOK 800 million (USD 96 million). Norwegian suffered from the depreciation of the Norwegian krona against foreign currency and losses from forward jet-fuel contracts which negatively impacted the EBT by NOK 528 million (USD 64 million).

Cash and cash equivalents as at 31th March 2016 counted for NOK 3,190 million (USD 384 million). Ancillary revenues grew by 19 per cent and unit costs decreased by 5 per cent while unit revenue increased by 5 per cent. In May 2016, Norwegian launched its first public Enhanced Equipment Trust Certificate (EETC) deal, raising USD 349 million to finance ten B737 aircraft. The USD 74.8 million B notes, priced at 7.5 per cent and due in 2024, are rated BB- and Ba3 by Fitch Ratings and Moody's Investor Service respectively. The USD 274 million A-notes, being due in 2028 and priced at 4.875 per cent, carry a rating of A and Baa3 in turn.

Norwegian currently operates eight Boeing 787-8s and one B787-9 and expects the delivery of three further B787-9s aircraft in 2016. The mix of B787-8s and B787-9s will provide the airline with flexibility in regard to route planning and further long-haul commitment. Furthermore, the carrier is aiming for a fleet of 42 aircraft from the B787 family by 2020, and for long-haul operations to be 1.5 times the current short-haul capacity in regard to ASKs. Outside of Scandinavia, the strongest growth in passenger numbers has been in the US and Spain. Moreover, the carrier held or grew market share in all key airports within the last 12 months. At Oslo, the carrier has a market share of 41 per cent and grew passenger numbers by more than a million in the first quarter of 2016 compared to the same quarter in the previous year. In 2016, the airline is aiming to reduce unit costs by another 12 per cent by the year end. Moreover, Norwegian is sticking to its objective to increase long-haul capacity by 40 per cent and total capacity by 18 per cent.

Thai Airways International

Thai Airways International Public Company Limited, flag carrier of the Kingdom of Thailand, celebrated its 55th Birthday in 2015. The full-service network carrier, majority-owned by the Thai Government (51.03 per cent), offers flights from Bangkok to 63 destinations in 30 countries. In 2015, around 21.25 million passengers flew with Thai. As at December 2015, Thai's fleet consisted of 95 aircraft, a decrease by seven aircraft which is in line with the airline's Transformation Plan. The airline has six B787-8s in operation and two more B787-9s on order as part of its fleet renewal plan. Thai Airways was the first carrier outside the EU to pass the TCO (Third Country Operator) Audit by the EASA (European Aviation Safety Agency) which will become a requirement for all non EU-based carriers as of November 2016 if they wish to undertake operations to, from or within Europe. This supports the high safety standards which Thai Airways has in place.

In the financial year 2015, total operating revenues decreased by 1.2 per cent to a total of THB 188.75 billion (USD 5.24 billion) while total operating expenses declined by 11.2 per cent. Total operating revenues are made up of THB 152.49 billion (USD 4.24 billion) from passenger and excess baggage, THB 18.65 billion (USD 518 million) from freight and mail as well as THB 17.61 billion (USD 489 million) from other activities and income. The results for 2015 were heavily impacted by special items such as impairment charges, as well as losses on foreign exchange, mainly attributable to the strong US dollar. However, the operational loss before tax decreased by 94 per cent from the previous year's figure of THB 23.02 billion (USD 701 million); the carrier stated an operational loss before tax of THB 1.30 billion (USD 36 million) in 2015. Even though total revenues decreased by 1.2 per cent, total expenses decreased by 11.4 per cent whereas non-fuel related costs remained stable. ASKs and RPKs grew by 0.6 per cent and 6.5 per cent respectively. As a result, the load factor improved by 4 percentage points and the number of carried passengers increased by 11.3 per cent. Finally, internet sales, as part of the Transformation Plan's commercial strategy, were up on the previous year.

First quarter results for 2016 suggest that the Transformation Plan is making progress. Although total revenues decreased by 2.7 per cent from the previous year to THB 50.18 billion (USD 1.43 billion), total expenses declined by 8.8 per cent to THB 43.00 billion (USD 1.22 billion) over the same period. Fuel expenses decreased by 25.1 per cent, while non-fuel expenses declined by 1.7 per cent. Passenger numbers increased at the same time by 5.3 per cent. Operating profit increased by 62.6 per cent to THB 7.18 billion (USD 204 million) and net profit grew by 32.1 per cent to THB 6.01 billion (USD 171 million). During the first quarter of 2016, capacity was reduced by 1.8 per cent while air traffic increased by 0.9 per cent. The passenger load factor thus improved by 2 percentage points compared to the same quarter in the previous year. Cash and cash equivalents as at 31 March 2016 were THB 22.92 billion (USD 651 million).

At the beginning of 2015, Thai Airways put in place its Transformation Plan. It had initially hoped to see the implemented measures produce sustained improvements more quickly than eventually proved to be the case, and to be able to state stronger growing revenues and decreasing costs; the airline was however impacted by several factors in 2015, including the terrorist attacks in Paris, the ongoing dispute in the Middle East and the Rajaprasong incident. Nevertheless, the latest quarterly and annual results underline a positive trend and Thai was able to move on to the second stage of its three-phase Transformation Plan. Thai Airways is therefore now concentrating on building on its strengths to ensure long-term competitiveness, especially in a market environment with increasing numbers of low-cost carriers. This second phase emphasises four main strategies: boosting revenues through all possible channels; managing costs and uplift efficiency; further enhancing the passenger experience; and improving capabilities such as network and fleet utilisation optimisation. The third stage, which focuses on sustainable growth, is intended to be entered into during the course of 2017. For the second quarter of 2016, the air carrier expects a positive impact from the public holidays, particularly on services to and from Japan. Moreover, Thai Airways is planning a second early retirement programme and continues to pursue its objective of returning to profitability in 2016.

Material Events since 1 January 2016

January 2016

Interim Dividend (20 January 2016)

The Company declared an interim dividend, in respect of the quarter ended 31 December 2015, of 2.25 cents per Share, to holders of Shares on the register at 29 January 2016. The ex-dividend date was 28 January 2016, and payment was made on 12 February 2016.

Board Update (22 January 2016)

The Board of DP Aircraft I Limited announced with great sadness the death of Didier Benaroya, a non-executive director of the Company. Didier's knowledge and experience of the aviation sector, as well as his pragmatism and good humour, were highly valued by all of us who worked with him, and he will be greatly missed.

April 2016

Annual Financial Report (20 April 2016)

The Company issued its Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2015.

Interim Dividend (26 April 2016)

The Company declared an interim dividend, in respect of the quarter ended March 2016, of 2.25 cents per Share, to holders of Shares on the register at 6 May 2016. The ex-dividend date was 5 May 2016, and payment was made on 20 May 2016.

Directorate Change (29 April 2016)

The Board of DP Aircraft I Limited announced the appointment of Angela Behrend-Görnemann as a non-executive director of the Company with effect from 1 May 2016.

Angela initiated the foundation of the Dublin based aviation asset manager Amentum Capital. Between 2007 and 2011 she was a member of the Investment Committee of HSH Global Aircraft I S.a.r.l, Luxembourg, a closed end Aircraft Fund.

She has extensive experience in the transportation and banking industries with more than 20 years' experience in aviation. Angela is resident in Germany.

Investor Information

The latest available portfolio information can be accessed by eligible Shareholders via www.dpaircraft.com

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