

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended **June 30, 2015** or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission file number **1-35701**

Era Group Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

72-1455213
(IRS Employer
Identification No.)

818 Town & Country Blvd., Suite 200
Houston, Texas
(Address of Principal Executive Offices)

77024
(Zip Code)

713-369-4700
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The total number of shares of common stock, par value \$0.01 per share, outstanding as of July 31, 2015 was 20,582,391. The Registrant has no other class of common stock outstanding.

ERA GROUP INC.

Table of Contents

Part I.	Financial Information	2
Item 1.	Financial Statements (Unaudited)	2
	Condensed Consolidated Balance Sheets as of June 30, 2015 and December 31, 2014	2
	Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2015 and 2014	3
	Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2015 and 2014	4
	Condensed Consolidated Statement of Changes in Equity for the Six Months Ended June 30, 2015	5
	Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2015 and 2014	6
	Notes to Condensed Consolidated Financial Statements	7
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	26
Item 4.	Controls and Procedures	26
Part II.	Other Information	27
Item 1A.	Risk Factors	27
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 6.	Exhibits	27

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

ERA GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	June 30, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,002	\$ 40,867
Receivables:		
Trade, net of allowance for doubtful accounts of \$1,982 and \$1,955 in 2015 and 2014, respectively	39,866	33,390
Other, net of allowance for doubtful accounts of \$0 and \$437 in 2015 and 2014, respectively	2,110	2,062
Inventories, net	25,808	26,869
Deferred income taxes	2,507	1,996
Prepaid expenses and other	3,847	2,661
Escrow deposits	6,762	—
Total current assets	97,902	107,845
Property and equipment	1,192,445	1,171,267
Accumulated depreciation	(314,484)	(308,141)
Net property and equipment	877,961	863,126
Equity investments and advances	30,945	31,753
Goodwill	1,823	352
Intangible assets	1,410	—
Other assets	14,547	14,098
Total assets	\$ 1,024,588	\$ 1,017,174
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,026	\$ 15,120
Accrued wages and benefits	7,293	7,521
Accrued interest	813	949
Current portion of long-term debt	26,130	27,426
Derivative instruments	192	1,109
Accrued income taxes	7,613	267
Other current liabilities	3,556	3,162
Total current liabilities	57,623	55,554
Long-term debt	267,671	282,118
Deferred income taxes	218,802	217,027
Other liabilities	1,994	2,111
Total liabilities	546,090	556,810
Commitments and contingencies (see Note 8)		
Redeemable noncontrolling interest	5,195	—
Equity:		
Era Group Inc. stockholders' equity:		
Common stock, \$0.01 par value, 60,000,000 shares authorized; 20,582,391 and 20,371,672 outstanding in 2015 and 2014, respectively, exclusive of treasury shares	206	204
Additional paid-in capital	431,233	429,109
Retained earnings	43,088	31,797
Treasury shares, at cost, 19,209 and 18,609 shares in 2015 and 2014, respectively	(563)	(551)
Accumulated other comprehensive income (loss), net of tax	(44)	95
Total Era Group Inc. stockholders' equity	473,920	460,654
Noncontrolling interest	(617)	(290)
Total equity	473,303	460,364
Total liabilities, redeemable noncontrolling interest and stockholders' equity	\$ 1,024,588	\$ 1,017,174

The accompanying notes are an integral part of these condensed consolidated financial statements.



ERA GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Operating revenues	\$ 70,738	\$ 86,580	\$ 138,153	\$ 166,023
Costs and expenses:				
Operating	39,784	54,679	83,389	104,319
Administrative and general	10,779	10,065	20,522	21,399
Depreciation	11,398	11,425	23,000	22,712
Total costs and expenses	61,961	76,169	126,911	148,430
Gains (losses) on asset dispositions, net	(242)	3,139	3,146	6,030
Operating income	8,535	13,550	14,388	23,623
Other income (expense):				
Interest income	317	143	568	288
Interest expense	(2,881)	(3,840)	(6,426)	(7,593)
Gain on debt extinguishment	—	—	264	—
Derivative losses, net	(10)	(11)	(22)	(41)
Note receivable impairment	—	(2,457)	—	(2,457)
Foreign currency gains (losses), net	543	21	(2,417)	(36)
Gain on sale of FBO (see Note 5)	12,946	—	12,946	—
Other, net	(9)	13	(9)	13
Total other income (expense)	10,906	(6,131)	4,904	(9,826)
Income before income taxes and equity earnings	19,441	7,419	19,292	13,797
Income tax expense	8,138	2,759	8,083	5,262
Income before equity earnings	11,303	4,660	11,209	8,535
Equity earnings (losses), net of tax	(198)	536	(343)	1,035
Net income	11,105	5,196	10,866	9,570
Net loss attributable to non-controlling interest in subsidiary	228	25	425	96
Net income attributable to Era Group Inc.	\$ 11,333	\$ 5,221	\$ 11,291	\$ 9,666
Earnings per common share:				
Basic	\$ 0.55	\$ 0.26	\$ 0.55	\$ 0.48
Diluted	\$ 0.55	\$ 0.26	\$ 0.55	\$ 0.48
Weighted average common shares outstanding:				
Basic	20,273,780	20,066,060	20,235,082	20,009,808
Diluted	20,332,657	20,134,473	20,295,498	20,080,117

The accompanying notes are an integral part of these condensed consolidated financial statements.

ERA GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	\$ 11,105	\$ 5,196	\$ 10,866	\$ 9,570
Other comprehensive loss:				
Foreign currency translation adjustments	(137)	(52)	(140)	(54)
Income tax benefit	—	23	1	24
Total other comprehensive loss	(137)	(29)	(139)	(30)
Comprehensive income	10,968	5,167	10,727	9,540
Comprehensive loss attributable to non-controlling interest in subsidiary	228	25	425	96
Comprehensive income attributable to Era Group Inc.	\$ 11,196	\$ 5,192	\$ 11,152	\$ 9,636

The accompanying notes are an integral part of these condensed consolidated financial statements.

ERA GROUP INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(unaudited, in thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Income	Non- controlling Interest In Subsidiary	Total Equity
December 31, 2014	\$ 204	\$ 429,109	\$ 31,797	\$ (551)	\$ 95	\$ (290)	\$ 460,364
Issuance of common stock:							
Restricted stock grants	2	(2)	—	—	—	—	—
Employee Stock Purchase Plan	—	612	—	—	—	—	612
Share award amortization	—	1,321	—	—	—	—	1,321
Stock option amortization	—	171	—	—	—	—	171
Employee Stock Purchase Plan amortization	—	109	—	—	—	—	109
Cancellation of restricted stock	—	12	—	(12)	—	—	—
Tax deficit from share award plans	—	(99)	—	—	—	—	(99)
Net income ⁽¹⁾	—	—	11,291	—	—	(327)	10,964
Currency translation adjustments, net of tax	—	—	—	—	(139)	—	(139)
June 30, 2015	<u>\$ 206</u>	<u>\$ 431,233</u>	<u>\$ 43,088</u>	<u>\$ (563)</u>	<u>\$ (44)</u>	<u>\$ (617)</u>	<u>\$ 473,303</u>

(1) Excludes net loss of \$98 attributable to redeemable noncontrolling interests in subsidiary.

The accompanying notes are an integral part of these condensed consolidated financial statements.

ERA GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 10,866	\$ 9,570
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	23,000	22,712
Amortization of deferred financing costs	516	417
Debt discount amortization	129	123
Share-based compensation	1,601	2,304
Note receivable impairment	—	2,457
Bad debt expense (recovery)	(149)	126
Gains on asset dispositions, net	(3,146)	(6,030)
Gain on debt extinguishment	(264)	—
Gain on sale of FBO	(12,946)	—
Derivative losses, net	22	41
Cash settlements on derivative transactions, net	(186)	(245)
Foreign currency losses, net	2,725	37
Deferred income tax expense (benefit)	(1,235)	4,821
Equity losses (earnings), net of tax	343	(1,035)
Changes in operating assets and liabilities:		
Increase in receivables	(7,234)	(14,550)
Decrease (increase) in prepaid expenses and other assets	891	(717)
Increase in accounts payable, accrued expenses and other liabilities	5,794	11,252
Net cash provided by operating activities	<u>20,727</u>	<u>31,283</u>
Cash flows from investing activities:		
Purchases of property and equipment	(39,663)	(52,133)
Proceeds from disposition of property and equipment	8,384	6,978
Cash settlements on forward contracts, net	(1,103)	—
Business acquisitions, net of cash acquired	(3,165)	—
Proceeds from sale of FBO	14,252	—
Principal payments on notes due from equity investees	340	324
Principal payments on third party notes receivable	25	273
Escrow deposits, net	(500)	—
Escrow deposits on like-kind exchanges, net	(6,174)	—
Net cash used in investing activities	<u>(27,604)</u>	<u>(44,558)</u>
Cash flows from financing activities:		
Payments on long-term debt	(31,320)	(1,491)
Proceeds from Revolving Credit Facility	25,000	—
Revolving Credit Facility issuance costs	—	(2,393)
Extinguishment of long-term debt	(9,297)	—
Proceeds from share award plans	612	836
Net cash used in financing activities	<u>(15,005)</u>	<u>(3,048)</u>
Effects of exchange rate changes on cash and cash equivalents	(1,983)	(72)
Net decrease in cash and cash equivalents	<u>(23,865)</u>	<u>(16,395)</u>
Cash and cash equivalents, beginning of period	40,867	31,335
Cash and cash equivalents, end of period	<u>\$ 17,002</u>	<u>\$ 14,940</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 9,548	\$ 8,939
Cash paid (refunded) for income taxes	\$ (20)	\$ 681

The accompanying notes are an integral part of these condensed consolidated financial statements.

ERA GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION AND ACCOUNTING POLICY

The condensed consolidated financial statements include the accounts of Era Group Inc. and its consolidated subsidiaries (collectively referred to as the “Company”). The condensed consolidated financial information for the three and six months ended June 30, 2015 and 2014 has been prepared by the Company and has not been audited by its independent registered public accounting firm. In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made to fairly present the Company’s financial position as of June 30, 2015, its results of operations for the three and six months ended June 30, 2015 and 2014, its comprehensive income for the three and six months ended June 30, 2015 and 2014, its changes in equity for the six months ended June 30, 2015, and its cash flows for the six months ended June 30, 2015 and 2014. Results of operations for the interim periods presented are not necessarily indicative of operating results for the full year or any future periods.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States (“U.S.”) have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

Unless the context otherwise indicates, any reference in this Quarterly Report on Form 10-Q to the “Company” refers to Era Group Inc. and its consolidated subsidiaries and any reference in this Quarterly Report on Form 10-Q to “Era Group” refers to Era Group Inc. without its subsidiaries.

Certain of the Company’s operations are subject to seasonal factors. Operations in the U.S. Gulf of Mexico are often at their highest levels from April to September, as daylight hours increase, and are at their lowest levels from November to February, as daylight hours decrease. The Company’s Alaskan operations also see an increase during May to September, as its firefighting and flightseeing operations occur during this time and daylight hours are significantly longer.

Basis of Consolidation. The consolidated financial statements include the accounts of Era Group Inc., its wholly and majority-owned subsidiaries and entities that meet the criteria of Variable Interest Entities (“VIEs”) of which the Company is the primary beneficiary. All significant inter-company accounts and transactions are eliminated in consolidation. Era do Brazil LLC is a VIE of which the Company is the primary beneficiary. Aeróleo Taxi Aereo S/A (“Aeróleo”) meets the criteria of a VIE; however, the Company is not the primary beneficiary.

Revenue Recognition. The Company recognizes revenues when they are realized or realizable and earned. Revenues are realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenues that do not meet these criteria are deferred until the criteria are met. The unrecognized revenues and related activity during the three and six months ended June 30, 2015 and 2014, were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Balance at beginning of period	\$ 32,666	\$ 26,469	\$ 31,047	\$ 24,243
Revenues deferred during the period	12,321	8,568	20,150	16,912
Revenues recognized during the period	(7,903)	(6,560)	(14,113)	(12,678)
Balance at end of period	<u>\$ 37,084</u>	<u>\$ 28,477</u>	<u>\$ 37,084</u>	<u>\$ 28,477</u>

As of June 30, 2015, deferred revenues of \$37.1 million were related to dry-leasing revenues for certain helicopters leased by the Company to Aeróleo, its Brazilian joint venture. The deferral originated from difficulties experienced by Aeróleo following Petróleo Brasileiro S.A.’s (“Petrobras Brazil”) cancellation in 2011 of certain contract awards to Aeróleo for a number of AW139 medium helicopters under dry-lease from the Company, and the deferral continues as a result of continued financial difficulties at Aeróleo. The Company will recognize revenues as cash is received or earlier should future collectability become reasonably assured. All costs and expenses related to these dry-leases were recognized as incurred.

Receivables. Customers are primarily major integrated and independent exploration and production companies, hospitals, international helicopter operators and the U.S. government. Customers are typically granted credit on a short-term basis and related credit risks are considered minimal. The Company routinely reviews its receivables and makes provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from those estimates and those differences may

be material. Receivables are deemed uncollectible and removed from receivables and the allowance for doubtful accounts when collection efforts have been exhausted.

New Accounting Standards. In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09 - *Revenue From Contracts With Customers*, which will base revenue recognition on the contract between a vendor and customer and will require reporting entities to allocate the transaction price to various performance obligations in a contract and recognize revenues when those performance obligations are satisfied. ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017 and any interim periods within that period. Early adoption is permitted for annual reporting periods beginning after December 15, 2016 and any interim periods within that period. The Company is currently evaluating the potential impact and the method of the adoption of ASU 2014-09 on its consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02 - *Consolidation*, which amends the guidance for evaluating whether certain entities should be consolidated, particularly for general partner and limited partner relationships and VIEs that have fee arrangements or related party relationships with a reporting entity. ASU 2015-02 will be effective for annual reporting periods beginning after December 15, 2015 and any interim periods within that period, and early adoption is permitted. The Company has not adopted ASU 2015-02 and believes adoption will not have a material impact on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03 - *Interest - Imputation of Interest*, which requires debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct reduction of the carrying amount of that liability. The recognition and measurement guidance for debt issuance costs is not affected by this ASU. ASU 2015-03 will be effective for annual reporting periods beginning after December 15, 2015 and any interim periods within that period, and early adoption is permitted. The Company has not adopted ASU 2015-03. As of June 30, 2015 and December 31, 2014, the Company had debt issuance costs of \$3.7 million and \$4.0 million, respectively, which are included in other assets on the condensed consolidated balance sheets. The Company believes the adoption of ASU 2015-03 would reduce other assets and long-term debt by such amounts.

In July 2015, the FASB issued ASU 2015-11 - *Inventory*, which is intended to simplify the way reporting entities account for inventory by requiring it to be valued at the lower of cost and net realizable value unless that entity uses the last-in, first-out or the retail inventory valuation method. ASU 2015-11 is effective for annual reporting periods beginning after December 15, 2016 and any interim periods within that period, and early adoption is permitted as of the beginning of an interim or annual reporting period. The Company has not adopted ASU 2015-11 and believes adoption will not have a material impact on its consolidated financial statements.

2. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company’s financial assets and liabilities as of June 30, 2015 and December 31, 2014 that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1		Level 2		Level 3	
June 30, 2015						
LIABILITIES						
Derivative instruments ⁽¹⁾	\$	—	\$	192	\$	—
December 31, 2014						
LIABILITIES						
Derivative instruments ⁽¹⁾	\$	—	\$	1,109	\$	—

(1) The fair value of the Company’s derivative instruments was estimated using market data gathered by a third party financial institution, adjusted for market and credit risks applicable to the Company.

The estimated fair values of the Company's other financial assets and liabilities as of June 30, 2015 and December 31, 2014 were as follows (in thousands):

	Carrying Amount	Level 1	Level 2	Level 3
June 30, 2015				
LIABILITIES				
Long-term debt, including current portion	\$ 293,801	\$ —	\$ 293,071	\$ —
December 31, 2014				
LIABILITIES				
Long-term debt, including current portion	\$ 309,544	\$ —	\$ 320,099	\$ —

The carrying values of cash and cash equivalents, receivables, notes receivable from other business ventures and accounts payable approximate fair value. The fair value of the Company's long-term debt was estimated using discounted cash flow analyses based on estimated current rates for similar types of arrangements. Considerable judgment was required in developing certain of the estimates of fair value and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

3. DERIVATIVE INSTRUMENTS

In 2011, the Company entered into two interest rate swap agreements maturing in December 2015 that call for the Company to pay fixed interest rates of 1.29% and 1.76% on an aggregate notional value of \$26.1 million, which decreases each month by the amount of principal payments made on the note, and receive a variable interest rate based on LIBOR on these notional values. The general purpose of these interest rate swap agreements is to provide protection against increases in interest rates, which might lead to higher interest costs for the Company. The fair value of these derivative instruments as of June 30, 2015 and December 31, 2014 was a liability of \$0.2 million and \$0.3 million, respectively. The Company recognized gains of \$0.1 million for each of the three months ended June 30, 2015 and 2014 and gains of \$0.2 million for each of the six months ended June 30, 2015 and 2014. These gains are included in derivative losses, net on the condensed consolidated statements of operations.

From time to time, the Company enters into forward exchange option contracts to hedge against foreign currency payment commitments and anticipated transaction exposures. All derivatives are recognized as assets or liabilities and marked to fair value each period. The Company does not use financial instruments for trading or speculative purposes. None of the Company's derivative instruments contain credit-risk-related contingent features, and counterparties to the derivative contracts are high credit quality financial institutions.

The Company entered into forward contracts during the second quarter of 2014 to mitigate its exposure to exchange rate fluctuations on euro-denominated aircraft purchase commitments. The Company has not designated these contracts as hedges for accounting purposes. The Company recorded a loss of \$0 and \$0.3 million on these derivative instruments during the three and six months ended June 30, 2015, respectively. This loss is recorded in foreign currency gains (losses), net in the condensed consolidated statements of operations.

4. ESCROW DEPOSITS

From time to time, the Company enters into Qualified Exchange Accommodation Agreements with a third party to meet the like-kind exchange requirements of Section 1031 of the Internal Revenue Code ("IRC") and the provisions of Revenue Procedure 2000-37. In accordance with these provisions, the Company is permitted to deposit proceeds from the sale of assets into escrow accounts for the purpose of acquiring other assets and qualifying for the temporary deferral of taxable gains realized. Consequently, the Company establishes escrow accounts with financial institutions for the deposit of funds received on sales of equipment, which are designated for replacement property within a specified period of time. As of June 30, 2015, the Company had deposits of \$6.3 million in like-kind exchange escrow accounts. There were no such deposits as of December 31, 2014.

During the six months ended June 30, 2015, the Company sold one H135 light twin helicopter for cash proceeds of \$2.8 million, net of fees. The sale transaction was treated as a tax-free like-kind exchange for tax purposes under Section 1031 of the IRC whereby proceeds are held by a qualified intermediary until qualified assets are delivered. The Company also transferred title of one AW139 helicopter to Hauser Investments Limited ("Hauser") in connection with its acquisition of Hauser (see Note 5). This transfer was also treated as a tax-free like-kind exchange whereby Hauser deposited \$11.8 million into an escrow account with a qualified intermediary for the benefit of the Company. The Company withdrew \$8.4 million from the escrow account to make a deposit on a qualifying asset during the second quarter of 2015.

5. ACQUISITIONS AND DISPOSITIONS

Sicher Helicopters SAS (“Sicher”). On April 9, 2015, the Company contributed \$3.2 million in cash for a 75% interest in Hauser, which owns 100% of Sicher, a Colombian entity. In connection with the acquisition, the Company also transferred title of an AW139 helicopter to Hauser to be used in Sicher’s operations.

The Company recorded all identifiable assets acquired and liabilities assumed at the estimated acquisition date fair value in accordance with Accounting Standards Codification 805 - *Business Combinations* (“ASC 805”). This acquisition did not represent a material business combination under ASC 805. The acquisition of the 75% interest in Hauser resulted in the recognition of goodwill of \$1.4 million and other intangible assets, comprised primarily of a Colombian air operator certificate, of \$1.4 million. The fair value of the noncontrolling interest was determined using a discounted cash flow analysis. The initial accounting for the acquisition is not complete because the Company is still evaluating certain information used to estimate the fair values recorded including the valuations of the tangible assets, intangible assets, deferred income taxes and noncontrolling interest.

The noncontrolling interest partner has a right to put its interest to the Company, and the Company has a right to call its partner’s 25% ownership interest, each upon the occurrence of certain events and at fair value at the time of exercise as determined by an independent accounting firm. As a result of this put right, the noncontrolling interest related to Hauser is recorded in the mezzanine section of the condensed consolidated balance sheet as it does not meet the definition of a liability or equity under U.S. GAAP.

Capital Expenditures. During the six months ended June 30, 2015, capital expenditures were \$39.7 million and consisted primarily of deposits on future helicopter deliveries and a base expansion project. During the three and six months ended June 30, 2015, the Company capitalized interest of \$1.9 million and \$3.6 million, respectively. During the three and six months ended June 30, 2014, the Company capitalized interest of \$1.1 million and \$2.1 million, respectively. As of June 30, 2015 and December 31, 2014, construction in progress, which is a component of property and equipment, included capitalized interest of \$7.5 million and \$5.0 million, respectively. A summary of changes to our operating helicopter fleet is as follows:

Equipment Additions - The Company acquired three BO-105 light twin helicopters and one AS350 single engine helicopter in connection with the acquisition of Hauser during the six months ended June 30, 2015. The Company placed three AW139 helicopters into service during the six months ended June 30, 2014.

Equipment Dispositions - During the six months ended June 30, 2015, the Company sold or otherwise disposed of property and equipment for proceeds of \$8.4 million and recognized gains of \$1.9 million. Additionally, a dry-leasing customer exercised a purchase option for three helicopters from which the Company recognized a gain of \$1.2 million and an investment in sales-type lease of \$2.3 million. During the six months ended June 30, 2014, the Company sold or otherwise disposed of property and equipment for proceeds of \$7.0 million and recognized gains of \$6.0 million.

Fixed Base Operations (“FBO”) Sale. On May 1, 2015, the Company sold its FBO business at Ted Stevens Anchorage International Airport to Piedmont Hawthorne Aviation, LLC. Pursuant to a membership interests purchase agreement, Piedmont Hawthorne Aviation, LLC acquired 100% of Era Group’s wholly-owned subsidiary, Era FBO LLC, for cash proceeds of \$14.3 million. The Company recognized a pre-tax gain of \$12.9 million on the sale.

6. INCOME TAXES

The Company’s effective income tax rates were 41.9% and 37.6% for the three months ended June 30, 2015 and 2014, respectively, and 41.9% and 38.1% for the six months ended June 30, 2015 and 2014, respectively. In connection with the acquisition of Hauser, the transfer of the AW139 helicopter was treated as a sale for U.S. income tax purposes. Accordingly, the Company recognized a nonrecurring income tax expense of \$1.0 million, which has been recorded as a deferred tax liability as the Company plans to qualify the transfer for like-kind exchange treatment under the IRC. The additional expense increased the Company’s effective income tax rate by 5.0% for both the three and six months ended June 30, 2015.

7. LONG-TERM DEBT

The Company's borrowings as of June 30, 2015 and December 31, 2014 were as follows (in thousands):

	June 30, 2015	December 31, 2014
7.750% senior notes (excluding unamortized discount)	\$ 190,100	\$ 200,000
Senior secured revolving credit facility	80,000	85,000
Promissory notes	26,130	27,426
Other	182	—
	<u>296,412</u>	<u>312,426</u>
Less: portion due within one year	(26,130)	(27,426)
Less: debt discount, net	(2,611)	(2,882)
Total long-term debt	<u>\$ 267,671</u>	<u>\$ 282,118</u>

7.750% Senior Notes. On December 7, 2012, Era Group issued \$200.0 million aggregate principal amount of its 7.750% senior unsecured notes due December 15, 2022 (the "7.750% Senior Notes") and received net proceeds of \$191.9 million. Interest on the 7.750% Senior Notes is payable semi-annually in arrears on June 15 and December 15 of each year. During the six months ended June 30, 2015, the Company repurchased \$9.9 million of the 7.750% Senior Notes and recognized a gain on extinguishment of \$0.3 million.

Amended and Restated Senior Secured Revolving Credit Facility. On March 31, 2014, Era Group entered into an amended and restated senior secured revolving credit facility (the "Revolving Credit Facility") that matures in March 2019. The Revolving Credit Facility provides Era Group with the ability to borrow up to \$300.0 million, with a sub-limit of up to \$50.0 million for letters of credit. Subject to the satisfaction of certain conditions precedent and the agreement by the lenders, the Revolving Credit Facility includes an "accordion" feature which, if exercised, will increase total commitments by up to \$100.0 million. Era Group's availability under the Revolving Credit Facility may be limited by the terms of the 7.750% Senior Notes.

Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at Era Group's election, either a base rate or LIBOR, each as defined, plus an applicable margin. The applicable margin is based on the Company's ratio of funded debt to EBITDA, as defined, and ranges from 75 to 200 basis points on the base rate margin and 175 to 300 basis points on the LIBOR margin. The applicable margin as of June 30, 2015 was 125 basis points on the base rate margin and 225 basis points on the LIBOR margin. In addition, the Company is required to pay a quarterly commitment fee based on the average unfunded portion of the committed amount at a rate based on the Company's ratio of funded debt to EBITDA, as defined, that ranges from 37.5 to 50 basis points. As of June 30, 2015, the commitment fee was 50 basis points.

The obligations under the Revolving Credit Facility are secured by a portion of the Company's helicopter fleet and the Company's other tangible and intangible assets and are guaranteed by Era Group's wholly owned U.S. subsidiaries. The Revolving Credit Facility contains various restrictive covenants including interest coverage, funded debt to EBITDA, and fair market value of mortgaged helicopters plus accounts receivable and inventory to funded debt, as well as other customary covenants including certain restrictions on the Company's ability to enter into certain transactions, including those that could result in the incurrence of additional indebtedness and liens, the making of loans, guarantees or investments, sales of assets, payments of dividends or repurchases of capital stock, and entering into transactions with affiliates.

As of June 30, 2015, Era Group had \$80.0 million of outstanding borrowings under the Revolving Credit Facility, and the remaining availability was \$219.1 million, net of issued letters of credit of \$0.9 million. In connection with the amendment of the Revolving Credit Facility, Era Group incurred debt issuance costs of \$2.4 million. Such costs are included in other assets on the condensed consolidated balance sheets and are amortized to interest expense in the condensed consolidated statements of operations over the life of the Revolving Credit Facility.

Promissory Notes. During the six months ended June 30, 2015, Era Group made scheduled payments on other long-term debt of \$1.3 million.

8. COMMITMENTS AND CONTINGENCIES

Fleet. The Company's unfunded capital commitments as of June 30, 2015 consisted primarily of agreements to purchase helicopters and totaled \$175.0 million, of which \$66.4 million is payable during the remainder of 2015 with the balance payable through 2017. The Company also had \$1.7 million of deposits paid on options not yet exercised. The Company may terminate \$106.7 million of its total commitments (inclusive of deposits paid on options not yet exercised) without further liability other than aggregate liquidated damages of \$2.5 million.

Included in these commitments are orders to purchase nine AW189 heavy helicopters, four S92 heavy helicopters and five AW169 light twin helicopters. The AW189 and S92 helicopters are scheduled to be delivered in 2015 through 2017. Delivery dates for the AW169 helicopters have yet to be determined. In addition, the Company had outstanding options to purchase up to an additional ten AW189 helicopters and four S92 helicopters. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2016 through 2018.

Other. In the normal course of its business, the Company becomes involved in various litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management uses estimates in determining the Company's potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates related to such exposure could occur, but the Company does not expect such changes in estimated costs would have a material effect on its consolidated financial position, results of operations or cash flows.

In April 2014, the Company entered into a settlement agreement with Airbus Helicopters (formerly Eurocopter), a division of Airbus Group (formerly European Aeronautic Defense and Space Company), with respect to the extended suspension of operations of H225 heavy helicopters in 2012 and 2013. The settlement agreement provides for certain service and product credit discounts, including credits that will be available to the Company for a period of four years from the date of the agreement to be applied against support services available from Airbus Helicopters covering spare parts, repair and overhaul, service bulletins, technical assistance or other services. The Company expects to be able to apply such service credits over the next four quarters, and such credits will result in a reduction in operating expenses in the periods utilized. During the three and six months ended June 30, 2015, the Company utilized credits in the amount of \$1.2 million and \$2.5 million, respectively.

9. EARNINGS (LOSS) PER COMMON SHARE

Basic earnings per common share of the Company are computed based on the weighted average number of common shares issued and outstanding during the relevant periods. Diluted earnings per common share of the Company are computed based on the weighted average number of common shares issued and outstanding plus the effect of potentially dilutive securities through the application of the if-converted method and/or treasury method. Dilutive securities for this purpose assumes all common shares have been issued pursuant to the exercise of outstanding stock options.

Computations of basic and diluted earnings per common share of the Company for the three and six months ended June 30, 2015 and 2014 were as follows (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income (loss) attributable to Era Group Inc. ⁽¹⁾	\$ 11,163	\$ 5,150	\$ 11,148	\$ 9,539
Shares:				
Weighted average common shares outstanding - basic	20,273,780	20,066,060	20,235,082	20,009,808
Net effect of dilutive stock options and restricted stock awards based on the treasury stock method ⁽²⁾	58,877	68,413	60,416	70,309
Weighted average common shares outstanding - diluted	20,332,657	20,134,473	20,295,498	20,080,117
Earnings (loss) per common share:				
Basic	\$ 0.55	\$ 0.26	\$ 0.55	\$ 0.48
Diluted	\$ 0.55	\$ 0.26	\$ 0.55	\$ 0.48

(1) Excludes net income of \$170 and \$71 attributable to unvested common shares for the three months ended June 30, 2015 and 2014, respectively and \$143 and \$127 for the six months ended June 30, 2015 and 2014, respectively.

(2) Excludes weighted average common shares of 105,000 and 45,000 for the three months ended June 30, 2015 and 2014, respectively, and 79,000 and 25,500 for the six months ended June 30, 2015 and 2014, respectively, for certain share awards as the effect of their inclusion would have been antidilutive.

10. RELATED PARTY TRANSACTIONS

The Company terminated its Amended and Restated Transition Services Agreement (“TSA”) with SEACOR Holdings Inc. (“SEACOR”) effective June 30, 2015. The Company incurred costs under the TSA of \$0.2 million and \$0.8 million during the three months ended June 30, 2015 and 2014, respectively, and \$0.6 million and \$1.5 million during the six months ended June 30, 2015 and 2014, respectively. Such costs are classified as administrative and general expenses in the condensed consolidated statements of operations. As of June 30, 2015 and December 31, 2014, the Company had a payable due to SEACOR of \$0.1 million and \$0.3 million, respectively.

The Company purchased products from its Dart Holding Company Ltd. (“Dart”) joint venture totaling \$0.6 million and \$1.2 million during the three and six months ended June 30, 2015, respectively, and \$1.0 million and \$1.6 million during the three and six months ended June 30, 2014, respectively. The Company also has a note receivable from Dart which had a balance of \$3.8 million and \$4.0 million as of June 30, 2015 and December 31, 2014, respectively.

11. SHARE-BASED COMPENSATION

Restricted Stock Awards. The number of shares and weighted average grant price of restricted stock awards during the six months ended June 30, 2015 were as follows:

	Number of Shares	Weighted Average Grant Price
Non-vested as of December 31, 2014	195,920	\$ 25.48
Restricted stock awards granted:		
Non-employee directors	16,938	\$ 21.26
Employees	161,750	\$ 21.26
Vested	(66,227)	\$ 25.51
Forfeited	(600)	\$ 23.66
Non-vested as of June 30, 2015	<u>307,781</u>	<u>\$ 23.02</u>

The total fair value of shares vested during the six months ended June 30, 2015 and 2014 was \$1.7 million and \$2.3 million, respectively.

Stock Options. During the six months ended June 30, 2015, the Company awarded 60,000 stock options. The Company uses a Black-Scholes option pricing model to estimate the fair value of stock options. The following table shows the assumptions used to compute the share-based compensation expense for stock options granted during the six months ended June 30, 2015:

Risk free interest rate	1.47%
Expected life (years)	5
Volatility	35.11%
Dividend yield	—%
Weighted average exercise price of options granted (per option)	\$ 21.26
Weighted average grant-date fair value of options granted (per option)	\$ 7.04

Employee Stock Purchase Plan (“ESPP”). During the six months ended June 30, 2015, the Company issued 32,631 shares under the ESPP. As of June 30, 2015, 214,283 shares remain available for issuance under the ESPP.

Total share-based compensation expense, which includes stock options, restricted stock and the ESPP, was \$1.6 million and \$2.3 million for the six months ended June 30, 2015 and 2014, respectively.

12. GUARANTORS OF SECURITIES

On December 7, 2012, Era Group issued the 7.750% Senior Notes. Era Group’s payment obligations under the 7.750% Senior Notes are jointly and severally guaranteed by all of its existing 100% owned U.S. subsidiaries that guarantee the Revolving Credit Facility and any future U.S. subsidiaries that guarantee the Revolving Credit Facility or other material indebtedness Era Group may incur in the future (the “Guarantors”). All the Guarantors currently guarantee the Revolving Credit Facility, and the guarantees of the Guarantors are full and unconditional and joint and several. Era Group has no independent assets or operations, and subsidiaries of Era Group other than the Guarantors (“non-Guarantors”) are minor. In addition, there are no significant restrictions on the ability of Era Group or any Guarantor to obtain funds from its subsidiaries by dividend or loan.

The Company has omitted the condensed consolidating financial information for Era Group, the Guarantors and non-Guarantors from this Quarterly Report on Form 10-Q as the non-Guarantors are considered minor in accordance with Regulation S-X as of and for the three and six months ended June 30, 2015.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying unaudited consolidated financial statements as of June 30, 2015 and for the three and six months ended June 30, 2015 and 2014, included elsewhere herein, and with our annual report on Form 10-K for the year ended December 31, 2014.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements concerning management's expectations, strategic objectives, business prospects, anticipated performance and financial condition and other similar matters involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- dependence on, and the cyclical nature of, offshore oil and gas exploration, development and production activity;*
- fluctuations in worldwide prices of and demand for oil and natural gas;*
- reliance on a small number of customers and reduction of our customer base resulting from consolidation;*
- inherent risks in operating helicopters;*
- the failure to maintain an acceptable safety record;*
- the ability to successfully expand into other geographic and helicopter service markets;*
- the impact of increased United States ("U.S.") and foreign government regulation and legislation, including potential government implemented moratoriums on drilling activities;*
- the requirement to engage in competitive processes or expend significant resources with no guaranty of recoupment;*
- the grounding of all or a portion of our fleet for extended periods of time or indefinitely;*
- reduction or cancellation of services for government agencies;*
- reliance on a small number of helicopter manufacturers and suppliers;*
- political instability, governmental action, war, acts of terrorism and changes in the economic condition in any foreign country where the Company does business, which may result in expropriation, nationalization, confiscation or deprivation of our assets or result in claims of a force majeure situation;*
- declines in the global economy and financial markets;*
- foreign currency exchange controls and exposure, including the impact of fluctuations in foreign currency exchange rates on the Company's cost to purchase helicopters, spare parts and related services and on asset values;*
- credit risk exposure;*
- the ongoing need to replace aging helicopters;*
- reliance on the secondary used helicopter market to dispose of older helicopters;*
- reliance on information technology;*
- allocation of risk between the Company and its customers;*
- liability, legal fees and costs in connection with providing emergency response services;*
- risks associated with the Company's debt structure;*
- operational and financial difficulties of the Company's joint ventures and partners;*
- conflict with the other owners of the Company's non-wholly owned subsidiaries and other equity investees;*
- adverse results of legal proceedings;*
- adverse weather conditions and seasonality;*
- adequacy of insurance coverage;*
- the attraction and retention of qualified personnel;*
- restrictions on the amount of foreign ownership of the Company's common stock; and*
- various other matters and factors, many of which are beyond the Company's control.*

It is not possible to predict or identify all such factors. Consequently, the foregoing should not be considered a complete discussion of all potential risks or uncertainties. The words "estimate," "project," "intend," "believe," "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which the forward-looking statement is based. The forward-looking statements in this Quarterly Report on Form 10-Q should be evaluated together with the many uncertainties that affect the Company's businesses, particularly those discussed

in greater detail elsewhere herein and in Part I, Item 1A, "Risk Factors" of Era Group's Annual Report on Form 10-K for the year ended December 31, 2014 and Era Group's subsequent Quarterly Reports on Form 10-Q and periodic reporting on Form 8-K (if any).

Overview

Our helicopters are primarily used to transport personnel to, from and between offshore oil and gas installations, drilling rigs and platforms. In addition to serving the oil and gas industry, we provide search and rescue, air medical services, utility services and Alaska flightseeing tours, among other activities. We are one of the largest helicopter operators in the world, and we also provide helicopters and related services to third-party helicopter operators and foreign affiliates. We currently have customers in the U.S., Brazil, Colombia, India, Norway, Spain and the United Kingdom.

We charter the majority of our helicopters through master service agreements, subscription agreements, day-to-day charter arrangements and dry-leases. Master service agreements and subscription agreements typically require a fixed monthly fee plus incremental payments based on hours flown. These agreements have fixed terms ranging from one month to five years and generally may be canceled without penalty upon 30 days' notice. Generally, these contracts do not commit our customers to acquire specific amounts of services or minimum flight hours and permit our customers to decrease the number of helicopters under contract with a corresponding decrease in the fixed monthly payments without penalty. Day-to-day charter arrangements call for either a combination of a daily fixed fee plus a charge based on hours flown or an hourly rate with a minimum number of hours to be charged. Dry-leases require a fixed monthly fee for the customer's right to use the helicopter and, where applicable, a charge based on hours flown as compensation for any maintenance, parts, and/or personnel support that we may provide to the customer. Dry-leases generally run from two to five years with no early cancellation provisions. Air medical services are provided under contracts with hospitals that typically include a fixed monthly and hourly rate structure. With respect to flightseeing operations, we allocate block space to cruise lines and seats are sold directly to customers.

Certain of our operations are subject to seasonal factors. Operations in the U.S. Gulf of Mexico are often at their highest levels from April to September, as daylight hours increase, and are at their lowest levels from November to February, as daylight hours decrease. Our Alaskan operations also see an increase during May to September, as our firefighting and flightseeing operations occur during this time and daylight hours are significantly longer.

Recent Developments

The excess capacity of our medium helicopters continues to be greater than in recent periods. Our fleet's excess helicopters include those that are not otherwise under customer contracts, undergoing maintenance or dedicated for charter activity. Although we take actions to minimize excess capacity, we expect a certain level of excess capacity at any given time in an aviation logistics business as a result of the evolving nature of customers' needs. As a result of the higher excess capacity beginning during the fourth quarter of 2014, our operating revenues were negatively impacted in the first half of 2015. Through fleet management initiatives, participation in competitive bids and pursuit of additional opportunities in the U.S. Gulf of Mexico and abroad, we are focused on maximizing the utilization of our fleet and mitigating the excess capacity in our medium helicopters. If we are not successful in securing sufficient new projects, we may experience a further decline in the near-term utilization of our medium helicopters that may impact our financial results over the next few quarters. We have recently been awarded a number of new contracts in the U.S. Gulf of Mexico and Brazil. Some of those contracts have already begun, but most of them are not scheduled to begin until the second half of 2015 or early 2016.

Aeróleo Update

We were in a dispute with our partner in Aeróleo Taxi Aereo S/A ("Aeróleo") with respect to our contractual shareholder rights related to any attempted sale or transfer by such partner of its interests, which was being resolved through arbitration. On February 15, 2014, with our consent, definitive agreements were executed with respect to the transfer to a third party of the 50% economic and 80% voting interest held by our partner in Aeróleo. As consideration for the transfer of interests and the other terms and conditions of the transaction, Aeróleo will be required to make payments to affiliates of the transferring partner in the form of severance and partial repayment of shareholder loans in the amount of \$1.7 million. The transaction remains subject to customary closing conditions, including approval of the court administering the estate of the beneficial owner of our partner in Aeróleo. Due to delays in obtaining such judicial approval, the transaction is now expected to close during the second half of 2015. As a result of the transaction, we expect to be required to consolidate the financial results of Aeróleo upon consummation.

Since the acquisition of our interest in Aeróleo, it has faced several challenges with respect to generating revenues from the helicopters that it dry-leases from us. See Note 5 to our consolidated financial statements in Item 8 of our most recent Annual Report on Form 10-K for more information. A continuation of any combination of these financial difficulties, taken separately or together, may impede Aeróleo's ability to pay for the equipment lease obligations to us, and/or necessitate an infusion of capital from us to allow Aeróleo to continue to operate and, as a result, may adversely impact our results of operations. Due to liquidity issues experienced by Aeróleo, as of June 30, 2015, we had deferred the recognition of \$37.1 million of revenues from Aeróleo.

Sicher Acquisition

On April 9, 2015, we contributed \$3.2 million in cash for a 75% interest in Hauser Investments Limited. (“Hauser”), which owns 100% of Sicher Helicopters SAS (“Sicher”). Sicher, based in Bogota, Colombia, is one of the leading helicopter operators in Colombia with a strong presence in the existing onshore oil and gas market. In connection with the acquisition, we also transferred title of an AW139 medium helicopter to Hauser to be used in Sicher’s operations and acquired three BO-105 light twin helicopters and one AS350 single engine helicopter.

FBO Sale

On May 1, 2015, we sold our fixed base operations (“FBO”) business at Ted Stevens Anchorage International Airport to Piedmont Hawthorne Aviation, LLC. Pursuant to a membership interests purchase agreement, Piedmont Hawthorne Aviation, LLC acquired 100% of Era Group’s wholly-owned subsidiary, Era FBO LLC, for cash proceeds of \$14.3 million.

Fleet Update

As of June 30, 2015, we had unfunded capital commitments consisting primarily of agreements to purchase helicopters totaling \$175.0 million, including nine AW189 heavy helicopters, four S92 heavy helicopters and five AW169 light twin helicopters. The AW189 and S92 helicopters are scheduled to be delivered in 2015 through 2017. Delivery dates for the AW169 helicopters have yet to be determined. In addition, we had outstanding options to purchase up to an additional ten AW189 helicopters and four S92 helicopters. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2016 through 2018. We also have the option to terminate \$106.7 million of our total commitments (inclusive of deposits paid on options not yet exercised) without further liability other than aggregate liquidated damages of \$2.5 million.

Results of Operations

	Three Months Ended June 30,				Six Months Ended June 30,			
	2015		2014		2015		2014	
	(in thousands)	%	(in thousands)	%	(in thousands)	%	(in thousands)	%
Operating Revenues:								
United States	\$ 58,458	83	\$ 74,941	87	113,917	82	142,263	86
Foreign	12,280	17	11,639	13	24,236	18	23,760	14
Total operating revenues	70,738	100	86,580	100	138,153	100	166,023	100
Costs and Expenses:								
Operating:								
Personnel	15,975	23	19,488	23	33,311	24	37,573	23
Repairs and maintenance	12,399	17	17,628	20	25,572	18	34,303	21
Insurance and loss reserves	1,991	3	2,440	3	4,124	3	5,068	3
Fuel	2,916	4	6,913	8	6,399	5	13,048	8
Leased-in equipment	263	—	320	—	492	—	557	—
Other	6,240	9	7,890	9	13,491	10	13,770	8
Total operating expenses	39,784	56	54,679	63	83,389	60	104,319	63
Administrative and general	10,779	15	10,065	12	20,522	15	21,399	13
Depreciation	11,398	16	11,425	13	23,000	17	22,712	14
Total costs and expenses	61,961	87	76,169	88	126,911	92	148,430	90
Gains (losses) on asset dispositions, net	(242)	—	3,139	4	3,146	2	6,030	4
Operating income	8,535	13	13,550	16	14,388	10	23,623	14
Other income (expense):								
Interest income	317	—	143	—	568	1	288	—
Interest expense	(2,881)	(4)	(3,840)	(4)	(6,426)	(5)	(7,593)	(5)
Gain on debt extinguishment	—	—	—	—	264	—	—	—
Derivative losses, net	(10)	—	(11)	—	(22)	—	(41)	—
Note receivable impairment	—	—	(2,457)	(3)	—	—	(2,457)	(1)
Foreign currency gains (losses), net	543	1	21	—	(2,417)	(2)	(36)	—
Gain on sale of FBO	12,946	18	—	—	12,946	9	—	—
Other, net	(9)	—	13	—	(9)	—	13	—
Total other income (expense)	10,906	15	(6,131)	(7)	4,904	3	(9,826)	(6)
Income before income taxes and equity earnings	19,441	28	7,419	9	19,292	13	13,797	8
Income tax expense	8,138	12	2,759	4	8,083	5	5,262	3
Income before equity earnings	11,303	16	4,660	5	11,209	8	8,535	5
Equity earnings (losses), net of tax	(198)	—	536	1	(343)	—	1,035	1
Net income	11,105	16	5,196	6	10,866	8	9,570	6
Net loss attributable to noncontrolling interest in subsidiary	228	—	25	—	425	—	96	—
Net income attributable to Era Group Inc.	\$ 11,333	16	\$ 5,221	6	\$ 11,291	8	\$ 9,666	6

Operating Revenues by Service Line. The table below sets forth the operating revenues earned by service line for the three and six months ended June 30, 2015 and 2014.

	Three Months Ended June 30,				Six Months Ended June 30,				
	2015		2014		2015		2014		
	(in thousands)	%	(in thousands)	%	(in thousands)	%	(in thousands)	%	
Operating revenues:									
Oil and gas: ⁽¹⁾									
U.S. Gulf of Mexico	\$ 41,821	59	\$ 51,715	60	83,734	61	100,856	61	
Alaska	6,009	9	9,305	11	9,810	7	15,502	9	
International	47	—	173	—	47	—	1,418	1	
Total oil and gas	47,877	68	61,193	71	93,591	68	117,776	71	
Dry-leasing	12,233	17	11,466	13	24,189	18	22,342	13	
Search and rescue	4,989	7	5,095	6	10,227	7	11,247	7	
Air medical services	1,914	3	3,137	4	4,281	3	6,228	4	
Flightseeing	3,118	4	2,946	3	3,118	2	2,946	2	
FBO	614	1	2,858	3	2,760	2	5,700	3	
Eliminations	(7)	—	(115)	—	(13)	—	(216)	—	
	\$ 70,738	100	\$ 86,580	100	138,153	100	166,023	100	

(1) Primarily oil and gas services, but also includes revenues from activities such as firefighting and utility support.

Current Year Quarter compared to Prior Year Quarter

Operating Revenues. Operating revenues were \$15.8 million lower in the three months ended June 30, 2015 (the “Current Year Quarter”) compared to the three months ended June 30, 2014 (the “Prior Year Quarter”).

Operating revenues from oil and gas operations in the U.S. Gulf of Mexico were \$9.9 million lower in the Current Year Quarter. Operating revenues from medium helicopters were \$8.8 million lower primarily due to lower utilization. Operating revenues from light twin engine helicopters were \$0.9 million lower primarily due to lower utilization and reduced fleet count. Operating revenues from single engine helicopters were \$0.8 million lower primarily due to reduced fleet count. These decreases were partially offset by higher heavy helicopter operating revenues of \$0.4 million due to a helicopter that was contracted for the entire Current Year Quarter compared to only a portion of the Prior Year Quarter.

Operating revenues from oil and gas operations in Alaska were \$3.3 million lower in the Current Year Quarter. Operating revenues from medium helicopters were \$3.0 million lower primarily due to lower utilization and reduced fleet count. Miscellaneous revenues were \$0.3 million lower primarily due to reduced rebillable expenses. Operating revenues for single and light twin helicopters were consistent with the Prior Year Quarter.

Operating revenues from international oil and gas operations were \$0.1 million lower in the Current Year Quarter primarily due to lower utilization.

Revenues from dry-leasing activities were \$0.8 million higher in the Current Year Quarter primarily due to increased cash collections of \$4.3 million from Aeróleo. Revenues from Aeróleo are recognized only as cash is received. The increase was partially offset by decreased revenues of \$2.7 million related to contracts that ended subsequent to the Prior Year Quarter, of which \$0.7 million relates to helicopters that were sold, and decreased revenues of \$0.6 million from a customer in India as a result of the change from cash to accrual basis of revenue recognition in the fourth quarter of 2014.

Operating revenues from search and rescue (“SAR”) activities were \$0.1 million lower in the Current Year Quarter primarily due to reduced charter activity.

Operating revenues from air medical services were \$1.2 million lower in the Current Year Quarter primarily due to contracts that ended subsequent to the Prior Year Quarter.

Operating revenues from flightseeing activities were \$0.2 million higher in the Current Year Quarter primarily due to an increase in the number of passengers flown.

Operating revenues from FBO activities were \$2.2 million lower in the Current Year Quarter primarily due to the sale of the FBO on May 1, 2015. We will not earn additional revenues from the FBO.

Operating Expenses. Operating expenses were \$14.9 million lower in the Current Year Quarter. Repairs and maintenance expenses were \$5.2 million lower primarily due to a \$3.0 million decrease related to the timing of repairs, a \$1.0 million decrease in power-by-hour (“PBH”) expense due to reduced flight hours, and a \$1.2 million decrease related to vendor credits. Fuel expenses were \$4.0 million lower primarily due to lower fuel prices, reduced flight hours and the sale of the FBO in May 2015. Personnel costs were \$3.5 million lower primarily due to reduced headcount, crew travel costs and overtime. Other operating expenses were \$1.7 million lower primarily due to reduced rebillable expenses and decreased part sales. Insurance and loss reserves were \$0.4 million lower primarily due to lower premiums and reduced activity.

Administrative and General. Administrative and general expenses were \$0.7 million higher in the Current Year Quarter primarily due to increased professional service fees and increased information technology costs due to the transition of services from SEACOR Holdings Inc. (“SEACOR”). These increases were partially offset by reduced fees charged under the Amended and Restated Transition Services Agreement (“TSA”) with SEACOR and the partial recovery in the Current Year Quarter of a previously reserved note receivable.

Gains (Losses) on Asset Dispositions, Net. Gains on asset dispositions were \$3.4 million lower in the Current Year Quarter. In the Current Year Quarter, we sold five single engine helicopters for proceeds of \$3.0 million resulting in book losses of \$0.2 million. During the Prior Year Quarter, we sold one helicopter for total proceeds of \$3.4 million resulting in gains of \$3.1 million.

Operating Income. Operating income as a percentage of revenues was 13% in the Current Year Quarter compared to 16% in the Prior Year Quarter. Excluding gains on asset dispositions discussed above, operating income as a percentage of revenues was 12% in the Current Year Quarter, consistent with 12% in the Prior Year Quarter.

Interest Expense. Interest expense was \$1.0 million lower in the Current Year Quarter primarily due to increased capitalized interest and the repurchase of \$9.9 million of our 7.750% senior unsecured notes (the “7.750% Senior Notes”).

Note Receivable Impairment. Note receivable impairments were \$2.5 million in the Prior Year Quarter related to a probable loss of a note receivable.

Foreign Currency Gains (Losses), Net. Foreign currency gains of \$0.5 million in the Current Year Quarter were primarily due to the weakening of the U.S. dollar resulting in gains on our euro denominated balances.

Gain on Sale of FBO. Net cash proceeds from the sale of the FBO were \$14.3 million during the Current Year Quarter resulting in a pre-tax gain of \$12.9 million.

Income Tax Expense. Income tax expense was \$5.4 million higher in the Current Year Quarter primarily due to higher income before taxes during the period and a nonrecurring charge to deferred taxes resulting from the acquisition of Hauser.

Equity Earnings (Losses), Net of Tax. Equity earnings, net of tax, were \$0.7 million lower in the Current Year Quarter primarily due to the absence of earnings from Lake Palma, S.A., which was sold in July 2014, and losses from our Dart Holding Company Ltd. (“Dart”) joint venture.

Current Six Months compared to Prior Six Months

Operating Revenues. Operating revenues were \$27.9 million lower in the six months ended June 30, 2015 (the “Current Six Months”) compared to the six months ended June 30, 2014 (the “Prior Six Months”).

Operating revenues from oil and gas operations in the U.S. Gulf of Mexico were \$17.1 million lower in the Current Six Months. Operating revenues from medium helicopters were \$14.1 million lower primarily due to lower utilization. Operating revenues from single engine and light twin engine helicopters were \$2.6 million and \$1.3 million lower, respectively, primarily due to lower utilization and reduced fleet count. These decreases were partially offset by higher miscellaneous revenues of \$0.6 million primarily due to increased billable expenses and parts sales. In addition, operating revenues from heavy helicopters were \$0.2 million higher primarily due to a helicopter that was contracted for the entire Current Six Months compared to only a portion of the Prior Six Months.

Operating revenues from oil and gas operations in Alaska were \$5.7 million lower in the Current Six Months. Operating revenues from medium helicopters were \$5.8 million lower primarily due to lower utilization. Miscellaneous revenues were \$0.3 million lower primarily due to reduced billable expenses. These decreases were partially offset by an increase in operating revenues from light twin engine helicopters of \$0.6 million primarily due to increased utilization and higher rates.

Operating revenues from international oil and gas operations were \$1.4 million lower in the Current Six Months due to lower utilization.

Revenues from dry-leasing activities were \$1.8 million higher in the Current Six Months primarily due to increased cash collections of \$6.4 million from Aeroleo. Revenues from Aeroleo are recognized only as cash is received. These increases were partially offset by decreased revenues of \$3.5 million related to contracts that ended subsequent to the Prior Six Months, of which \$1.2 million related to helicopters that were sold, decreased revenues of \$0.7 million from a customer in India as a result of the change from cash to accrual basis of revenue recognition in the fourth quarter of 2014, and \$0.4 million related to foreign currency fluctuations.

Operating revenues from SAR activities were \$1.0 million lower in the Current Six Months primarily due to reduced charter activity.

Operating revenues from air medical services were \$1.9 million lower in the Current Six Months primarily due to contracts that ended subsequent to the Prior Six Months.

Operating revenues from flightseeing activities were \$0.2 million higher in the Current Six Months due to an increase in the number of passengers flown.

Operating revenues from FBO activities were \$2.9 million lower in the Current Six Months due to the sale of the FBO on May 1, 2015. We will not earn additional revenues from the FBO.

Operating Expenses. Operating expenses were \$20.9 million lower in the Current Six Months. Repairs and maintenance expenses were \$8.7 million lower primarily due to a decrease of \$5.0 million related to the timing of repairs, a \$0.8 million decrease in PBH expenses due to reduced flight hours, and a \$2.9 million decrease related to vendor credits. Fuel expenses were \$6.6 million lower primarily due to lower fuel prices, reduced flight hours and the sale of the FBO in May 2015. Personnel expenses were \$4.3 million lower primarily due to reduced headcount and crew travel costs. Insurance and loss reserves were \$0.9 million lower primarily due to lower premiums and reduced activity.

Administrative and General. Administrative and general expenses were \$0.9 million lower in the Current Six Months primarily due to a decrease of \$1.4 million in compensation and employee costs related to reduced headcount in the Current Six Months and accelerated stock amortization expense due to changes in senior management in the Prior Six Months as well as a decrease of \$1.0 million in fees under the TSA. These decreases were partially offset by a \$0.9 million increase in professional service fees and a \$0.5 million increase in information technology costs due to the transition of services from SEACOR under the TSA.

Depreciation. Depreciation expense was \$0.3 million higher in the Current Six Months due to depreciation of new helicopters placed in service during and subsequent to the Prior Six Months.

Gains on Asset Dispositions, Net. During the Current Six Months, we sold seven helicopters for cash proceeds of \$8.4 million resulting in net gains of \$1.9 million. In addition, a dry-leasing customer exercised a purchase option for three helicopters from which we recognized a gain of \$1.2 million. During the Prior Six Months, we sold helicopters and other equipment for proceeds of \$7.0 million, resulting in gains of \$6.0 million.

Operating Income. Operating income as a percentage of revenues was 10% in the Current Six Months compared to 14% in the Prior Six Months. Excluding gains on asset dispositions discussed above, operating income as a percentage of revenues was 8% in the Current Six Months compared to 11% in the Prior Six Months. The decrease in operating income as a percentage of revenues was driven primarily by the decrease in revenues.

Interest Expense. Interest expense was \$1.2 million lower in the Current Six Months primarily due to increased capitalized interest and the repurchase of \$9.9 million of our 7.750% Senior Notes.

Note Receivable Impairment. Note receivable impairments were \$2.5 million in the Prior Six Months related to a probable loss of a note receivable.

Foreign Currency Gains (Losses), Net. Foreign currency losses of \$2.4 million in the Current Six Months were primarily due to the strengthening of the U.S. dollar, resulting in losses on our euro denominated balances and realized losses on settled forward currency contracts.

Gain on Sale of FBO. Net cash proceeds from the sale of the FBO were \$14.3 million during the Current Six Months resulting in a pre-tax gain of \$12.9 million.

Income Tax Expense. Income tax expense was \$2.8 million higher in the Current Six Months primarily due to higher pre-tax income and a nonrecurring charge to deferred taxes resulting from the acquisition of Hauser.

Equity Earnings, Net of Tax. Equity earnings, net of tax, were \$1.4 million lower in the Current Six Months primarily due to losses from Dart and the absence of earnings from Lake Palma, S.A. as a result of the sale of the joint venture in July 2014.

Fleet Count

The following shows details of our helicopter fleet as of June 30, 2015.

	Owned ⁽¹⁾	Joint Ventured	Leased-in	Managed	Total	Max. Pass. ⁽²⁾	Cruise Speed (mph)	Approx. Range (miles)	Average Age ⁽³⁾ (years)
Heavy:									
H225	9	—	—	—	9	19	162	582	5
Medium:									
AW139	38	1	—	—	39	12	173	426	6
B212	8	—	—	—	8	11	115	299	36
B412	3	—	—	—	3	11	138	352	34
S76 A++	2	—	—	—	2	12	155	348	25
S76 C+/C++	5	—	—	1	6	12	161	348	8
	56	1	—	1	58				
Light—twin engine:									
A109	7	—	—	—	7	7	161	405	9
BK-117	—	—	2	1	3	9	150	336	N/A
BO-105	3	—	—	—	3	4	138	276	26
H135	16	—	2	1	19	7	138	288	8
H145	3	—	—	2	5	9	150	336	6
	29	—	4	4	37				
Light—single engine:									
A119	17	—	—	—	17	7	161	270	9
AS350	31	—	—	—	31	5	138	361	19
	48	—	—	—	48				
Total Fleet	142	1	4	5	152				12

(1) Includes three BO-105 helicopters and one AS350 helicopter owned by Hauser at the time of the acquisition.

(2) In typical configuration for our operations.

(3) Reflects the average age of helicopters that are owned by us.

Liquidity and Capital Resources

General

Our ongoing liquidity requirements arise primarily from working capital needs, meeting our capital commitments (including the purchase of helicopters and other equipment) and the repayment of debt obligations. In addition, we may use our liquidity to fund acquisitions, repurchase shares or debt securities or make other investments. Sources of liquidity are cash balances and cash flows from operations and, from time to time, we may obtain additional liquidity through the issuance of equity or debt or through borrowings under our amended and restated senior secured credit facility (“Revolving Credit Facility”).

As of June 30, 2015, we had unfunded capital commitments of \$175.0 million, consisting primarily of agreements to purchase helicopters, including nine AW189 heavy helicopters, four S92 heavy helicopters and five AW169 light twin helicopters. The AW189 and S92 helicopters are scheduled to be delivered in 2015 through 2017. Delivery dates for the AW169 helicopters have yet to be determined. Of these commitments, \$66.4 million are payable in 2015, with the remaining commitments payable through 2017, and \$106.7 million of the commitments (inclusive of deposits paid on options not yet exercised) may be terminated without further liability to us other than aggregate liquidated damages of \$2.5 million. In addition, we had outstanding options to purchase up to an additional ten AW189 helicopters and four S92 helicopters. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2016 through 2018.

We expect to finance the remaining acquisition costs through a combination of cash on hand, cash provided by operating activities and borrowings under our Revolving Credit Facility.

Summary of Cash Flows

	Six Months Ended June 30,	
	2015	2014
<i>(in thousands)</i>		
Cash flows provided by or (used in):		
Operating activities	\$ 20,727	\$ 31,283
Investing activities	(27,604)	(44,558)
Financing activities	(15,005)	(3,048)
Effect of exchange rate changes on cash and cash equivalents	(1,983)	(72)
Net decrease in cash and cash equivalents	<u>\$ (23,865)</u>	<u>\$ (16,395)</u>

Operating Activities

Cash flows provided by operating activities decreased by \$10.6 million in the Current Six Months compared with the Prior Six Months. The components of cash flows provided by operating activities during the Current Six Months and Prior Six Months were as follows (in thousands):

	Six Months Ended June 30,	
	2015	2014
Operating income before depreciation and gains on asset dispositions, net	\$ 34,242	\$ 40,305
Changes in operating assets and liabilities before interest and income taxes	(9,505)	(5,983)
Cash settlements on derivative transactions, net	(186)	(245)
Interest paid, excluding capitalized interest of \$3,631 and \$2,064 in 2015 and 2014, respectively	(5,917)	(6,875)
Income taxes	20	(681)
Note receivable impairment	—	2,457
Other	2,073	2,305
Total cash flows provided by operating activities	<u>\$ 20,727</u>	<u>\$ 31,283</u>

Operating income before depreciation and gains on asset dispositions, net was \$6.1 million lower in the Current Six Months compared with the Prior Six Months primarily due to a decrease in operating revenues of \$27.9 million, partially offset by a decrease in operating expenses and administrative and general expenses of \$20.9 million and \$0.9 million, respectively. See “Results of Operations” above for an explanation of the main variances.

During the Current Six Months, changes in operating assets and liabilities before interest and income taxes used cash flows of \$9.5 million primarily due to an increase in receivables and other assets and a decrease in accounts payable and accrued expenses. During the Prior Six Months, changes in operating assets and liabilities before interest and income taxes used cash flows of \$6.0 million.

Interest paid was \$1.0 million lower during the Current Six Months primarily due to capitalized interest and the repurchase of \$9.9 million of the 7.750% Senior Notes during the period.

Investing Activities

During the Current Six Months, net cash used in investing activities was \$27.6 million primarily as follows:

- Capital expenditures were \$39.7 million, which consisted primarily of a base expansion project and deposits on future helicopter deliveries.
- Proceeds from the disposition of property and equipment were \$8.4 million.
- Proceeds from the sale of the FBO were \$14.3 million.
- Deposits into escrow accounts, including for like-kind exchanges, net were \$6.7 million.
- Cash outflows for business acquisitions, net of cash acquired, were \$3.2 million.

- Net cash outflows for the settlement of derivative transactions were \$1.1 million.
- Net principal payments from notes receivable from equity investees and third parties were \$0.4 million.

During the Prior Six Months, net cash used in investing activities was \$44.6 million primarily as follows:

- Capital expenditures were \$52.1 million, which consisted primarily of helicopter acquisitions and deposits on future helicopter deliveries.
- Proceeds from the disposition of property and equipment were \$7.0 million.
- Net principal payments on notes due from equity investees and third parties were \$0.6 million.

Financing Activities

During the Current Six Months, net cash used in financing activities was \$15.0 million primarily as follows:

- Principal payments on long-term debt were \$31.3 million.
- Proceeds from our Revolving Credit Facility were \$25.0 million.
- Cash used for the repurchase of a portion of our 7.750% Senior Notes was \$9.3 million.
- Proceeds from share award plans were \$0.6 million.

During the Prior Six Months, net cash used in financing activities was \$3.0 million primarily as follows:

- Issuance costs related to our Revolving Credit Facility were \$2.4 million.
- Principal payments on long-term debt were \$1.5 million.
- Proceeds from share award plans were \$0.8 million.

Amended and Restated Senior Secured Revolving Credit Facility

Our Revolving Credit Facility provides us with the ability to borrow up to \$300.0 million with a sub-limit of up to \$50.0 million for letters of credit and includes an “accordion” feature which, if exercised and subject to agreement by the lenders and the satisfaction of certain conditions, will increase total commitments by up to \$100.0 million. Our availability under the Revolving Credit Facility may be limited by the terms of the 7.750% Senior Notes. As of June 30, 2015, we had the ability to borrow an additional \$219.1 million under the Revolving Credit Facility.

Senior Notes

On December 7, 2012, we completed an offering of \$200.0 million aggregate principal amount of our 7.750% Senior Notes due December 15, 2022. Interest on the notes is payable semi-annually in arrears on June 15 and December 15 of each year. In February 2015, we repurchased \$7.9 million of the 7.750% Senior Notes at a price of 93.250, and in March 2015, we repurchased an additional \$2.0 million of the 7.750% Senior Notes at a price of 96.500 for total cash of \$9.3 million. These repurchases resulted in total gains of \$0.3 million.

Short and Long-Term Liquidity Requirements

We anticipate that we will generate positive cash flows from operating activities and that these cash flows will be adequate to meet our working capital requirements. During the six months ended June 30, 2015, our cash provided by operating activities was \$20.7 million. To support our capital expenditure program and/or other liquidity requirements, we may use operating cash flow, cash balances or proceeds from sales of assets, issue debt or equity, borrow under our Revolving Credit Facility or undertake any combination of the foregoing.

Our availability of long-term financing is dependent upon our ability to generate operating profits sufficient to meet our requirements for working capital, capital expenditures and a reasonable return on investment. We believe that earning such operating profits will permit us to maintain access to favorably priced financing arrangements. Management will continue to closely monitor our liquidity and the capital and other financing markets.

Off-Balance Sheet Arrangements

On occasion, we and our partners will guarantee certain obligations on behalf of our joint ventures. As of June 30, 2015, we had no such guarantees in place.

Contractual Obligations and Commercial Commitments

For additional information about our contractual obligations and commercial commitments, refer to “Liquidity and Capital Resources—Contractual Obligations and Commercial Commitments” contained in our Annual Report on Form 10-K for the year ended December 31, 2014. There have been no material changes since such date.

Contingencies

In the normal course of our business, we become involved in various litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management uses estimates in determining our potential exposure to these matters and has recorded reserves in our financial statements related thereto as appropriate. It is possible that a change in our estimates related to these exposures could occur, but we do not expect such changes in estimated costs would have a material effect on our consolidated financial position, results of operations or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For additional information about our exposure to market risk, refer to Item 7A, Quantitative and Qualitative Disclosures about Market Risk, contained in our Annual Report on Form 10-K for the year ended December 31, 2014. There has been no material change in our exposure to market risk during the Current Year Quarter, except as described below.

As of June 30, 2015, we had non-U.S. dollar denominated capital purchase commitments of €128.7 million (\$143.4 million). An adverse change of 10% in the underlying foreign currency exchange rate would increase the U.S. dollar equivalent of the non-hedged purchase commitment by \$14.3 million. As of June 30, 2015, we maintained non-U.S. dollar denominated cash balances of €7.0 million. An adverse change of 10% in the underlying foreign currency exchange rate would reduce net income by \$0.7 million.

ITEM 4. CONTROLS AND PROCEDURES

With the participation of our Chief Executive Officer, who is currently also serving as Chief Financial Officer, management evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of June 30, 2015. Based on his evaluation, our principal executive officer and principal financial officer concluded that the Company’s disclosure controls and procedures were effective and operating to provide reasonable assurance that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including ensuring that such material information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure, as of June 30, 2015.

During the quarter ended June 30, 2015, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II—OTHER INFORMATION**ITEM 1A. RISK FACTORS**

For additional information about our risk factors, see “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014. There have been no material changes to this Item from the disclosure included in our Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents information regarding our repurchases of shares of our Common Stock on a monthly basis during the three months ended June 30, 2015:

	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Value of Shares that May Yet be Purchased Under the Plans or Programs
April 1, 2015 - April 30, 2015	—	—	—	\$ 25,000,000
May 1, 2015 - May 31, 2015	—	—	—	\$ 25,000,000
June 1, 2015 - June 30, 2015	—	—	—	\$ 25,000,000

ITEM 6. EXHIBITS

The exhibits listed in the accompanying Exhibit Index are filed, furnished or incorporated by reference (as stated therein) as part of this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Era Group Inc. (Registrant)

DATE: August 4, 2015

By: /s/ Christopher S. Bradshaw
Christopher S. Bradshaw, President, Chief Executive Officer and Chief Financial Officer

DATE: August 4, 2015

By: /s/ Jennifer Whalen
Jennifer Whalen, *Vice President and Chief Accounting Officer*

EXHIBIT INDEX

10.1	Era Group Inc. Senior Executive Severance Plan
31.1	Certification by the Principal Executive and Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act.
32.1	Certification by the Principal Executive and Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

**ERA GROUP INC.
SENIOR EXECUTIVE SEVERANCE PLAN**

WHEREAS, Era Group Inc. (the "Company") considers it essential to the best interests of its stockholders to foster the continued employment of key management personnel;

WHEREAS, the Board of Directors of the Company, in consultation with the Compensation Committee of the Board of Directors (collectively referred to herein as the "Board"), recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among the Company's management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control.

NOW, THEREFORE, the Company hereby adopts the Era Group Inc. Senior Executive Severance Plan (the "Plan") for the benefit of certain employees of the Company, on the terms and conditions hereinafter stated.

Section 1. DEFINITIONS. As hereinafter used:

1.1 "Accounting Firm" shall have the meaning set forth in Section 9.3 hereof.

1.2 "Accrued Rights" shall mean (i) any base salary earned by the Participant through, but not paid to the Participant as of, the Date of Termination, (ii) any annual cash bonus earned by the Participant for a prior year but not paid to the Participant as of the Date of Termination and (iii) any vested employee benefits to which the Participant is entitled as of the Date of Termination under the employee benefit plans of the Company, a Subsidiary or an Affiliate.

1.3 "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

1.4 "Base Salary" shall mean the Participant's annual base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

1.5 "Base Severance Payment" shall mean the sum of Base Salary and Target Annual Bonus.

1.6 "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

1.7 "Cash Payment" shall have the meaning set forth in Section 2.1(ii) hereof.

1.8 "Cause" shall mean (i) fraud, embezzlement or gross insubordination on the part of the Participant or breach by the Participant of his or her obligations under any Company policy or procedure; (ii) conviction of or the entry of a plea of *nolo contendere* by the Participant for any felony; (iii) a material breach of, or the willful failure or refusal by the Participant to perform and discharge, his or her duties, responsibilities or obligations, as an employee; or (iv) any act of moral turpitude or willful misconduct by the Participant which (A) is intended to result in substantial personal enrichment of the Participant at the expense of the Company or any of its Subsidiaries or Affiliates or (B) has a material adverse impact on the business or reputation of the Company, or any of its Subsidiaries or Affiliates.

1.9 "Change in Control" shall have the meaning set forth in the Era Group Inc. 2012 Share Incentive Plan.

1.10 "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.

1.11 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.12 "Confidential Information" shall have the meaning set forth in Section 10.1 hereof.

1.13 "Date of Termination" shall have the meaning set forth in Section 3.2 hereof.

1.14 "Disability," shall mean that a Participant is considered to be disabled within the meaning of the applicable Company benefit plan, as in effect immediately prior to the date of a Change in Control.

1.15 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

1.16 "Excise Tax" shall mean any excise tax imposed under Section 4999 of the Code.

1.17 "Good Reason" shall mean, in each case without the Participant's consent, (i) a material diminution in the Participant's base compensation, annual target bonus opportunity or annual long-term incentive award opportunity, (ii) (A) only with respect to a Non-Operational Participant, a material diminution in the Participant's title, authority, duties or responsibilities, (B) only with respect to an Operational Participant, a material diminution in the Participant's duties or responsibilities that is inconsistent with written notification by the Company to the Participant with respect to his or participation hereunder, (iii) a change in the geographic location from where the Participant performs his/her services for the Company, or its applicable Subsidiary or Affiliate, by more than 50 miles from the geographic location where the Participant performed his/her services for the Company, or its applicable Subsidiary or Affiliate, as of the date immediately prior to the Change in Control, (iv) a material breach by the Company, any Subsidiary or any Affiliate of any material written agreement between the Participant and the Company or such Subsidiary or Affiliate or (v) the failure of any successor to expressly assume and agree to perform this Plan in accordance with Section 5.1 hereof. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

1.18 "Non-Operational Participant" shall mean, with respect to a Tier 1 or Tier 2 Participant, each individual who is designated by the Board on or after the date hereof as a Non-Operational Participant, and, with respect to a Tier 3 or Tier 4 Participant, each individual who is designated by the Chief Executive Officer on or after the date hereof as a Non-Operational Participant.

1.19 "Notice of Termination" shall have the meaning set forth in Section 3.1 hereof.

1.20 "Operational Participant" shall mean, with respect to a Tier 1 or Tier 2 Participant, each individual who is designated by the Board on or after the date hereof as an Operational Participant, and, with respect to a Tier 3 or Tier 4 Participant, each individual who is designated by the Chief Executive Officer on or after the date hereof as an Operational Participant.

1.21 "Other Severance" shall have the meaning set forth in Section 2.3 hereof.

1.22 "Participant" shall mean (i) each Tier 1 Participant, (ii) each Tier 2 Participant, (iii) each Tier 3 Participant, and (iv) each Tier 4 Participant.

1.23 "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Section 13(d) and Section 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

1.24 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred before the date of the first occurrence of a Change in Control:

(I) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(II) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(III) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding

securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates); or

(IV) the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred.

1.25 "Qualifying Termination" shall have the meaning set forth in Section 2.1 hereof.

1.26 "Release" shall have the meaning set forth in Section 2.1 hereof.

1.27 "Restricted Period" shall mean (i) the 24 month period following a Qualifying Termination for each Tier 1 Participant and (ii) the 18 month period following a Qualifying Termination for each Tier 2 Participant, each Tier 3 Participant and each Tier 4 Participant.

1.28 "Retirement" shall be deemed the reason for the termination by a Participant of the Participant's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

1.29 "Severance Period" shall mean (i) 36 months for each Tier 1 Participant, (ii) 24 months for each Tier 2 Participant, (iii) 12 months for each Tier 3 Participant and (iv) 9 months for each Tier 4 Participant.

1.30 "Subsidiary." shall mean any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

1.31 "Target Annual Bonus" shall mean the Participant's target annual cash bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, immediately prior to the fiscal year in which occurs the first event or circumstance constituting Good Reason; provided, that if the Participant is not eligible to receive a specified target annual cash bonus following the Change in Control, then Target Annual Bonus shall mean such target annual cash bonus in effect as of immediately prior to the date of the Change in Control; provided, further, that if a specified target annual cash bonus is not specified for the Participant either prior to or after the date of the Change in Control, then Target Annual Bonus shall mean an amount equal to the average bonus amount actually paid to the Participant for the two years prior to the date of the Change in Control.

1.32 "Tax Counsel" shall have the meaning set forth in Section 9.3 hereof.

1.33 "Term" shall mean the two year period commencing as of the date hereof, which period will be automatically renewed on each consecutive day thereafter, such that, on any given day, the Term of the Plan shall be two years; provided, that the Board may terminate this Plan in accordance with Section 8 hereof; and provided, further, that if a Change in Control shall have occurred during the Term, the Term shall expire no earlier than 24 months beyond the month in which such Change in Control occurred.

1.34 "Tier 1 Participant" shall mean each individual who is designated by the Board on or after the date hereof as a Tier 1 Participant.

1.35 "Tier 2 Participant" shall mean each individual who is designated by the Board on or after the date hereof as a Tier 2 Participant.

1.36 "Tier 3 Participant" shall mean each individual who is designated by the Company's Chief Executive Officer on or after the date hereof as a Tier 3 Participant.

1.37 "Tier 4 Participant" shall mean each individual who is designated by the Company's Chief Executive Officer on or after the date hereof as a Tier 4 Participant.

1.38 "Total Payments" shall have the meaning set forth in Section 9.1 hereof.

Section 2. SEVERANCE ELIGIBILITY AND PAYMENTS.

2.1 Benefits Upon Qualifying Termination. If a Participant's employment terminates following a Change in Control and during the Term, other than (1) by the Company, a Subsidiary or Affiliate for Cause, (2) by reason of the Participant's death or Disability or (3) by the Participant without Good Reason (any such termination, a "Qualifying Termination"), then the Participant shall become eligible for benefits described in this Section 2.1. For purposes of this Plan (except with respect to the pro-rated payment described in Section 2.1(ii)), the Participant will be deemed to have incurred a termination of employment following a Change in Control by the Company without Cause or by the Participant with Good Reason if (1) the Participant's employment is terminated by the Company without Cause prior to a Change in Control (whether or not a Change in Control occurs) and such termination was at the request or direction of a Person who has entered into an agreement with the Company, the consummation of which would constitute a Change in Control, or (2) the Participant terminates the Participant's employment for Good Reason prior to a Change in Control (whether or not a Change in Control occurs) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person. A termination of employment as described in the immediately preceding sentence shall, in each case, be deemed to be a Qualifying Termination under this Plan.

Upon the occurrence of a Qualifying Termination, the Participant shall be entitled to (a) the Accrued Rights, and (b) provided that the Participant (x) executes a general release of claims in the form attached as Exhibit A hereto (the "Release"), and all applicable revocation periods relating to the Release expire within 55 days following the Date of Termination, and (y) continues to comply with the provisions of Section 10 hereof:

(i) A lump sum cash payment equal to the product of the Base Severance Payment and (A) three for each Tier 1 Participant (B) two for each Tier 2 Participant (C) one for each Tier 3 Participant and (D) three-fourths for each Tier 4 Participant;

(ii) A lump sum cash payment equal to the product of (A) the Target Annual Bonus and (B) a fraction, the numerator of which is the number of days elapsed in the calendar year in which occurs the Date of Termination, through and including the Date of Termination, and the denominator of which is 365 (the sum of the amounts payable in subsections (i) and (ii) of this Section 2.1, the "Cash Payment");

(iii) A lump sum payment equal to the cost of COBRA coverage for 18 months for continued medical benefits for the Participant and the Participant's eligible dependents (including the Participant's spouse) who were covered as of the Date of Termination under the Company's medical benefit plan(s) as in effect for similarly situated employees of the Company during the period immediately prior to such date;

(iv) Outplacement services suitable to the Participant's position until the earlier of (A) the end of the Severance Period and (B) the Participant's acceptance of an offer of full-time employment from a subsequent employer, for an amount not to exceed \$25,000 in the aggregate.

2.2 Timing of Cash Payment. The Cash Payment shall be made to the Participant within 60 days following the Date of Termination, but in no event later than five days following the date on which the Release becomes irrevocable; provided, that if the 60 day period begins in one taxable year and ends in a second taxable year, the payment shall be made in the second taxable year.

2.3 Other Severance Payments. In the event that the Company is obligated by law or contract to pay a Participant other severance pay, a termination indemnity, notice pay, or the like, or if the Company is obligated by law to provide advance notice of separation ("Other Severance"), then the amount of the Cash Payment otherwise payable to such Participant shall be reduced by the amount of any such Other Severance actually paid to the Participant (but not below zero).

2.4 Coordination of Benefits. Notwithstanding anything set forth herein to the contrary, to the extent that any severance payable under a plan or agreement covering a Participant as of the date such Participant becomes eligible to participate in this Plan constitutes deferred compensation under Section 409A of the Code, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the portion of the benefits payable hereunder equal to such other amount shall instead be provided in the form set forth in such other plan or agreement. Further, to the extent, if any, that provisions of this Plan affect the time or form of payment of any amount which constitutes deferred compensation under Section 409A of the Code, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, if the Change in Control does not constitute a change in control event under Section 409A of the Code, the time and form (but not the amount) of payment shall be the time and form that would have been applicable in absence of a Change in Control.

2.5 Continued Employment. As a condition to participation in this Plan, each Participant is deemed to have agreed that, in the event of a Potential Change in Control during the Term, the Participant will remain in the employ of the Company until the earliest of (i) a date which is six months from the date of such Potential Change in Control, (ii) the date of a Change in Control, (iii) the date of termination by the Participant of the Participant's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Participant's employment for any reason.

Section 3. TERMINATION PROCEDURES.

3.1 Notice of Termination. After a Change in Control and during the Term, any purported termination of the Participant's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 6 hereof. For purposes of this Plan, a "Notice of Termination" shall mean a notice which shall (i) indicate the specific termination provision in this Plan relied upon and (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated. Further, any Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Participant and an opportunity for the Participant, together with the Participant's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

3.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Participant's employment after a Change in Control and during the Term, shall mean (i) if the Participant's employment is terminated for Disability, 30 days after Notice of Termination is given (provided that the Participant shall not have returned to the full-time performance of the Participant's duties during such 30 day period), and (ii) if the Participant's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than 30 days (except in the case of a termination for Cause) and, in the case of a termination by the Participant, shall not be less than 15 days nor more than 60 days, respectively, from the date such Notice of Termination is given).

3.3 Reimbursement of Expenses. The Company shall reimburse a Participant for all expenses (including reasonable attorney's fees) incurred by the Participant in enforcing this Plan or any provision hereof or as a result of the Company contesting the validity or enforceability of this Plan or any provision hereof, regardless of the outcome thereof; provided, that the Company shall not be obligated to pay any such fees and expenses arising out of any action brought by a Participant if the finder of fact in such action determines that the Participant's position in such action was frivolous or maintained in bad faith. Such costs shall be paid to such Participant promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses.

Section 4. NO MITIGATION. The Company agrees that, if the Participant's employment with the Company terminates during the Term, the Participant is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Participant by the Company pursuant to Section 2 hereof. Further, the amount of any payment or benefit provided for in this Plan shall not be reduced by any compensation earned by the Participant as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Participant to the Company, or otherwise.

Section 5. SUCCESSORS; BINDING AGREEMENT.

5.1 Successors. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

5.2 Enforcement by Participant's Successors. The Company's obligations under this Plan shall inure to the benefit of and be enforceable by the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Participant shall die while any amount would still be payable to the Participant hereunder (other than amounts which, by their terms, terminate upon the death of the Participant) if the Participant had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the executors, personal representatives or administrators of the Participant's estate.

Section 6. NOTICES. Notices and all other communications provided for hereunder shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Participant, to the most recent address shown in the personnel records of the Company and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Era Group Inc.
818 Town & Country Blvd. Suite 200
Houston, Texas 77024

Attention: General Counsel

Section 7. SETTLEMENT OF DISPUTES; ARBITRATION. In the event of a claim by a Participant as to the amount or timing of any payment or benefit, such Participant shall present the reason for his claim in writing to the Board. The Board shall, within 60 days after receipt of such

written claim, send a written notification to the Participant as to its disposition. In the event the claim is wholly or partially denied, such written notification shall (i) state the specific reason or reasons for the denial, (ii) make specific reference to pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Participant to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Participant may appeal the denial of his claim. In the event a Participant wishes to appeal the denial of his claim, he may request a review of such denial by making application in writing to the Board within 60 days after receipt of such denial. Such Participant (or his duly authorized legal representative) may, upon written request to the Board, review any documents pertinent to his claim, and submit in writing issues and comments in support of his position. Within 60 days after receipt of a written appeal (unless special circumstances, such as the need to hold a hearing, require an extension of time, but in no event more than 120 days after such receipt), the Board shall notify the Participant of the final decision. The final decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

Section 8. PLAN MODIFICATION OR TERMINATION. This Plan may be amended by the Board at any time; provided, that no amendment shall be made in respect of any Participant that is adverse to the Participant's rights under this Plan without the Participant's consent. The Board may terminate this Plan at any time that it shall have no Participants. Notwithstanding the foregoing, this Plan may not be terminated in whole or in part, or otherwise amended or modified in any respect, (i) for two years following a Change in Control or (ii) during the pendency of a Potential Change in Control, as defined herein.

Section 9. SECTION 280G.

9.1 Treatment of Payments. Notwithstanding the provisions of this Plan, in the event that any payment or benefit received or to be received by the Participant in connection with a Change in Control or the termination of the Participant's employment or service (whether pursuant to the terms of this Plan or any other plan, arrangement or agreement with the Company, any Subsidiary, any Affiliate, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (all such payments and benefits, "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the payment or benefit to be received by the Participant upon a Change in Control shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Participant would be subject in respect of such unreduced Total Payments).

9.2 Ordering of Reduction. In the case of a reduction in the Total Payments pursuant to Section 9.1, the Total Payments will be reduced in the following order: (i) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments and benefits due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) will next be reduced; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with amounts that are payable last reduced first, will next be reduced; (iv) payments and benefits due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) will next be reduced; and (v) all other non-cash benefits not otherwise described in clauses (ii) or (iv) will be next reduced pro-rata.

9.3 Certain Determinations. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (i) no portion of the Total Payments the receipt or enjoyment of which the Participant shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code will be taken into account; (ii) no portion of the Total Payments will be taken into account which, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Participant and selected by a nationally recognized accounting firm designated by the Company immediately prior to the Change in Control (the "Accounting Firm"), does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments will be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments will be determined by the Accounting Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

9.4 Written Statement. If any of the Total Payments are subject to reduction pursuant to Section 9.1, the Company will provide the Participant with a written statement setting forth the manner in which such reduction was calculated and the basis for such calculations, including any opinions or other advice the Company received from Tax Counsel, the Accounting Firm, or other advisors or consultants (and any such opinions or advice which are in writing will be attached to the statement). If the Participant objects to the Company's calculations, the Company will pay to the Participant such portion of the Total Payments (up to 100% thereof) as the Participant determines is necessary to result in the proper application of this Section 9. All determinations required by this Section 9 (or requested by either the Participant or the Company in connection with this Section 9) will be at the expense of the Company.

9.5 Additional Payments. If the Participant receives reduced payments and benefits by reason of this Section 9 and it is established pursuant to a determination of a court of competent jurisdiction which is not subject to review or as to which the time to appeal has expired, or pursuant to an Internal Revenue Service proceeding, that the Participant could have received a greater amount without resulting in any Excise Tax, then the Company shall thereafter pay the Participant the aggregate additional amount which could have been paid without resulting in any Excise Tax as soon as reasonably practicable.

Section 10. RESTRICTIVE COVENANTS

10.1 Confidential Information. At all times following a Qualifying Termination of the Participant's employment with the Company, the Participant may not use or disclose, except on behalf of the Company and pursuant to the Company's directions, any Company "Confidential Information" (i.e., information concerning the Company and its business that is not generally known outside the Company, and includes, but is not limited to, (a) trade secrets; (b) intellectual property; (c) information regarding the Company's present and/or future products, developments, processes and systems, including invention disclosures and patent applications; (d) information on customers or potential customers, including customers' names, sales records, prices, and other terms of sales and Company cost information; (e) Company business plans, marketing plans, financial data and projections; and (f) information received in confidence by the Company from third parties). For purposes of this Section 10.1, information regarding products, services or technological innovations in development, in test marketing or being marketed or promoted in a discrete geographic region, which information the Company is considering for broader use, shall be deemed not generally known until such broader use is actually commercially implemented. Nothing herein shall prohibit the Participant from disclosing Confidential Information when required to do so by a court of law, governmental agency or administrative or legislative body (including a committee thereof) with apparent jurisdiction to order the Participant to divulge, disclose or make accessible such Confidential Information. Participant shall, immediately following his or her termination of employment, return all Company property in his or her possession (and sign a written acknowledgement to this effect), including but not limited to all computer software, computer access codes, laptops, cell phones, personal handheld devices, keys and access cards, credit cards, vehicles, telephones, office equipment and all copies (including drafts) of any documentation or information (however and wherever stored) relating to the business of the Company or its Affiliates.

10.2 Solicitation of Employees and Customers. In recognition of the fact that the Participant will be provided confidential information, customer goodwill, and other valuable rights of the Company or an Affiliate which must be protected, during the Restricted Period, the Participant may not, in the geographic area for which the Participant was responsible while employed by the Company or an Affiliate, specifically including the following parishes and municipalities within Louisiana in which the Company conducted business during the final two years of Participant's employment: Calcasieu, Cameron, Lafayette, Lafourche, Orleans, Plaquemines, St. Mary, Terrebonne and Vermilion, directly or indirectly solicit or induce any customer that the Participant serviced at the Company or an Affiliate about whom the Participant gained Confidential Information during his/her employment with the Company or an Affiliate, in an attempt to divert, transfer, or otherwise take away business from the Company or its Affiliates. Further, during the Restricted Period, the Participant may not, directly or indirectly, induce, attempt to induce, or aid others in inducing an exempt employee of the Company or its Affiliates to accept employment or affiliation with another firm or corporation engaging in such business or activity of which the Participant is an employee, owner, partner or consultant.

10.3 Non-Competition. In recognition of the fact that the Participant will be provided confidential information, customer goodwill, and other valuable rights of the Company or an Affiliate which must be protected, during the Restricted Period, the Participant may not, in the geographic area for which the Participant was responsible while employed by the Company or an Affiliate specifically including the following parishes and municipalities within Louisiana in which the Company conducted business during the final two years of Participant's employment: Calcasieu, Cameron, Lafayette, Lafourche, Orleans, Plaquemines, St. Mary, Terrebonne and Vermilion, directly or indirectly engage in activities which are entirely or in part the same as or similar to activities in which the Participant engaged at any time during the two years preceding termination of the Participant's employment with the Company for any individual, company or entity in connection with products, services or technological developments (existing or planned) that are entirely or in part the same as, similar to, or competitive with, any products, services or technological developments (existing or planned) on which the Participant worked at any time during the two years preceding termination of the Participant's employment. Without limiting the generality of the foregoing, the Participant shall not engage in any business or in any activity related to providing helicopter transport services, buying, leasing or selling helicopters, and engaging in any other business for the Company which the Participant has primary responsibilities for the Company.

10.4 Non-Disparagement. At all times following a Qualifying Termination of the Participant's employment with the Company, the Participant may not, except to the extent required by law or legal process, make, or cause to be made, any statement or communicate any information (whether oral or written) that disparages or reflects negatively on the Company, its Affiliates, or any of its officers, directors, partners, shareholders, attorneys, employees and agents.

10.5 Application. For purposes of this Section 10, "Company" shall mean Era Group Inc. and/or any of its Subsidiaries or Affiliates.

10.6 Reasonableness; Scope. In consideration of receiving payments and benefits hereunder upon a Qualifying Termination, each Participant hereby acknowledges that the duration and geographic scope of the Restrictive Covenants set forth in this Section 10 are reasonable. In the event that any court of competent jurisdiction determines that the duration or the geographic scope, or both, are unreasonable and that such provision is to that extent unenforceable, the Company and the Participant agree that the provision shall remain in full force and effect for the

greatest time period and in the greatest area that would not render it unenforceable. The Company and the Participant agree that a court of competent jurisdiction may modify the duration and geographic scope of the Restrictive Covenants to the extent necessary to render the provision reasonable and enforceable. It is the intent of the Company and the Participant that the Restrictive Covenants shall be deemed to be a series of separate covenants, one for each and every county of each and every state of the United States of America and each and every political subdivision of each and every country outside the United States of America where this provision is intended to be effective.

Section 11. GENERAL PROVISIONS.

11.1 Administration. This Plan shall be interpreted, administered and operated by the Board, which shall have complete authority, in its sole discretion subject to the express provisions of this Plan, to interpret this Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations necessary or advisable for the administration of this Plan. All questions of any character whatsoever arising in connection with the interpretation of this Plan or its administration or operation shall be submitted to and settled and determined by the Board in accordance with the procedure for claims and appeals described in Section 7 hereof. Any such settlement and determination shall be final and conclusive, and shall bind and may be relied upon by the Company, each of the Participants and all other parties in interest. The Board may delegate any of its duties hereunder to such person or persons from time to time as it may designate.

11.2 Assignment. Except as otherwise provided herein or by law, no right or interest of any Participant under this Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation, by execution, levy, garnishment, attachment, pledge or in any manner; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Participant under this Plan shall be subject to any obligation or liability of such Participant. When a payment is due under this Plan to a Participant who is unable to care for his affairs, payment may be made directly to his legal guardian or personal representative.

11.3 Governing Law; Interpretation. The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of Delaware. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections.

11.4 Withholding. Any payments and benefits provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law.

11.5 Survival. The obligations of the Company and the Participant under this Plan which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Section 2, Section 3 and Section 10 hereof) shall survive such expiration.

11.6 No Right to Continued Employment. Neither the establishment of this Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant, or any person whomsoever, the right to be retained in the service of the Company, and all Participants shall remain subject to discharge to the same extent as if this Plan had never been adopted.

11.7 Headings; Gender. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan, and shall not be employed in the construction of this Plan. References in this Plan to any gender include references to all genders, and references to the singular include references to the plural and vice versa.

11.8 Benefits Unfunded. This Plan shall not be funded. No Participant shall have any right to, or interest in, any assets of the Company which may be applied by the Company to the payment of benefits or other rights under this Plan.

11.9 Enforceability. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which shall remain in full force and effect.

11.10 Section 409A. The intent of the parties is that payments and benefits under this Plan be exempt from, or comply with, Section 409A of the Code, and accordingly, to the maximum extent permitted, this Plan shall be interpreted and administered to be in accordance therewith. Notwithstanding anything contained herein to the contrary, the Participant shall not be considered to have terminated employment with the Company for purposes of any payments under this Plan which are subject to Section 409A of the Code until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this Plan that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Plan during the six (6)-month period immediately following a Participant's separation from service shall instead be paid on the first business day after the date that is six (6) months following the

Participant's separation from service (or, if earlier, death). To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts reimbursable to the Participant under this Plan shall be paid to the Participant on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

Exhibit A

Form of Release

1. Terms of Release. This release is entered into by [Participant Name] (the "Employee") with respect to his employment by, and his services to, Era Group Inc. and its subsidiaries (collectively, the "Company"), as of the date hereof (the "Release"), pursuant to the terms of the Era Group Inc. Senior Executive Severance Plan to which this Form of Release is attached (the "Plan"), which provides the Employee with certain significant benefits, subject to the Employee's executing this Release.

2. General. In exchange for and in consideration of the severance and other payments and benefits described in the Plan, the Employee, on behalf of himself, his agents, representatives, administrators, receivers, trustees, estates, spouse, heirs, devisees, assignees, transferees, legal representatives and attorneys, past or present (as the case may be, and collectively the "Releasers"), hereby irrevocably and unconditionally releases, discharges, and acquits all of the Released Parties (as defined below) from any and all claims, promises, demands, liabilities, contracts, debts, losses, damages, attorneys' fees and causes of action of every kind and nature, known and unknown, which the Employee may have against them up to and including the Effective Date (as defined below), including but not limited to causes of action, claims or rights arising out of, or which might be considered to arise out of or to be connected in any way with: (i) the Employee's employment with the Company or the termination thereof; (ii) any treatment of the Employee by any of the Released Parties, which shall include, without limitation, any treatment or decisions with respect to hiring, placement, promotion, work hours, discipline, transfer, termination, compensation, performance review or training; (iii) any damages or injury that the Employee may have suffered, including without limitation, emotional or physical injury, or compensatory damages; (iv) employment discrimination, which shall include, without limitation, any individual or class claims of discrimination on the basis of age, disability, sex, race, religion, national origin, citizenship status, marital status, sexual preference, or any other basis whatsoever; and (v) all such other claims that the Employee could assert against any, some, or all of the Released Parties in any forum, accrued or unaccrued, liquidated or contingent, direct or indirect.

3. Broad Construction. This Release shall be construed as broadly as possible and shall also extend to release each and all of the Released Parties, without limitation, from any and all claims that the Employee or any of the Releasers has alleged or could have alleged, whether known or unknown, accrued or unaccrued, based on acts, omissions, transactions or occurrences that occurred up to the Effective Date against any Released Party for violation(s) of any of the following, in each case, as amended: the National Labor Relations Act; Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act; the Older Workers Benefit Protection Act of 1990; the Civil Rights Act of 1991; Sections 1981-1988 of Title 42 of the United States Code; the Equal Pay Act; the Employee Retirement Income Security Act of 1974; the Immigration Reform Control Act; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Occupational Safety and Health Act; the Sarbanes-Oxley Act of 2002; [the Texas Labor Code; the Texas Commission on Human Rights Act; the Texas Pay Day Act; Chapter 38 of the Texas Civil Practices and Remedies Code]; any other federal, state, foreign or local law, ordinance and/or regulation; any public policy, whistleblower, contract, tort, or common law; and any demand for costs or litigation expenses, including but not limited to attorneys' fees (collectively, with the release of claims set forth in Section 2, the "Released Claims"). The severance payments and other rights and benefits of the Employee expressly provided for under the Plan and this Release, any vested rights and benefits under any benefit plan, program, policy or arrangement sponsored or maintained by the Company, as well as any rights that the Employee may have to be indemnified by the Company pursuant to an agreement with the Company, the Company's Certificate of Incorporation, By-laws or directors and officers liability insurance policies, are excluded from this Release. Also excluded from this Release are claims which arise after the date of this Release.

4. Released Parties. The term "Released Parties" or "Released Party" as used herein shall mean and include: (i) the Company; (ii) the Company's former, current and future parents, subsidiaries, affiliates, shareholders and lenders; (iii) each predecessor, successor and affiliate of any person listed in clauses (i) and (ii); and (iv) each former, current, and future officer, director, agent, representative, employee, servant, owner, shareholder, partner, joint venturer, attorney, employee benefit plan, employee benefit plan administrator, insurer, administrator, and fiduciary of any of the persons listed in clauses (i) through (iii), and any other person acting by, through, under, or in concert with any of the persons or entities listed herein.

5. OWBPA and ADEA Release. Pursuant to the Older Workers Benefit Protection Act of 1990 ("OWBPA"), the Employee understands and acknowledges that by executing this Release and releasing all claims against each and all of the Released Parties, the Employee has waived any and all rights or claims that the Employee has or could have against any Released Party under the Age Discrimination in Employment Act ("ADEA"), which includes, but is not limited to, any claim that any Released Party discriminated against the Employee on account of his age. The Employee also acknowledges the following:

(a) The Company, by this Release, has advised the Employee to consult with an attorney prior to executing this Release;

(b) The Employee has had the opportunity to consult with his own attorney concerning this Release;

(c) This Release does not include claims arising from any act, omission, transaction or occurrence that happens after the Effective Date, provided, however, that any claims arising after the Effective Date from the then-present effect of acts or conduct occurring on or before the

Effective Date shall be deemed released under this Release; and

(d)The Employee acknowledges and admits that the Employee was given a reasonable period of time within which to consider this Release.

6.ADEA Revocation Period. The Employee may revoke this Release within a period of seven days after execution of this Release. The Employee agrees that any such revocation is not effective unless it is made in writing and delivered to the attention of the General Counsel of the Company by the end of the seventh calendar day. Under any such valid revocation, the Employee shall not be entitled to any severance or other payments or benefits under the Plan. This Release becomes effective and irrevocable on the eighth calendar day after it is executed by the Employee (the "Effective Date").

7.Representations by the Employee. The Employee confirms that no claim, charge, or complaint against any of the Released Parties, brought by him, exists before any federal, state, or local court or administrative agency. The Employee represents and warrants that the Employee has no knowledge of any improper or illegal actions or omissions by any of the Released Parties, nor does the Employee know of any basis on which any third party or governmental entity could assert such a claim.

8.No Right to File Action or Proceeding. Unless otherwise prohibited by law, the Employee agrees that the Employee will not, at any time hereafter, voluntarily participate in as a party, or permit to be filed by any Releasor or any other person on his behalf or as a member of any alleged class of persons, any action or proceeding of any kind, against the Company, or any other Released Party (whether acting as agents for the Company or in their individual capacities), with respect to any Released Claims; in addition, the Employee agrees to have himself removed from any such action or proceeding with respect to which he has involuntarily become a party. The Employee further agrees that he will not seek or accept any award or settlement from any source or proceeding with respect to any claim or right covered by this Release and that this Release shall act as a bar to recovery in any such proceedings. This Release shall not affect the Employee's rights under the OWBPA to have a judicial determination of the validity of this Release and does not purport to limit any right Employee may have to file a charge under the ADEA or other civil rights statute or to participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or other investigative agency. This Release does, however, waive and release any right to recover damages under the ADEA or other civil rights statute.

9.No Admission of Liability. The Employee agrees that neither this Release nor the furnishing of the consideration for this Release as set forth in this Release shall be deemed or construed at any time for any purpose as an admission by the Released Parties of any liability or unlawful conduct of any kind. The Employee further acknowledges and agrees that the consideration provided for herein is adequate consideration for the Employee's obligations under this Release.

10.Governing Law. This Release shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its conflict of laws provisions. If any provision of this Release is declared legally or factually invalid or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable to any extent or in any application that is acceptable to the Company, then, in the discretion of the Company, such provision immediately may be deemed null and void, leaving the remainder of this Release in full force and effect.

11.Prior Agreements. This Release sets forth the entire agreement between the Employee and the Company and it supersedes any and all prior agreements or understandings, whether written or oral, between the parties, except as otherwise specified in this Release or the Plan.

12.Amendment. This Release may not be amended except by a written document signed by the Employee, which specifically refers to this Release.

13.Counterparts; Execution Signatures. This Release may be executed in any number of counterparts by the Employee and in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

THE EMPLOYEE ACKNOWLEDGES THAT THE EMPLOYEE HAS CAREFULLY READ THIS RELEASE; THAT HE HAS HAD THE OPPORTUNITY TO THOROUGHLY DISCUSS ITS TERMS WITH COUNSEL OF HIS CHOOSING; THAT HE FULLY UNDERSTANDS ITS TERMS AND ITS FINAL AND BINDING EFFECT; THAT THE ONLY PROMISES MADE TO SIGN THIS RELEASE ARE THOSE STATED AND CONTAINED IN THIS RELEASE; AND THAT THE EMPLOYEE IS SIGNING THIS RELEASE KNOWINGLY AND VOLUNTARILY. THE EMPLOYEE STATES THAT THE EMPLOYEE IS IN GOOD HEALTH AND IS FULLY COMPETENT TO MANAGE THE EMPLOYEE'S BUSINESS AFFAIRS AND UNDERSTANDS THAT THE EMPLOYEE MAY BE WAIVING SIGNIFICANT LEGAL RIGHTS BY SIGNING THIS RELEASE.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the Employee has executed this Release as of the date set forth below.

[PARTICIPANT NAME]

Date: _____

CERTIFICATION

I, Christopher S. Bradshaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Era Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2015

/s/ Christopher S. Bradshaw

Name: Christopher S. Bradshaw
Title: President, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher S. Bradshaw, as Principal Executive Officer of Era Group Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the accompanying Quarterly Report on Form 10-Q for the period ending June 30, 2015, as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2015

/s/ Christopher S. Bradshaw

Name: Christopher S. Bradshaw

Title: President, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)