



Hélicoptères Canadiens
Canadian Helicopters

NEWS RELEASE
FOR IMMEDIATE RELEASE

**CANADIAN HELICOPTERS INCOME FUND WINS
U.S. DEPARTMENT OF DEFENSE CONTRACT
IN AFGHANISTAN**

MONTREAL, December 22, 2008 – Canadian Helicopters Income Fund (TSX: CHL.UN) (the “Fund”), the largest helicopter transportation services company operating in Canada, is pleased to announce a contract award from the U.S. Department of Defense. The support contract involves the provision of three fully crewed and supported Bell 212 medium category aircraft to facilitate the movement of supplies and passengers for the U.S. Department of Defense in Afghanistan.

The prime contractor is the Canadian Commercial Corporation, Canada's international contracting agency, which focuses on government-to-government contracting and procurement. The mandate, to commence in late Q1 2009, will be for a one-year base period with four one-year extensions at the option of the U.S. Department of Defense. The contract is denominated in U.S. dollars and is comprised primarily of a fixed monthly rate and variable hourly revenue components.

Total revenue to the Fund is expected to be in excess of US\$120 million over five years, assuming all option periods are exercised and expected hours are flown. Revenue for this contract reflects the significantly higher level of effort required to accomplish the work in Afghanistan. The aircraft will be provided from Canadian Helicopters' existing fleet.

"This contract, while representing an extension of our long term relationship with the U.S. military, also signifies a significant new market initiative for us," said Don Wall, Senior Executive Vice-President of the Fund. "We continue to broaden our field of operations, as we temper our exposure to the resource sector. Given our established national presence in Canada and our experience in multiple sectors, this support role in Afghanistan will further our ability to maintain a balanced book of business for Canadian Helicopters."

About Canadian Helicopters Income Fund

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

maintenance services. With over 60 years of experience, Canadian Helicopters is an industry leader in establishing safety standards and operating procedures.

Caution Regarding Forward-Looking Statements

This press release contains forward-looking statements relating to the future of the contractual relationship between Canadian Helicopters and the U.S. Department of Defense. Such forward-looking statements are subject to certain risks and uncertainties, and actual results or events may differ materially. In particular, total revenue for the Fund over the life of the contract may be lower than anticipated. Consequently, readers should not place any undue reliance on such forward-looking statements.

The forward-looking statements relate to the date on which they were made. The Fund disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise unless being required by applicable laws.

For further information

Jean-Pierre Blais
President
Canadian Helicopters Limited
Tel. 450-452-3007

Don Wall
Senior Executive Vice President
Canadian Helicopters Limited
Tel. 780-429-6919