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, 2017 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	**72-1455213**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
818 Town & Country Blvd., Suite 200 Houston, Texas	**77024**
(Address of Principal Executive Offices)	**(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," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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 August 4, 2017 was 21,279,467. The Registrant has no other class of common stock outstanding.

ERA GROUP INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents (including $1,430 and $1,448 from VIEs in 2017 and 2016, respectively)	$ 28,878	$ 26,950
Receivables:		
Trade, net of allowance for doubtful accounts of $1,249 and $1,219 in 2017 and 2016, respectively (including $4,788 and $5,989 from VIEs in 2017 and 2016, respectively)	32,824	32,470
Tax receivables (including $2,984 and $3,448 from VIEs in 2017 and 2016, respectively)	3,000	3,461
Other (including $881 and $1,019 from VIEs in 2017 and 2016, respectively)	3,172	2,716
Inventories, net (including $22 and $46 from VIEs in 2017 and 2016, respectively)	24,296	25,417
Prepaid expenses (including $95 and $158 from VIEs in 2017 and 2016, respectively)	2,518	1,579
Escrow deposits	—	3,777
Total current assets	94,688	96,370
Property and equipment (including $952 and $844 from VIEs in 2017 and 2016, respectively)	1,164,048	1,154,028
Accumulated depreciation (including $198 and $98 from VIEs in 2017 and 2016, respectively)	(353,830)	(332,219)
Property and equipment, net	810,218	821,809
Equity investments and advances	29,852	29,266
Intangible assets	1,129	1,137
Other assets (including $61 and $48 from VIEs in 2017 and 2016, respectively)	5,593	6,591
Total assets	$ 941,480	$ 955,173
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses (including $1,976 and $1,788 from VIEs in 2017 and 2016, respectively)	$ 12,884	$ 8,876
Accrued wages and benefits (including $1,754 and $2,009 from VIEs in 2017 and 2016, respectively)	8,708	8,507
Accrued interest	527	529
Accrued income taxes	291	666
Accrued other taxes (including $505 and $773 from VIEs in 2017 and 2016, respectively)	1,145	1,447
Accrued contingencies (including $1,334 and $1,237 from VIEs in 2017 and 2016, respectively)	1,334	1,237
Current portion of long-term debt (including $638 and $615 from VIEs in 2017 and 2016, respectively)	2,161	2,139
Other current liabilities (including $8 from VIEs in 2017 and 2016)	2,590	2,222
Total current liabilities	29,640	25,623
Long-term debt (including $2,538 and $2,767 from VIEs in 2017 and 2016, respectively)	221,354	230,139
Deferred income taxes	222,724	225,472
Other liabilities	944	1,301
Total liabilities	474,662	482,535
Commitments and contingencies (see Note 8)		
Redeemable noncontrolling interest	3,769	4,221
Equity:		
Common stock, $0.01 par value, 60,000,000 shares authorized; 21,279,467 and 20,936,636 outstanding in 2017 and 2016, respectively, exclusive of treasury shares	215	211
Additional paid-in capital	441,595	438,489
Retained earnings	24,117	32,524
Treasury shares, at cost, 179,730 and 175,350 shares in 2017 and 2016, respectively	(2,968)	(2,899)
Accumulated other comprehensive income, net of tax	90	92
Total equity	463,049	468,417
Total liabilities, redeemable noncontrolling interest and stockholders' equity	$ 941,480	$ 955,173

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,	
	2017	**2016**	**2017**	**2016**
Operating revenues	$ 57,878	$ 63,351	$ 112,405	$ 125,933
Costs and expenses:				
Operating	41,335	47,396	79,092	91,703
Administrative and general	9,902	8,140	20,283	17,367
Depreciation and amortization	11,978	12,691	23,532	25,457
Total costs and expenses	63,215	68,227	122,907	134,527
Gains on asset dispositions, net	5,061	1,367	5,170	4,280
Operating loss	(276)	(3,509)	(5,332)	(4,314)
Other income (expense):				
Interest income	185	403	435	704
Interest expense	(3,934)	(4,130)	(7,523)	(8,878)
Foreign currency gains (losses), net	(136)	329	(108)	610
Gain on debt extinguishment	—	518	—	518
Other, net	(8)	46	4	29
Total other income (expense)	(3,893)	(2,834)	(7,192)	(7,017)
Loss before income taxes and equity earnings	(4,169)	(6,343)	(12,524)	(11,331)
Income tax benefit	(726)	(1,232)	(2,829)	(2,246)
Loss before equity earnings	(3,443)	(5,111)	(9,695)	(9,085)
Equity earnings, net of tax	371	601	836	625
Net loss	(3,072)	(4,510)	(8,859)	(8,460)
Net loss attributable to noncontrolling interest in subsidiary	285	6,448	452	6,580
Net income (loss) attributable to Era Group Inc.	$ (2,787)	$ 1,938	$ (8,407)	$ (1,880)
Income (loss) per common share:				
Basic	$ (0.13)	$ 0.09	$ (0.41)	$ (0.09)
Diluted	$ (0.13)	$ 0.09	$ (0.41)	$ (0.09)
Weighted average common shares outstanding:				
Basic	20,789,537	20,361,533	20,650,274	20,290,735
Diluted	20,789,537	20,364,382	20,650,274	20,290,735

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net loss	$ (3,072)	$ (4,510)	$ (8,859)	$ (8,460)
Other comprehensive loss:				
Foreign currency translation adjustments	—	—	(2)	—
Income tax benefit	—	—	—	—
Total other comprehensive loss	—	—	(2)	—
Comprehensive loss	(3,072)	(4,510)	(8,861)	(8,460)
Comprehensive loss attributable to noncontrolling interest in subsidiary	285	6,448	452	6,580
Comprehensive income (loss) attributable to Era Group Inc.	$ (2,787)	$ 1,938	$ (8,409)	$ (1,880)

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

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

	Redeemable Noncontrolling Interest	Era Group Inc. Stockholders' Equity: Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Income	Total Equity
December 31, 2016	$ 4,221	$ 211	$ 438,489	$ 32,524	$ (2,899)	$ 92	$ 468,417
Issuance of common stock:							
Restricted stock grants	—	3	(3)	—	—	—	—
Employee Stock Purchase Plan	—	1	462	—	—	—	463
Share award amortization	—	—	2,629	—	—	—	2,629
Cancellation of restricted stock	—	—	18	—	(18)	—	—
Purchase of treasury shares	—	—	—	—	(51)	—	(51)
Net loss	—	—	—	(8,859)	—	—	(8,859)
Net loss attributable to redeemable noncontrolling interest	(452)	—	—	452	—	—	452
Currency translation adjustments, net of tax		—	—	—	—	(2)	(2)
June 30, 2017	$ 3,769	$ 215	$ 441,595	$ 24,117	$ (2,968)	$ 90	$ 463,049

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,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	$ (8,859)	$ (8,460)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	23,532	25,457
Share-based compensation	2,629	2,261
Bad debt expense, net	44	123
Gains on asset dispositions, net	(5,170)	(4,280)
Debt discount amortization	115	79
Amortization of deferred financing costs	565	439
Foreign currency losses (gains), net	58	(912)
Gain on debt extinguishment, net	—	(518)
Deferred income tax benefit	(2,747)	(2,492)
Equity earnings, net of tax	(836)	(625)
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	(302)	11,833
Decrease (increase) in prepaid expenses and other assets	681	(993)
Increase in accounts payable, accrued expenses and other liabilities	3,664	6,649
Net cash provided by operating activities	13,374	28,561
Cash flows from investing activities:		
Purchases of property and equipment	(12,524)	(5,106)
Proceeds from disposition of property and equipment	5,689	5,910
Return of helicopter deposits	—	544
Investments in and advances to equity investees	(126)	—
Principal payments on notes due from equity investees	375	357
Principal payments on third party notes receivable	94	136
Escrow deposits on like-kind exchanges, net	3,777	—
Net cash provided by (used in) investing activities	(2,715)	1,841
Cash flows from financing activities:		
Proceeds from Revolving Credit Facility	9,000	7,000
Payments on long-term debt	(18,162)	(9,093)
Extinguishment of long-term debt	—	(4,331)
Proceeds from share award plans	463	477
Purchase of treasury shares	(51)	(161)
Net cash used in financing activities	(8,750)	(6,108)
Effects of exchange rate changes on cash and cash equivalents	19	496
Net increase in cash and cash equivalents	1,928	24,790
Cash and cash equivalents, beginning of period	26,950	14,370
Cash and cash equivalents, end of period	$ 28,878	$ 39,160
Supplemental cash flow information:		
Cash paid for interest, net of capitalized interest of $451 and $0 in 2017 and 2016, respectively	$ 6,844	$ 7,894
Cash paid for income taxes	173	5
Supplemental disclosure of non-cash financing activities:		
Notes payable contributed to subsidiary	—	6,349

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. 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 to "Era Group" refers to Era Group Inc. without its subsidiaries. The condensed consolidated financial information for the three and six months ended June 30, 2017 and 2016 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, 2017, its results of operations for the three and six months ended June 30, 2017 and 2016, its comprehensive income for the three and six months ended June 30, 2017 and 2016, its changes in equity for the six months ended June 30, 2017, and its cash flows for the six months ended June 30, 2017 and 2016. 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, 2016.

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. Aeróleo Taxi Aereo S/A ("Aeróleo") is a VIE of which the Company is 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 Company did not defer any revenue during the six months ended June 30, 2017 and 2016.

Receivables. Customers are primarily international, independent and major integrated oil and gas exploration, development 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.

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. In March 2016, the FASB issued ASU 2016-08 - *Revenue from Contracts With Customers*, in April 2016, the FASB issued ASU 2016-10 - *Revenue from Contracts With Customers*, in May 2016, the FASB issued ASU 2016-12 - *Revenue from Contracts With Customers*, and in December 2016, the FASB issued ASU 2016-20 - *Technical Corrections and Improvements to Topic 606, Revenue from Contracts With Customers*, all of which provide guidance on the application of certain principles in ASU 2014-09. Each of ASU 2014-09, 2016-08, 2016-10 and 2016-12 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 intends to adopt each of ASU 2014-09, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20 in 2018 using the modified retrospective application and is currently evaluating its customer contracts to determine the potential impact of such adoption on its consolidated financial statements.

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 or 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 adopted ASU 2015-11 effective January 1, 2017, and such adoption did not have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02 - *Leases*, which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will be effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. ASU 2016-02 requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company is still evaluating the potential impact of the adoption of ASU 2016-02 on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-07 - *Investments - Equity Method and Joint Ventures*, which eliminates the requirement to retroactively apply the equity method of accounting for an investment when an increase in the level of ownership or degree of influence causes the investment to qualify for equity method treatment and instead requires the entity to add the cost (if any) of acquiring the additional ownership or degree of influence to the current basis of the investment and apply equity method accounting as of the date the investment qualifies for such treatment. The Company adopted ASU 2016-07 effective January 1, 2017 and such adoption did not have an impact on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09 - *Compensation - Stock Compensation*, which simplifies several aspects of accounting for share-based payment transactions including income tax consequences, classification on the statement of cash flows and treatment of forfeitures. The main differences between current GAAP and ASU 2016-09 are (i) tax consequences from changes in fair value of equity awards between the grant date and vesting date will be charged to income tax expense and reported in the operating section of the statement of cash flows in the period in which the award vests and (ii) entities will have the option to estimate award forfeitures as previously prescribed under GAAP or record forfeitures as an adjustment to expense as they occur. The Company adopted ASU 2016-09 effective January 1, 2017 and has elected to record forfeitures of equity awards as an adjustment to expense as they occur and in the period in which they occur. Such adoption and election did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15 - *Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce diversity in reporting certain transactions on the statement of cash flows by clarifying current GAAP where it may be unclear or does not include adequate explanation. ASU 2016-15 will be effective for annual reporting periods beginning after December 15, 2017 including interim periods within that period. Early adoption is permitted as of the beginning of an interim or annual period provided that all amendments included in ASU 2016-15 are adopted in the same period and applied as of the beginning of the annual period in which the statement is adopted. The Company has not adopted ASU 2016-15 and believes such adoption will not have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16 - *Income Taxes*, which requires entities to recognize income tax consequences of intra-entity transfers of assets, other than inventory, when the transfer occurs rather than when the asset is sold to a third party as is the case under current GAAP. ASU 2016-16 will be effective for annual reporting periods beginning after December 15, 2017 including interim periods within that period. Early adoption is permitted as of the beginning of an annual reporting period for which neither interim nor annual financial statements have been made available. The Company has not adopted ASU 2016-16 and believes such adoption will not have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01 - *Business Combinations: Clarifying the Definition of a Business*, which narrows the reach of the definition of a business to exclude transactions that are more akin to asset acquisitions or dispositions. ASU 2017-01 will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that period. Early adoption is permitted provided that any transactions affected by the adoption have not been previously disclosed under current GAAP. The Company adopted ASU 2017-01 effective January 1, 2017, and such adoption did not have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09 - *Compensation - Stock Compensation: Scope of Modification Accounting*, which is designed to reduce diversity in practice and complexity when accounting for changes in the terms of a share-based payment award. ASU 2017-09 will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that period, and early adoption is permitted for any interim period for which financial statements have not yet been issued. The Company has not adopted ASU 2017-09 and believes such 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.

As of June 30, 2017 and December 31, 2016, the Company did not have any assets or liabilities that are measured at fair value on a recurring basis.

The estimated fair values of the Company's other financial assets and liabilities as of June 30, 2017 and December 31, 2016 were as follows (in thousands):

	Carrying Amount	Level 1	Level 2	Level 3
June 30, 2017				
LIABILITIES				
Long-term debt, including current portion	$ 223,515	$ —	$ 212,389	$ —
December 31, 2016				
LIABILITIES				
Long-term debt, including current portion	$ 232,278	$ —	$ 221,808	$ —

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. ESCROW DEPOSITS

From time to time, the Company enters into Qualified Exchange Accommodation Agreements with third parties to meet the like-kind exchange requirements of Section 1031 of the Internal Revenue Code 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 realized taxable gains. 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 December 31, 2016, the Company had $3.8 million deposited in a like-kind exchange escrow account. During the second quarter of 2017, the Company used $2.8 million of the balance to make a final payment on a S92 heavy helicopter which completed the like-kind exchange transaction, and the remaining $1.0 million was returned to the Company.

4. ACQUISITIONS AND DISPOSITIONS

Capital Expenditures. During the six months ended June 30, 2017, capital expenditures were $12.5 million and consisted primarily of helicopter acquisitions, deposits on future helicopter deliveries, spare helicopter parts and capitalized interest. In connection with the deferral of helicopter deliveries, the Company ceased capitalizing interest on helicopter deposits in the fourth quarter of 2015. The Company resumed capitalizing interest on deposits for certain helicopters in the fourth quarter of 2016. During the three months ended June 30, 2017 and 2016, the Company capitalized interest of less than $0.1 million and $0, respectively. During the six months ended June 30, 2017 and 2016, the Company capitalized interest of $0.5 million and $0, respectively. As of June 30, 2017 and December 31, 2016, construction in progress, which is a component of property and equipment, included capitalized interest of $1.8 million and $4.5 million, respectively. A summary of changes to our operating helicopter fleet is as follows:

Equipment Additions - During the six months ended June 30, 2017, the Company placed two AW189 heavy helicopters and one S92 heavy helicopter into service. The Company had no helicopter acquisitions during the six months ended June 30, 2016. The Company places helicopters in service once completion work has been finalized and the helicopters are ready for use.

Equipment Dispositions - During the six months ended June 30, 2017, the Company sold or otherwise disposed of two helicopters and other property and equipment for proceeds of $5.7 million and recognized gains of $5.2 million. During the six months ended June 30, 2016, the Company sold or otherwise disposed of property and equipment for proceeds of $5.9 million and recognized gains of $4.3 million.

5. VARIABLE INTEREST ENTITIES

Aeróleo. The Company acquired a 50% economic and 20% voting interest in Aeróleo in 2011. As a result of liquidity issues experienced by Aeróleo, it is unable to adequately finance its activities without additional financial support from the Company, making it a VIE. The Company has the ability to direct the activities that most significantly affect Aeróleo's financial performance, making the Company the primary beneficiary. As a result, the Company consolidates Aeróleo's financial results.

The Company's condensed consolidated balance sheets at June 30, 2017 and December 31, 2016 include assets of Aeróleo totaling $11.0 million and $12.9 million, respectively. The distribution of these assets to Era Group and its subsidiaries other than Aeróleo is subject to restrictions. The Company's condensed consolidated balance sheets at June 30, 2017 and December 31, 2016 include liabilities of Aeróleo of $8.8 million and $9.2 million, respectively. The creditors for such liabilities do not have recourse to Era Group or its subsidiaries other than Aeróleo.

The Company's condensed consolidated statements of operations for the three months ended June 30, 2017 and 2016 include operating revenues of $7.0 million and $6.5 million, respectively, and net loss of $2.6 million and $1.4 million, respectively, as a result of the consolidation of Aeróleo, including the effects of intercompany eliminations. The Company's condensed consolidated statements of operations for the six months ended June 30, 2017 and 2016 include operating revenues of $17.2 million and $14.0 million, respectively, and net loss of $1.6 million and $2.1 million, respectively, as a result of the consolidation of Aeróleo, including the effects of intercompany eliminations.

6. INCOME TAXES

During the three months ended June 30, 2017 and 2016, the Company recorded income tax benefit of $0.7 million and $1.2 million, respectively, resulting in effective tax rates of 17.4% and 19.4%, respectively. The decrease in effective tax rates is primarily due to not recognizing certain tax benefits associated with the Company's foreign affiliates. During the six months ended June 30, 2017 and 2016, the Company recorded income tax benefit of $2.8 million and $2.2 million, respectively, resulting in effective tax rates of 22.6% and 19.8%, respectively. The increase in effective tax rates is primarily due to the release of deferred state tax liabilities related to jurisdictions in which the Company's air medical contracts ended.

During the six months ended June 30, 2017 and 2016, there were no new uncertain tax positions identified. The Company's 2015 federal income tax return is currently under examination by the Internal Revenue Service.

Amounts accrued for interest and penalties associated with unrecognized income tax benefits are included in other expense on the condensed consolidated statements of operations. As of June 30, 2017 and December 31, 2016, the gross amount of liability for accrued interest and penalties related to unrecognized tax benefits was $0.3 million.

7. LONG-TERM DEBT

The Company's borrowings as of June 30, 2017 and December 31, 2016 were as follows (in thousands):

	June 30, 2017	December 31, 2016
7.750% Senior Notes (excluding unamortized discount)	$ 144,828	$ 144,828
Senior secured revolving credit facility	57,000	65,000
Promissory notes	22,334	23,166
Other	3,175	3,382
	227,337	236,376
Less: portion due within one year	(2,161)	(2,139)
Less: debt discount, net	(1,588)	(1,703)
Less: unamortized debt issuance costs	(2,234)	(2,395)
Total long-term debt	$ 221,354	$ 230,139

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 15th and December 15th of each year.

Revolving Credit Facility. On March 31, 2014, Era Group entered into the amended and restated senior secured revolving credit facility (the "Amended and Restated Revolving Credit Facility"), and on October 27, 2016, the Company entered into the Consent and Amendment No. 3 to the Amended and Restated Revolving Credit Facility (the "Amendment No. 3" and the Amended and Restated Revolving Credit Facility, as amended, is referred to herein as the "Revolving Credit Facility"). The Revolving Credit Facility provides Era Group with the ability to borrow up to $200.0 million, with a sub-limit of up to $50.0 million for letters of credit, and matures in March 2019. 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 in the Revolving Credit Facility, plus an applicable margin. The applicable margin is based on the Company's ratio of funded debt to EBITDA, as defined in the Revolving Credit Facility, 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, 2017 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 in the Revolving Credit Facility, that ranges from 37.5 to 50 basis points. As of June 30, 2017, 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 an interest coverage ratio, a senior secured leverage ratio and an asset coverage ratio, each as defined in the Revolving Credit Facility, 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, 2017, Era Group had $57.0 million of outstanding borrowings under the Revolving Credit Facility and issued letters of credit of $1.3 million. In connection with the amendment of the Revolving Credit Facility in 2014, Era Group incurred debt issuance costs of $2.4 million. In connection with Amendment No. 3 entered into in 2016, which reduced the total commitment amount to $200.0 million, the Company wrote off previously incurred debt issuance costs of $0.5 million and incurred additional debt issuance costs of $0.9 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.

Aeróleo Debt. During the six months ended June 30, 2017 and 2016, the Company settled certain tax disputes in Brazil totaling $0.2 million and $2.5 million, respectively. Such amounts are included in other debt in the table above and bear interest at a rate equal to the overnight rate as published by the Central Bank of Brazil. During the six months ended June 30, 2016, the Company prepaid a $1.0 million loan to a third party in Brazil.

Promissory Notes. During the six months ended June 30, 2017 and 2016, the Company made scheduled payments on other long-term debt of $0.8 million and $1.0 million, respectively.

8. COMMITMENTS AND CONTINGENCIES

Fleet. The Company's unfunded capital commitments as of June 30, 2017 consisted primarily of agreements to purchase helicopters and totaled $114.8 million, of which $7.2 million is expected to become payable during the remainder of 2017 with the balance payable through 2019. The Company also had $1.3 million of deposits paid on options not yet exercised. The Company may terminate $110.6 million of its total commitments (inclusive of deposits paid on options not yet exercised) without further liability other than aggregate liquidated damages of $2.6 million.

Included in these commitments are orders to purchase five AW189 heavy helicopters, one S92 heavy helicopter and five AW169 light twin helicopters. The AW189 and S92 helicopters are scheduled to be delivered in 2018 and 2019. Delivery dates for the AW169 helicopters have yet to be determined. In addition, the Company had outstanding options to purchase up to ten additional AW189 helicopters. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2019 through 2020.

Brazilian Tax Disputes. The Company is disputing assessments of approximately $7.2 million in unaccrued taxes, penalties and interest levied by the municipal authorities of Rio de Janeiro (for the period between 2000 to 2005) and Macaé (for the period between 2001 to 2006) (collectively, the "Municipal Assessments"). The Company believes that, based on its interpretation of tax legislation supported by clarifying guidance provided by the Supreme Court of Brazil with respect to the issue in a 2006 ruling, it is in compliance with all applicable tax legislation, has paid all applicable taxes, penalties and interest and plans to defend these claims vigorously at the administrative levels in each jurisdiction. In the event the Municipal Assessments are upheld at the last administrative level, it may be necessary for the Company to deposit the amounts at issue as security to pursue further appeals. In 2015, the Company received a final, unfavorable ruling with respect to a similar assessment levied by the Rio de Janeiro State Treasury for the periods between 1994 to 1998 (the "1998 Assessments"). The 1998 Assessments were upheld without taking into consideration the benefit of the clarifying guidance issued by the Supreme Court following the assertion of the claims. The final adjudication of the 1998 Assessments requires payment of amounts that are within the established accruals, will be paid in multiple installments over time and are not expected to have a material effect on the Company's financial position or results of operations. At June 30, 2017, it is not possible to determine the outcomes of the Municipal Assessments, but the Company does not expect that the outcomes would have a material adverse effect on its business, financial position or results of operations. In addition, it is not possible to reasonably estimate the likelihood or potential amount of assessments that may be issued for any subsequent periods.

The Company is also disputing challenges raised by the Brazilian tax authorities with respect to certain tax credits applied by Aeróleo between 1995 to 2009. The tax authorities are seeking $2.3 million in additional taxes, interest and penalties. The Company believes that, based on its interpretation of tax legislation, it is in compliance with all applicable tax legislation and plans to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome of this matter, but the Company does not expect that the outcome would have a material adverse effect on its business, financial position or results of operations.

The Company is disputing responsibility for $2.9 million of employer social security contributions required to have been remitted by one of its customers relating to the period from 1995 to 1998. Although the Company may be deemed co-responsible for such remittances under the local regulatory regime, the customer's payments to the Company against presented invoices were made net of the specific remittances required to have been made by the customer and at issue in the claim. As such, the Company plans to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome of this matter, but the Company does not expect that the outcome would have a material adverse effect on its business, financial position or results of operations.

The Company is disputing certain penalties that are being assessed by the State of Rio de Janeiro in respect of the Company's alleged failure to submit accurate documentation and to fully comply with filing requirements with respect to certain value-added taxes. The Company elected to make payment of $0.2 million in installments over time to satisfy a portion of these penalties. Upon confirming with the asserting authority that the originally proposed penalties of $1.6 million with respect to the balance of the assessments were calculated based on amounts containing a typographical error, the aggregate penalties that remain in dispute total $0.4 million. At June 30, 2017, it is not possible to determine the outcome of this matter, but the Company does not expect that the outcome would have a material adverse effect on its business, financial position or results of operations.

The Company is disputing the imposition of $0.9 million in fines levied by the Brazilian customs authorities. These fines relate to the Company's alleged failure to comply with certain deadlines under the temporary regime pursuant to which it imports helicopters into Brazil. In order to dispute such fines and pursue its legal remedies within the judicial system, the Company deposited certain amounts at issue as security into an escrow account with the presiding judge in the matters who controls the release of such funds pending the outcome. The Company believes its documentation evidences its timely compliance with the relevant deadlines. As such, the Company plans to defend these claims vigorously. At June 30, 2017, it is not possible to determine the outcome of these matters, but the Company does not expect that the outcome would have a material adverse effect on its business, financial position or results of operations.

The Company is disputing fines of $0.3 million sought by taxing authorities in Brazil following the final adjudication to disallow certain tax credits applied by the Company to offset certain social tax liabilities. The fine is calculated as 50% of the incremental tax liability resulting from the disallowance of the tax credits and has been applied without taking into account the circumstances relating to the disallowance of such tax credits. The constitutionality of such fines is under review by the Supreme Court in Brazil. There are a number of cases in which taxpayers have received favorable rulings due to the unconstitutionality of the law. As such, the Company plans to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome, but the Company does not expect that it would have a material adverse impact on its business, financial position or results of operations.

The Company is disputing contingent fees of $0.5 million sought by its former tax consultant that have been calculated based on unrealized tax savings attributed to the consultant's suggested tax strategies. The Company contends that fees are due only upon realized tax savings. At June 30, 2017, it is not possible to determine the outcome of these matters, but the Company does not expect that the outcome would have a material adverse effect on its business, financial position or results of operations.

In the normal course of business, the Company may become involved in various employment-related litigation matters. At June 30, 2017, it is not possible to determine the outcome of several claims wherein claimants are seeking judgments that are, in the aggregate, $0.1 million above the Company's established accruals. The Company does not expect that the outcome with respect to such claims would have a material adverse effect on its business, financial position or results of operations.

The Company is also disputing claims from the Brazilian tax authorities with respect to federal customs taxes levied upon the helicopters leased by the Company and imported into Brazil under a temporary regime and subject to re-export. In order to dispute such assessments and pursue its available legal remedies within the judicial system, the Company deposited the amounts at issue as security into an escrow account that serves as security and with the presiding judge in the matters controlling the release of such funds. The Company believes that, based on its interpretation of tax legislation and well established aviation industry practice, it is not required to pay such taxes and plans to defend these claims vigorously. At June 30, 2017, it is not possible to determine the outcome of this matter, but the Company does not expect that the outcome would have a material adverse effect on its business, financial position or results of operations.

As it relates to the specific cases referred to above, the Company currently anticipates that any administrative fine or penalty ultimately would not have a material effect on its financial position or results of operations. The Company has deposited $9.3 million into escrow accounts controlled by the court with respect to certain of the cases described above and has fully reserved such amounts subject to final determination and the judicial release of such escrow deposits. These estimated liabilities are based on the Company's assessment of the nature of these matters, their progress toward resolution, the advice of legal counsel and outside experts as well as management's intentions and experience.

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 provided for certain service and product credit discounts available to the Company to be applied against support services available from Airbus Helicopters covering spare parts, repair and overhaul, service bulletins, technical assistance or other services. During the six months ended June 30, 2016, the Company utilized credits in the amount of $1.7 million. As of September 30, 2016, the Company had utilized all credits available under the agreement.

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 assume 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, 2017 and 2016 were as follows (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net income (loss) attributable to Era Group Inc.	$ (2,787)	$ 1,938	$ (8,407)	$ (1,880)
Net income attributable to participating securities	—	48	—	—
Net income (loss) attributable to fully vested common stock	$ (2,787)	$ 1,890	$ (8,407)	$ (1,880)
Shares:				
Weighted average common shares outstanding - basic	20,789,537	20,361,533	20,650,274	20,290,735
Net effect of dilutive stock options and restricted stock awards based on the treasury stock method(1)	—	2,849	—	—
Weighted average common shares outstanding - diluted	20,789,537	20,364,382	20,650,274	20,290,735
Income (loss) per common share:				
Basic	$ (0.13)	$ 0.09	$ (0.41)	$ (0.09)
Diluted	$ (0.13)	$ 0.09	$ (0.41)	$ (0.09)

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(1) Excludes weighted average common shares of 275,851 and 283,764 for the three months ended June 30, 2017 and 2016, respectively, and 280,199 and 292,840 for the six months ended June 30, 2017 and 2016, respectively, for certain share awards as the effect of their inclusion would have been antidilutive.

10. RELATED PARTY TRANSACTIONS

The Company leases office space from SEACOR Holdings Inc. ("SEACOR"). During each of the three months ended June 30, 2017 and 2016, the Company incurred $0.1 million in rent and utilities, and during each of the six months ended June 30, 2017 and 2016, the Company incurred $0.2 million in rent and utilities. Such costs are included in administrative and general expense in the condensed consolidated statements of operations. As of both June 30, 2017 and December 31, 2016, the Company had a payable due to SEACOR of less than $0.1 million.

The Company purchased products from its Dart Holding Company Ltd. ("Dart") joint venture totaling $0.2 million and $0.6 million during the three months ended June 30, 2017 and 2016, respectively. The Company purchased products from Dart totaling $0.3 million and $1.1 million during the six months ended June 30, 2017 and 2016, respectively. The Company also has a note receivable from Dart which had balances of $3.0 million and $3.2 million as of June 30, 2017 and December 31, 2016, respectively.

During the three months ended June 30, 2017 and 2016, the Company incurred fees of $0.1 million and $0.2 million, respectively, for simulator services from its Era Training Center, LLC ("ETC") joint venture, and during each of the three months ended June 30, 2017 and 2016, the Company provided helicopter, management and other services to ETC of less than $0.1 million. During the six months ended June 30, 2017 and 2016, the Company incurred fees of $0.4 million and $0.3 million, respectively, for simulator services from ETC, and the Company provided helicopter, management and other services to ETC of $0.1 million and $0.2 million, respectively. The Company also has a note receivable from ETC which had a balance of $3.9 million and $4.0 million as of June 30, 2017 and December 31, 2016, respectively.

During the six months ended June 30, 2016, the Company and its partner in Aeróleo each contributed notes payable to them by Aeróleo as a contribution of additional capital into Aeróleo. In connection with the contributions, the Company recorded $6.3 million to net loss attributable to noncontrolling interest in subsidiary on the condensed consolidated statements of operations, representing the carrying value of the note contributed by its partner in Aeróleo.

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, 2017 were as follows:

	Number of Shares	Weighted Average Grant Price
Non-vested as of December 31, 2016	503,407	$ 14.60
Restricted stock awards granted:		
Non-employee directors	30,853	$ 11.67
Employees	241,195	$ 11.55
Vested	(322,420)	$ 14.42
Forfeited	(1,362)	$ 14.12
Non-vested as of June 30, 2017	451,673	$ 12.90

The total fair value of shares vested during the six months ended June 30, 2017 and 2016, determined using the closing price on the grant date, was $4.6 million and $3.0 million, respectively.

Stock Options. The Company did not grant any stock options during the six months ended June 30, 2017.

Employee Stock Purchase Plan ("ESPP"). During the six months ended June 30, 2017, the Company issued 75,162 shares under the ESPP. On September 15, 2016, the ESPP was amended to, among other things, increase the number of shares reserved for issuance under the ESPP. As of June 30, 2017, 386,650 shares remain available for issuance under the ESPP.

Total share-based compensation expense, which includes stock options, restricted stock and the ESPP, was $2.6 million and $2.3 million for the six months ended June 30, 2017 and 2016, 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.

As a result of the agreement by these subsidiaries to guarantee the 7.750% Senior Notes, the Company is presenting the following condensed consolidating balance sheets and statements of operations, comprehensive income and cash flows for Era Group ("Parent"), the Guarantors and the Company's other subsidiaries ("Non-guarantors"). These statements should be read in conjunction with the unaudited condensed consolidated financial statements of the Company. The supplemental condensed consolidating financial information has been prepared pursuant to the rules and regulations for condensed financial information and does not include all disclosures included in annual financial statements.

Supplemental Condensed Consolidating Balance Sheet as of June 30, 2017

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
	(in thousands, except share data)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 27,441	$ —	$ 1,437	$ —	$ 28,878
Receivables:					
Trade, net of allowance for doubtful accounts of $1,249	—	27,553	5,271	—	32,824
Tax receivable	9	7	2,984	—	3,000
Other	—	2,213	959	—	3,172
Inventories, net	—	24,019	277	—	24,296
Prepaid expenses	516	1,809	193	—	2,518
Escrow deposits	—	—	—	—	—
Total current assets	27,966	55,601	11,121	—	94,688
Property and equipment	—	1,147,968	16,080	—	1,164,048
Accumulated depreciation	—	(351,829)	(2,001)	—	(353,830)
Property and equipment, net	—	796,139	14,079	—	810,218
Equity investments and advances	—	29,852	—	—	29,852
Investments in consolidated subsidiaries	172,974	—	—	(172,974)	—
Intangible assets	—	—	1,129	—	1,129
Deferred taxes	15,445	—	—	(15,445)	—
Intercompany receivables	444,558	—	—	(444,558)	—
Other assets	1,415	4,116	62	—	5,593
Total assets	$ 662,358	$ 885,708	$ 26,391	$ (632,977)	$ 941,480
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	$ 174	$ 10,347	$ 2,363	$ —	$ 12,884
Accrued wages and benefits	—	6,905	1,803	—	8,708
Accrued interest	527	—	—	—	527
Accrued income taxes	—	259	32	—	291
Accrued other taxes	9	631	505	—	1,145
Accrued contingencies	—	—	1,334	—	1,334
Current portion of long-term debt	—	1,523	638	—	2,161
Other current liabilities	684	1,492	414	—	2,590
Total current liabilities	1,394	21,157	7,089	—	29,640
Long-term debt	198,005	20,811	2,538	—	221,354
Deferred income taxes	—	237,289	880	(15,445)	222,724
Intercompany payables	—	404,139	40,419	(444,558)	—
Other liabilities	—	944	—	—	944
Total liabilities	199,399	684,340	50,926	(460,003)	474,662
Redeemable noncontrolling interest	—	4	3,765	—	3,769
Equity:					
Common stock, $0.01 par value, 60,000,000 shares authorized; 21,270,272 outstanding, exclusive of treasury shares	215	—	—	—	215
Additional paid-in capital	441,595	100,306	4,562	(104,868)	441,595
Retained earnings	24,117	100,968	(32,862)	(68,106)	24,117
Treasury shares, at cost, 179,730 shares	(2,968)	—	—	—	(2,968)
Accumulated other comprehensive income, net of tax	—	90	—	—	90
Total equity	462,959	201,364	(28,300)	(172,974)	463,049
Total liabilities, redeemable noncontrolling interest and stockholders' equity	$ 662,358	$ 885,708	$ 26,391	$ (632,977)	$ 941,480

Supplemental Condensed Consolidating Balance Sheet as of December 31, 2016

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
	(in thousands, except share data)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 25,474	$ —	$ 1,476	$ —	$ 26,950
Receivables:					
Trade, net of allowance for doubtful accounts of $1,219	39	26,118	6,313	—	32,470
Tax receivables	9	4	3,448	—	3,461
Other	—	1,658	1,058	—	2,716
Inventories, net	—	25,156	261	—	25,417
Prepaid expenses	359	976	244	—	1,579
Escrow deposits	—	3,777	—	—	3,777
Total current assets	25,881	57,689	12,800	—	96,370
Property and equipment	—	1,138,020	16,008	—	1,154,028
Accumulated depreciation	—	(330,735)	(1,484)	—	(332,219)
Net property and equipment	—	807,285	14,524	—	821,809
Equity investments and advances	—	29,266	—	—	29,266
Investments in consolidated subsidiaries	174,830	—	—	(174,830)	—
Intangible assets	—	—	1,137	—	1,137
Deferred income taxes	12,262	—	—	(12,262)	—
Intercompany receivables	460,623	—	—	(460,623)	—
Other assets	1,820	4,723	48	—	6,591
Total assets	$ 675,416	$ 898,963	$ 28,509	$ (647,715)	$ 955,173
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	$ 322	$ 6,273	$ 2,281	$ —	$ 8,876
Accrued wages and benefits	—	6,446	2,061	—	8,507
Accrued interest	529	—	—	—	529
Accrued income taxes	—	653	13	—	666
Current portion of long-term debt	—	1,524	615	—	2,139
Accrued other taxes	29	645	773	—	1,447
Accrued contingencies	—	—	1,237	—	1,237
Other current liabilities	481	1,525	216	—	2,222
Total current liabilities	1,361	17,066	7,196	—	25,623
Long-term debt	205,730	21,642	2,767	—	230,139
Deferred income taxes	—	237,067	667	(12,262)	225,472
Intercompany payables	—	426,410	34,213	(460,623)	—
Other liabilities	—	1,301	—	—	1,301
Total liabilities	207,091	703,486	44,843	(472,885)	482,535
Redeemable noncontrolling interest	—	4	4,217	—	4,221
Equity:					
Common stock, $0.01 par value, 60,000,000 shares authorized; 20,936,636 shares outstanding, exclusive of treasury shares	211	—	—	—	211
Additional paid-in capital	438,489	100,306	4,562	(104,868)	438,489
Retained earnings	32,524	95,075	(25,113)	(69,962)	32,524
Treasury shares, at cost, 175,350 shares	(2,899)	—	—	—	(2,899)
Accumulated other comprehensive income, net of tax	—	92	—	—	92
Total equity	468,325	195,473	(20,551)	(174,830)	468,417
Total liabilities, redeemable noncontrolling interest and stockholders' equity	$ 675,416	$ 898,963	$ 28,509	$ (647,715)	$ 955,173

Supplemental Condensed Consolidating Statements of Operations for the Three Months Ended June 30, 2017

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Operating revenues	$ —	$ 51,598	$ 14,003	$ (7,723)	$ 57,878
Costs and expenses:					
Operating	—	33,178	15,880	(7,723)	41,335
Administrative and general	1,110	7,304	1,488	—	9,902
Depreciation	—	11,727	251	—	11,978
Total costs and expenses	1,110	52,209	17,619	(7,723)	63,215
Gains on asset dispositions, net	—	5,061	—	—	5,061
Operating income (loss)	(1,110)	4,450	(3,616)	—	(276)
Other income (expense):					
Interest income	28	107	50	—	185
Interest expense	(3,721)	(159)	(54)	—	(3,934)
Foreign currency gains (losses), net	129	160	(425)	—	(136)
Other, net	—	1	(9)	—	(8)
Total other income (expense)	(3,564)	109	(438)	—	(3,893)
Income (loss) before income taxes and equity earnings	(4,674)	4,559	(4,054)	—	(4,169)
Income tax expense (benefit)	(1,307)	10	571	—	(726)
Income (loss) before equity earnings	(3,367)	4,549	(4,625)	—	(3,443)
Equity earnings, net of tax	—	371	—	—	371
Equity in earnings (losses) of subsidiaries	580	—	—	(580)	—
Net income (loss)	(2,787)	4,920	(4,625)	(580)	(3,072)
Net loss attributable to noncontrolling interest in subsidiary	—	—	285	—	285
Net income (loss) attributable to Era Group Inc.	$ (2,787)	$ 4,920	$ (4,340)	$ (580)	$ (2,787)

Supplemental Condensed Consolidating Statements of Operations for the Three Months Ended June 30, 2016

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Operating revenues	$ —	$ 57,392	$ 17,788	$ (11,829)	$ 63,351
Costs and expenses:					
Operating	—	38,760	20,465	(11,829)	47,396
Administrative and general	871	6,875	394	—	8,140
Depreciation	—	12,414	277	—	12,691
Total costs and expenses	871	58,049	21,136	(11,829)	68,227
Gains on asset dispositions, net	—	1,367	—	—	1,367
Operating income	(871)	710	(3,348)	—	(3,509)
Other income (expense):					
Interest income	9	119	275	—	403
Interest expense	(3,841)	(136)	(153)	—	(4,130)
Foreign currency gains (losses), net	(52)	(110)	491	—	329
Gain on debt extinguishment	518	—	—	—	518
Other, net	—	1	45	—	46
Total other income (expense)	(3,366)	(126)	658	—	(2,834)
Income (loss) before income taxes and equity earnings	(4,237)	584	(2,690)	—	(6,343)
Income tax benefit	(490)	(742)	—	—	(1,232)
Income (loss) before equity earnings	(3,747)	1,326	(2,690)	—	(5,111)
Equity losses, net of tax	—	601	—	—	601
Equity in earnings (losses) of subsidiaries	5,685	—	—	(5,685)	—
Net income (loss)	1,938	1,927	(2,690)	(5,685)	(4,510)
Net loss attributable to noncontrolling interest in subsidiary	—	6,349	99	—	6,448
Net income (loss) attributable to Era Group Inc.	$ 1,938	$ 8,276	$ (2,591)	$ (5,685)	$ 1,938

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Supplemental Condensed Consolidating Statements of Operations for the Six Months Ended June 30, 2017

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Operating revenues	$ —	$ 99,631	$ 29,403	$ (16,629)	$ 112,405
Costs and expenses:					
Operating	—	62,291	33,430	(16,629)	79,092
Administrative and general	2,975	14,342	2,966	—	20,283
Depreciation	—	23,047	485	—	23,532
Total costs and expenses	2,975	99,680	36,881	(16,629)	122,907
Gains on asset dispositions, net	—	5,170	—	—	5,170
Operating income (loss)	(2,975)	5,121	(7,478)	—	(5,332)
Other income (expense):					
Interest income	49	218	168	—	435
Interest expense	(6,962)	(457)	(104)	—	(7,523)
Foreign currency gains (losses), net	154	168	(430)	—	(108)
Other, net	—	1	3	—	4
Total other income (expense)	(6,759)	(70)	(363)	—	(7,192)
Income (loss) before income taxes and equity earnings	(9,734)	5,051	(7,841)	—	(12,524)
Income tax expense (benefit)	(3,183)	(6)	360	—	(2,829)
Income (loss) before equity earnings	(6,551)	5,057	(8,201)	—	(9,695)
Equity earnings, net of tax	—	836	—	—	836
Equity in earnings (losses) of subsidiaries	(1,856)	—	—	1,856	—
Net income (loss)	(8,407)	5,893	(8,201)	1,856	(8,859)
Net loss attributable to noncontrolling interest in subsidiary	—	—	452	—	452
Net income (loss) attributable to Era Group Inc.	$ (8,407)	$ 5,893	$ (7,749)	$ 1,856	$ (8,407)

Supplemental Condensed Consolidating Statements of Operations for the Six Months Ended June 30, 2016

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Operating revenues	$ —	$ 116,477	$ 31,883	$ (22,427)	$ 125,933
Costs and expenses:					
Operating	—	75,368	38,762	(22,427)	91,703
Administrative and general	1,919	13,959	1,489	—	17,367
Depreciation	—	24,900	557	—	25,457
Total costs and expenses	1,919	114,227	40,808	(22,427)	134,527
Gains on asset dispositions, net	—	4,280	—	—	4,280
Operating income	(1,919)	6,530	(8,925)	—	(4,314)
Other income (expense):					
Interest income	13	242	449	—	704
Interest expense	(8,184)	(284)	(410)	—	(8,878)
Foreign currency gains (losses), net	17	(224)	817	—	610
Gain on debt extinguishment	518	—	—	—	518
Other, net	—	1	28	—	29
Total other income (expense)	(7,636)	(265)	884	—	(7,017)
Income (loss) before income taxes and equity earnings	(9,555)	6,265	(8,041)	—	(11,331)
Income tax benefit	(1,719)	(527)	—	—	(2,246)
Income (loss) before equity earnings	(7,836)	6,792	(8,041)	—	(9,085)
Equity losses, net of tax	—	625	—	—	625
Equity in earnings (losses) of subsidiaries	5,956	—	—	(5,956)	—
Net income (loss)	(1,880)	7,417	(8,041)	(5,956)	(8,460)
Net loss attributable to noncontrolling interest in subsidiary	—	6,349	231	—	6,580
Net income (loss) attributable to Era Group Inc.	$ (1,880)	$ 13,766	$ (7,810)	$ (5,956)	$ (1,880)

Supplemental Condensed Consolidating Statements of Comprehensive Income for the Three Months Ended June 30, 2017

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Net income (loss)	$ (2,787)	$ 4,920	$ (4,625)	$ (580)	$ (3,072)
Other comprehensive income (loss):					
Foreign currency translation adjustments	—	—	—	—	—
Income tax benefit	—	—	—	—	—
Total other comprehensive income (loss)	—	—	—	—	—
Comprehensive income (loss)	(2,787)	4,920	(4,625)	(580)	(3,072)
Comprehensive loss attributable to noncontrolling interest in subsidiary	—	—	285	—	285
Comprehensive income (loss) attributable to Era Group Inc.	$ (2,787)	$ 4,920	$ (4,340)	$ (580)	$ (2,787)

Supplemental Condensed Consolidating Statements of Comprehensive Income for the Three Months Ended June 30, 2016

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Net income (loss)	$ 1,938	$ 1,927	$ (2,690)	$ (5,685)	$ (4,510)
Other comprehensive loss:					
Foreign currency translation adjustments	—	—	—	—	—
Income tax benefit	—	—	—	—	—
Total other comprehensive loss	—	—	—	—	—
Comprehensive income (loss)	1,938	1,927	(2,690)	(5,685)	(4,510)
Comprehensive income attributable to noncontrolling interest in subsidiary	—	6,349	99	—	6,448
Comprehensive income (loss) attributable to Era Group Inc.	$ 1,938	$ 8,276	$ (2,591)	$ (5,685)	$ 1,938

Supplemental Condensed Consolidating Statements of Comprehensive Income for the Six Months Ended June 30, 2017

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Net income (loss)	$ (8,407)	$ 5,893	$ (8,201)	$ 1,856	$ (8,859)
Other comprehensive loss:					
Foreign currency translation adjustments	—	(2)	—	—	(2)
Income tax benefit	—	—	—	—	—
Total other comprehensive loss	—	(2)	—	—	(2)
Comprehensive income (loss)	(8,407)	5,891	(8,201)	1,856	(8,861)
Comprehensive loss attributable to noncontrolling interest in subsidiary	—	—	452	—	452
Comprehensive income (loss) attributable to Era Group Inc.	$ (8,407)	$ 5,891	$ (7,749)	$ 1,856	$ (8,409)

Supplemental Condensed Consolidating Statements of Comprehensive Income for the Six Months Ended June 30, 2016

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Net income (loss)	$ (1,880)	$ 7,417	$ (8,041)	$ (5,956)	$ (8,460)
Other comprehensive loss:					
Foreign currency translation adjustments	—	—	—	—	—
Income tax benefit	—	—	—	—	—
Total other comprehensive loss	—	—	—	—	—
Comprehensive income (loss)	(1,880)	7,417	(8,041)	(5,956)	(8,460)
Comprehensive loss attributable to noncontrolling interest in subsidiary	—	6,349	231	—	6,580
Comprehensive income (loss) attributable to Era Group Inc.	$ (1,880)	$ 13,766	$ (7,810)	$ (5,956)	$ (1,880)

Supplemental Condensed Consolidating Statements of Cash Flows for the Six Months Ended June 30, 2017

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Net cash provided by (used in) operating activities	$ 1,967	$ 11,086	$ 321	$ —	$ 13,374
Cash flows from investing activities:					
Purchases of property and equipment	—	(12,490)	(34)	—	(12,524)
Proceeds from disposition of property and equipment	—	5,689	—	—	5,689
Investments in and advances to equity method investees	—	(126)	—	—	(126)
Principal payments on notes due from equity investees	—	375	—	—	375
Principal payments on third party notes receivable	—	94	—	—	94
Escrow deposits on like-kind exchanges, net	—	3,777	—	—	3,777
Net cash provided by (used in) investing activities	—	(2,681)	(34)	—	(2,715)
Cash flows from financing activities:					
Payments on long-term debt	—	(832)	(330)	(17,000)	(18,162)
Proceeds from Revolving Credit Facility	—	—	—	9,000	9,000
Proceeds from share award plans	—	—	—	463	463
Purchase of treasury shares	—	—	—	(51)	(51)
Borrowings and repayments of intercompany debt	—	(7,588)	—	7,588	—
Net cash used in financing activities	—	(8,420)	(330)	—	(8,750)
Effects of exchange rate changes on cash and cash equivalents	—	15	4	—	19
Net increase (decrease) in cash and cash equivalents	1,967	—	(39)	—	1,928
Cash and cash equivalents, beginning of period	25,474	—	1,476	—	26,950
Cash and cash equivalents, end of period	$ 27,441	$ —	$ 1,437	$ —	$ 28,878

Supplemental Condensed Consolidating Statements of Cash Flows for the Six Months Ended June 30, 2016

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
			(in thousands)		
Net cash provided by (used in) operating activities	$ 28,465	$ 1,126	$ (1,030)	$ —	$ 28,561
Cash flows from investing activities:					
Purchases of property and equipment	—	(4,974)	(132)	—	(5,106)
Proceeds from disposition of property and equipment	—	5,910	—	—	5,910
Return of helicopter deposit	—	544	—	—	544
Principal payments on notes due from equity investees	—	357	—	—	357
Principal payments on third party notes receivable	—	136	—	—	136
Net cash used in investing activities	—	1,973	(132)	—	1,841
Cash flows from financing activities:					
Payments on long-term debt	—	(970)	(1,123)	(7,000)	(9,093)
Proceeds from Revolving Credit Facility	—	—	—	7,000	7,000
Extinguishment of long-term debt	—	—	—	(4,331)	(4,331)
Proceeds from share award plans	—	—	—	477	477
Purchase of treasury shares	—	—	—	(161)	(161)
Borrowings and repayments of intercompany debt	—	(4,015)	—	4,015	—
Net cash used in financing activities	—	(4,985)	(1,123)	—	(6,108)
Effects of exchange rate changes on cash and cash equivalents	—	320	176	—	496
Net increase (decrease) in cash and cash equivalents	28,465	(1,566)	(2,109)	—	24,790
Cash and cash equivalents, beginning of period	7,565	3,334	3,471	—	14,370
Cash and cash equivalents, end of period	$ 36,030	$ 1,768	$ 1,362	$ —	$ 39,160

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, 2017 and for the three and six months ended June 30, 2017 and 2016, included elsewhere herein, and with our Annual Report on Form 10-K for the year ended December 31, 2016.

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:

- *the Company's dependence on, and the cyclical and volatile nature of, offshore oil and gas exploration, development and production activity, and the impact of general economic conditions and fluctuations in worldwide prices of and demand for oil and natural gas on such activity levels;*
- *the Company's reliance on a small number of customers and the reduction of its customer base resulting from bankruptcies or consolidation;*
- *risks that the Company's customers reduce or cancel contracted services or tender processes;*
- *cost savings initiatives implemented by the Company's customers;*
- *risks inherent in operating helicopters;*
- *the Company's ability to maintain an acceptable safety record;*
- *the impact of increased United States ("U.S.") and foreign government regulation and legislation, including potential government implemented moratoriums on drilling activities;*
- *the impact of a grounding of all or a portion of the Company's fleet for extended periods of time or indefinitely on the Company's business, including its operations and ability to service customers, results of operations or financial condition and/or the market value of the affected helicopter(s);*
- *the Company's ability to successfully expand into other geographic and aviation service markets;*
- *risks associated with 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 the Company's assets or result in claims of a force majeure situation;*
- *the impact of declines in the global economy and financial markets;*
- *the impact of fluctuations in foreign currency exchange rates on the Company's asset values and cost to purchase helicopters, spare parts and related services;*
- *risks related to investing in new lines of service without realizing the expected benefits;*
- *risks of engaging in competitive processes or expending significant resources for strategic opportunities, with no guaranty of recoupment;*
- *the Company's reliance on a small number of helicopter manufacturers and suppliers;*
- *the Company's ongoing need to replace aging helicopters;*
- *the Company's reliance on the secondary helicopter market to dispose of older helicopters;*
- *the Company's reliance on information technology;*
- *the impact of allocation of risk between the Company and its customers;*
- *the liability, legal fees and costs in connection with providing emergency response services;*
- *adverse weather conditions and seasonality;*
- *risks associated with the Company's debt structure;*
- *the Company's counterparty credit risk exposure;*
- *the impact of operational and financial difficulties of the Company's joint ventures and partners and the risks associated with identifying and securing joint venture partners when needed;*
- *conflict with the other owners of the Company's non-wholly owned subsidiaries and other equity investees;*
- *adverse results of legal proceedings;*
- *the Company's ability to obtain insurance coverage and the adequacy and availability of such coverage;*

- *the Company's ability to remediate the material weakness in its internal controls over financial reporting described herein and in its Annual Report on Form 10-K for the year ended December 31, 2016;*
- *the possibility of labor problems;*
- *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 and risks 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, 2016 and Era Group's subsequent Quarterly Reports on Form 10-Q and periodic reporting on Form 8-K (if any).

Overview

We are one of the largest helicopter operators in the world and the longest serving helicopter transport operator in the U.S., which is our primary area of operations. Our helicopters are primarily used to transport personnel to, from and between offshore oil and gas production platforms, drilling rigs and other installations. In addition to serving the oil and gas industry, we provide emergency response services, including search and rescue and air medical capabilities, utility services and Alaska flightseeing tours, among other activities. We also provide helicopters and related services to third-party helicopter operators. We currently have customers in the U.S., Argentina, Brazil, Colombia, the Dominican Republic, India and Suriname.

We charter the majority of our helicopters through master service agreements, subscription agreements, long-term contracts, 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 30-90 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 have fixed terms from several months to five years and, in limited circumstances, may be canceled without penalty upon written notice. Emergency response services consist of services provided under contracts with hospitals or under a subscription basis directly with the end users. 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

In April 2016, an Airbus Helicopters H225 (also known as an EC225LP) model helicopter operated by a global competitor was involved in an accident in Norway. The helicopter was carrying eleven passengers and two crew members. The accident resulted in thirteen fatalities. The Accident Investigation Board Norway ("AIBN") published preliminary reports that contained findings from the investigation into the accident in May and June 2016. Pursuant to a safety recommendation published by the AIBN, a number of regulatory authorities issued safety directives suspending operations, with limited exceptions, of all Airbus H225 and AS332 L2 model helicopters registered in their jurisdictions, and a number of customers and operators voluntarily suspended operations of those two helicopter models. On October 7, 2016, the European Aviation Safety Agency (EASA) issued an Airworthiness Directive which provides for additional maintenance and inspection requirements to allow these helicopters to return to service. On December 9, 2016, the Federal Aviation Administration in the United States issued an Alternative Means of Compliance ("AMOC") that also provides for additional maintenance and inspection requirements to allow these helicopters to return to service in the United States. In February and April 2017, the AIBN published additional preliminary reports that updated and expanded findings from the investigation into the accident. The AIBN's investigation remains ongoing. On July 7, 2017, the civil aviation authorities in each of Norway and the United Kingdom, the major European markets for H225 helicopters, announced plans to remove the restrictions on the operations of Airbus H225 and AS332 L2 model helicopters subject to the implementation of modifications and enhanced safety measures developed by Airbus and the execution of a plan of checks, modifications and inspections. On July 20, 2017, the civil aviation authorities in each of Norway and the United Kingdom published directives that set forth the requirements with respect to the return to service of these helicopter models. Prior to a return to service, an operator must comply with an EASA directive issued on June 23, 2017 that requires the replacement of, and prescribes reduced service limits and inspections with respect to, identified parts and the installation of, and prescribes maintenance protocols with respect to, a new EASA-approved full flow magnetic plug device to support the inspection of the main gearbox oil system particle detection. In addition, an operator must develop a return to service plan for the applicable helicopter model that must be approved by the relevant regulatory authority. Such a plan would need to include a detailed safety case, outlining specific maintenance processes, tooling and training requirements.

Since the accident, we believe that H225 helicopters have only returned to service in oil and gas missions in a few countries in Asia. Any broad-based return to service of the Airbus H225 and AS332 L2 helicopter models for future oil and gas operations will be impacted by market receptivity, which will be dependent upon the confidence in the safety case relating to the operations of these helicopter models amongst oil and gas customers and the labor unions representing their employees. We will not operate the H225 helicopters in our fleet unless and until we can develop a detailed safety case that demonstrates the H225 model helicopter can be operated safely.

We own nine H225 helicopters, including five that are currently located in the U.S., three that are currently located in Brazil and one that is currently located in Norway. As of June 30, 2017, the net book value of our H225 helicopters and related inventory of parts and equipment was $156.5 million. During this suspension of H225 helicopter operations, we have and expect to continue to utilize other heavy and medium helicopters to service our operations. Although we do not expect the near-term impact of the suspension to be material to our financial condition or results of operations, at this time we cannot anticipate how long the suspension of H225 helicopter operations will last, the market receptivity of the H225 helicopter for future oil and gas operations, the potential impact on residual values of these helicopters and the impact a long-term suspension could have on our operating results or financial condition.

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Results of Operations

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017		2016		2017		2016	
	(in thousands)	%	(in thousands)	%	(in thousands)	%	(in thousands)	%
Operating Revenues:								
United States	$ 37,202	64	$ 43,676	69	$ 71,403	64	$ 88,396	70
Foreign	20,676	36	19,675	31	41,002	36	37,537	30
Total operating revenues	57,878	100	63,351	100	112,405	100	125,933	100
Costs and Expenses:								
Operating:								
Personnel	15,685	27	18,717	30	31,099	28	35,852	28
Repairs and maintenance	13,922	24	14,562	23	24,013	21	28,829	23
Insurance and loss reserves	1,312	2	1,680	3	2,420	2	3,071	2
Fuel	2,832	5	3,347	5	5,661	5	6,040	5
Leased-in equipment	275	—	250	—	574	1	520	—
Other	7,309	13	8,840	14	15,325	14	17,391	14
Total operating expenses	41,335	71	47,396	75	79,092	71	91,703	72
Administrative and general	9,902	17	8,140	13	20,283	18	17,367	14
Depreciation and amortization	11,978	21	12,691	20	23,532	21	25,457	20
Total costs and expenses	63,215	109	68,227	108	122,907	110	134,527	106
Gains on asset dispositions, net	5,061	9	1,367	2	5,170	5	4,280	3
Operating loss	(276)	—	(3,509)	(6)	(5,332)	(5)	(4,314)	(3)
Other income (expense):								
Interest income	185	—	403	1	435	—	704	1
Interest expense	(3,934)	(7)	(4,130)	(6)	(7,523)	(7)	(8,878)	(7)
Foreign currency gains (losses), net	(136)	—	329	—	(108)	—	610	—
Gain on debt extinguishment	—	—	518	1	—	—	518	—
Other, net	(8)	—	46	—	4	—	29	—
Total other income (expense)	(3,893)	(7)	(2,834)	(4)	(7,192)	(7)	(7,017)	(6)
Loss before income taxes and equity earnings	(4,169)	(7)	(6,343)	(10)	(12,524)	(12)	(11,331)	(9)
Income tax benefit	(726)	(1)	(1,232)	(2)	(2,829)	(3)	(2,246)	(2)
Loss before equity earnings	(3,443)	(6)	(5,111)	(8)	(9,695)	(9)	(9,085)	(7)
Equity earnings, net of tax	371	1	601	1	836	1	625	—
Net loss	(3,072)	(5)	(4,510)	(7)	(8,859)	(8)	(8,460)	(7)
Net loss attributable to noncontrolling interest in subsidiary	285	—	6,448	10	452	—	6,580	5
Net income (loss) attributable to Era Group Inc.	$ (2,787)	(5)	$ 1,938	3	$ (8,407)	(8)	$ (1,880)	(2)

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, 2017 and 2016.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017		2016		2017		2016	
	(in thousands)	%	(in thousands)	%	(in thousands)	%	(in thousands)	%
Operating revenues:								
Oil and gas: [1]								
U.S.	$ 32,081	55	$ 34,585	55	$ 62,422	55	$ 72,329	58
International	14,284	25	16,848	27	31,451	28	30,902	24
Total oil and gas	46,365	80	51,433	82	93,873	83	103,231	82
Dry-leasing	6,606	11	2,827	4	9,885	9	6,822	5
Emergency response services[2]	2,771	5	6,597	10	6,511	6	13,386	11
Flightseeing	2,136	4	2,494	4	2,136	2	2,494	2
	$ 57,878	100	$ 63,351	100	$ 112,405	100	$ 125,933	100

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

(2) Includes search and rescue and air medical services.

Current Quarter compared to Prior Year Quarter

Operating Revenues. Operating revenues were $5.5 million lower in the three months ended June 30, 2017 (the "Current Quarter") compared to the three months ended June 30, 2016 (the "Prior Year Quarter").

Operating revenues from U.S. oil and gas operations were $2.5 million lower in the Current Quarter. Operating revenues from light twin and single engine helicopters were $2.7 million and $2.0 million lower, respectively, primarily due to lower utilization. Operating revenues from medium helicopters were $2.6 million higher primarily due to higher utilization and higher average rates. Operating revenues from heavy helicopters were $0.1 million higher primarily due to higher average rates. Miscellaneous revenues were $0.6 million lower primarily due to the recognition of a contract termination fee in the Prior Year Quarter.

Operating revenues from international oil and gas operations were $2.6 million lower in the Current Quarter. Operating revenues in Suriname decreased by $1.3 million primarily due to the end of short-term contracts. Operating revenues in Brazil decreased by $1.2 million primarily due to lower utilization and lower average rates, partially offset by the strengthening of the Brazilian real relative to the U.S. dollar.

Revenues from dry-leasing activities were $3.8 million higher in the Current Quarter primarily due to $3.7 million of lease return charges on helicopters returned to the Company upon the conclusion of lease contracts.

Operating revenues from emergency response services were $3.8 million lower in the Current Quarter primarily due to a $2.1 million reduction as a result of fewer search and rescue ("SAR") subscribers and decreased SAR flight hours and a $1.7 million reduction as a result of the end of air medical contracts subsequent to the Prior Year Quarter.

Operating revenues from flightseeing operations were $0.4 million lower in the Current Quarter primarily due to lower utilization.

Operating Expenses. Operating expenses were $6.1 million lower in the Current Quarter. Personnel costs were $3.0 million lower primarily due to a reduction in headcount. Repairs and maintenance expenses were $0.6 million lower primarily due to a $1.8 million decrease in power-by-the-hour ("PBH") expense as a result of fewer flight hours and the utilization of PBH credits, partially offset by an increase of $0.4 million related to the timing of repairs and a net reduction in vendor credits of $0.8 million. Fuel expense was $0.5 million lower primarily due to fewer flight hours. Insurance and loss reserves were $0.4 million lower primarily due to a reduction in premiums. Other operating expenses were $1.5 million lower primarily due to reduced activity in the U.S.

Administrative and General. Administrative and general expenses were $1.8 million higher in the Current Quarter primarily due to higher professional services fees of $0.9 million, the recognition of a bad debt recovery in Brazil of $0.8 million in the Prior Year Quarter and higher personnel expenses of $0.3 million primarily due to severance expenses related to changes in senior management in the Current Quarter.

Depreciation and Amortization. Depreciation and amortization expense was $0.7 million lower in the Current Quarter primarily due to certain assets becoming fully depreciated and asset dispositions subsequent to the Prior Year Quarter, partially offset by new helicopters placed in service in the Current Quarter.

Gains on Asset Dispositions, Net. In the Current Quarter, we sold or otherwise disposed of a hangar in Alaska, two helicopters and capital parts for proceeds of $5.6 million, resulting in gains of $5.1 million. In the Prior Year Quarter, we sold or otherwise disposed of two helicopters and related equipment for proceeds of $1.9 million, resulting in gains of $1.4 million.

Operating Income (Loss). Operating loss as a percentage of revenues was 0% in the Current Quarter compared to 6% in the Prior Year Quarter. Excluding gains on asset dispositions, operating loss as a percentage of revenues was 9% in the Current Quarter compared to 8% in the Prior Year Quarter. The increase in operating loss as a percentage of revenues in the Current Quarter was primarily due to increased administrative and general expenses as described above.

Foreign Currency Gains (Losses), net. Foreign currency losses were $0.1 million in the Current Quarter compared to foreign currency gains of $0.3 million in the Prior Year Quarter.

Gain on Debt Extinguishment. Gain on debt extinguishment was $0.5 million in the Prior Year Quarter due to the repurchase of $5.0 million of our 7.750% Senior Notes.

Income Tax Benefit. Income tax benefit was $0.5 million lower in the Current Quarter primarily due to a lower pre-tax loss, partially offset by the release of deferred state tax liabilities related to jurisdictions in which the Company's air medical contracts ended.

Equity Earnings, Net of Tax. Equity earnings, net of tax, were $0.2 million lower in the Current Quarter primarily due to lower earnings at our Dart Holding Company Ltd. ("Dart") joint venture.

Net Loss Attributable to Noncontrolling Interest in Subsidiary. During the Prior Year Quarter, we and our partner in Aeróleo each contributed notes payable to us by Aeroleo as a contribution of additional capital into Aeroleo. As a result of this transaction, we reduced total debt by the $6.3 million notes that were contributed by our partner in Aeroleo and recorded a $6.3 million loss attributable to noncontrolling interest in subsidiary.

Current Six Months compared to Prior Six Months

Operating Revenues. Operating revenues were $13.5 million lower in the six months ended June 30, 2017 (the "Current Six Months") compared to the six months ended June 30, 2016 (the "Prior Six Months").

Operating revenues from oil and gas operations in the U.S. were $9.9 million lower in the Current Six Months. Operating revenues from light twin, single engine and heavy helicopters were $5.6 million, $3.2 million and $1.3 million lower, respectively, primarily due to lower utilization. Operating revenues from medium helicopters were $0.9 million higher primarily due to higher utilization and higher average rates. Miscellaneous revenues were $0.8 million lower primarily due to the recognition of a contract termination fee in the Prior Six Months.

Operating revenues from international oil and gas operations were $0.5 million higher in the Current Six Months primarily due to higher average rates in Suriname. Operating revenues in Brazil decreased due to lower utilization and lower average rates, but this was offset by the strengthening of the Brazilian real relative to the U.S. dollar.

Revenues from dry-leasing activities were $3.1 million higher in the Current Six Months primarily due to $3.7 million of lease return charges on helicopters returned to the Company upon the conclusion of lease contracts, partially offset by leases that ended subsequent to the Prior Six Months.

Operating revenues from emergency response services were $6.9 million lower in the Current Six Months primarily due to a $4.4 million reduction as a result of fewer SAR subscribers and decreased SAR flight hours and a $2.4 million reduction as a result of the end of air medical contracts during the Current Six Months.

Operating revenues from flightseeing activities were $0.4 million lower in the Current Six Months primarily due to lower utilization.

Operating Expenses. Operating expenses were $12.6 million lower in the Current Six Months. Repairs and maintenance expenses were $4.8 million lower primarily due to a $3.5 million decrease related to lower PBH expense as a result of fewer flight hours and a $3.2 million decrease related to the timing of repairs. These decreases were partially offset by a net reduction in vendor credits of $2.0 million. Personnel costs were $4.8 million lower primarily due to a reduction in headcount in the U.S., partially offset by severance expenses in Brazil in the Current Six Months. Insurance and loss reserves were $0.7 million lower primarily due to a reduction in premiums. Fuel expense was $0.4 million lower primarily due to reduced flight hours. Other operating expenses were $2.1 million lower primarily due to reduced activity in the U.S.

Administrative and General. Administrative and general expenses were $2.9 million higher in the Current Six Months primarily due to increases of $2.1 million in professional services fees, $0.5 million in compensation and employee costs primarily due to severance expenses related to changes in senior management, and $0.8 million due to the recognition of a bad debt recovery in Brazil in the Prior Six Months. These increases were partially offset by an aggregate decrease of $0.5 million in information technology, office and facilities and other general and administrative costs.

Depreciation and Amortization. Depreciation and amortization expense was $1.9 million lower in the Current Six Months primarily due to certain assets becoming fully depreciated and asset dispositions subsequent to the Prior Six Months, partially offset by new helicopters placed in service in the Current Six Months.

Gains on Asset Dispositions, Net. In the Current Six Months, we sold or otherwise disposed of a hangar in Alaska, two helicopters, capital parts and non-aircraft assets for gains of $5.2 million. In the Prior Six Months, we sold or otherwise disposed of a hangar in Alaska, four helicopters and related equipment for gains of $4.3 million.

Operating Income (Loss). Operating loss as a percentage of revenues was 5% in the Current Six Months compared to 3% in the Prior Six Months. Excluding gains on asset dispositions, operating loss as a percentage of revenues was 9% in the Current Six Months compared to 7% in the Prior Six Months. The increase in operating loss as a percentage of revenues in the Current Six Months was primarily due to increased administrative and general expenses as described above.

Interest Expense. Interest expense was $1.4 million lower in the Current Six Months primarily due to lower outstanding debt balances and the resumption of the capitalization of interest on certain helicopter deposits in the Current Six Months compared to the expensing of previously capitalized interest in the Prior Six Months due to the refund of helicopter deposits.

Foreign Currency Gains (Losses), net. Foreign currency losses were $0.1 million in the Current Six Months. Foreign currency gains were $0.6 million in the Prior Six Months primarily due to strengthening of the Brazilian real.

Gain on Debt Extinguishment. Gain on debt extinguishment was $0.5 million in the Prior Six Months due to the repurchase of $5.0 million of our 7.750% Senior Notes.

Income Tax Benefit. Income tax benefit was $0.6 million higher in the Current Six Months primarily due to the release of deferred state tax liabilities related to jurisdictions in which the Company's air medical contracts ended.

Net Loss Attributable to Noncontrolling Interest in Subsidiary. During the Prior Six Months, we and our partner in Aeróleo each contributed notes payable to us by Aeroleo as a contribution of additional capital into Aeroleo. As a result of this transaction, we reduced total debt by the $6.3 million notes that were contributed by our partner in Aeroleo and recorded a $6.3 million loss attributable to noncontrolling interest in subsidiary.

Fleet Count

The following shows details of our helicopter fleet as of June 30, 2017.

	Owned	Leased-in	Total	Max. Pass.[1]	Cruise Speed (mph)	Approx. Range (miles)	Average Age[2] (years)
Heavy:							
S92	3	—	3	19	175	620	1
H225	9	—	9	19	162	582	7
AW189	4	—	4	16	173	490	1
	16	—	16				
Medium:							
AW139	36	—	36	12	173	426	7
S76 C+/C++	5	—	5	12	161	348	10
B212	6	—	6	11	115	299	38
	47	—	47				
Light—twin engine:							
A109	7	—	7	7	161	405	11
EC135	13	2	15	7	138	288	9
EC145	3	—	3	9	150	336	9
BK117	—	2	2	9	150	336	N/A
BO105	3	—	3	4	138	276	28
	26	4	30				
Light—single engine:							
A119	14	—	14	7	161	270	10
AS350	26	—	26	5	138	361	21
	40	—	40				
Total Fleet	129	4	133				12

(1) In typical configuration for our operations.

(2) 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 the amended and restated senior secured revolving credit facility (the "Revolving Credit Facility").

As of June 30, 2017, we had unfunded capital commitments of $114.8 million, consisting primarily of agreements to purchase helicopters, including five AW189 heavy helicopters, one S92 heavy helicopter and five AW169 light twin helicopters.

The AW189 and S92 helicopters are scheduled to be delivered in 2018 and 2019. Delivery dates for the AW169 helicopters have yet to be determined. Of these commitments, $7.2 million are payable in 2017, with the remaining commitments payable through 2019, and $110.6 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 $2.6 million. In addition, we had outstanding options to purchase up to ten additional AW189 helicopters. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2019 through 2020.

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

Summary of Cash Flows

	Six Months Ended June 30,	
	2017	**2016**
	(in thousands)	
Cash flows provided by or (used in):		
Operating activities	$ 13,374	$ 28,561
Investing activities	(2,715)	1,841
Financing activities	(8,750)	(6,108)
Effect of exchange rate changes on cash and cash equivalents	19	496
Net increase (decrease) in cash and cash equivalents	$ 1,928	$ 24,790

Operating Activities

Cash flows provided by operating activities decreased by $15.2 million in the Current Six Months compared to 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,	
	2017	**2016**
Operating income before depreciation and gains on asset dispositions, net	$ 13,030	$ 16,863
Changes in operating assets and liabilities before interest and income taxes	4,299	16,982
Interest paid, net of capitalized interest of $451 and $0 in 2017 and 2016, respectively	(6,844)	(7,894)
Income taxes paid	(173)	(5)
Other	3,062	2,615
Total cash flows provided by operating activities	$ 13,374	$ 28,561

Operating income before depreciation and gains on asset dispositions, net was $3.8 million lower in the Current Six Months compared to the Prior Six Months primarily due to a decrease in operating revenues of $13.5 million and an increase in administrative and general expenses of $2.9 million, partially offset by a decrease in operating expenses of $12.6 million. See “Results of Operations” above for an explanation of the primary causes of these variances.

During the Current Six Months, changes in operating assets and liabilities before interest and income taxes provided cash flows of $4.3 million primarily due to an increase in accounts payable and accrued expenses. During the Prior Six Months, changes in operating assets and liabilities before interest and income taxes provided cash flows of $17.0 million primarily due to a decrease in receivables and an increase in payables and accrued liabilities, partially offset by an increase in prepaid expenses and other assets.

Interest paid, net of capitalized interest, was $1.1 million lower primarily due to the resumption of the capitalization of interest on certain pending helicopter deliveries and a lower outstanding balance and commitment amount on our Revolving Credit Facility.

Net non-cash expenses increased by $0.4 million compared to the Prior Six Months primarily due to an increase in equity award amortization.

Investing Activities

During the Current Six Months, net cash used in investing activities was $2.7 million primarily as follows:

- Capital expenditures were $12.5 million, which consisted primarily of helicopter acquisitions, deposits on future helicopter deliveries, spare helicopter parts and capitalized interest.
- Proceeds from the disposition of property and equipment were $5.7 million.
- Proceeds from escrow deposits were $3.8 million.
- Net principal payments received from equity investees and third parties were $0.5 million.
- Investments in and advances to equity method investees were $0.1 million.

During the Prior Six Months, net cash provided by investing activities was $1.8 million primarily as follows:

- Proceeds from the disposition of property and equipment were $5.9 million.
- Capital expenditures were $5.1 million, which consisted primarily of spare helicopter parts, equipment and building improvements.
- Return of helicopter deposits were $0.5 million.
- Net principal payments received from equity investees and third parties were $0.5 million.

Financing Activities

During the Current Six Months, net cash used in financing activities was $8.8 million primarily as follows:

- Principal payments on long-term debt, including our Revolving Credit Facility, were $18.2 million.
- Proceeds from additional borrowings under our Revolving Credit Facility were $9.0 million.
- Proceeds from share award plans were $0.5 million.

During the Prior Six Months, net cash used in financing activities was $6.1 million primarily as follows:

- Principal payments on long-term debt, including our Revolving Credit Facility, were $9.1 million.
- Proceeds from additional borrowings under our Revolving Credit Facility were $7.0 million.
- Cash used for the repurchase of a portion of our 7.750% Senior Notes was $4.3 million
- Proceeds from share award plans were $0.5 million.
- Cash used for the repurchase of treasury shares was $0.2 million.

Revolving Credit Facility

As of June 30, 2017, our Revolving Credit Facility provided us with the ability to borrow up to $200.0 million, with a sub-limit of up to $50.0 million for letters of credit. The Revolving Credit Facility 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 and certain maintenance covenants specified under the Revolving Credit Facility. As of June 30, 2017, $57.0 million was outstanding under the Revolving Credit Facility, and based on our operating results through June 30, 2017, we have the ability to borrow an additional $134.0 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 15th and December 15th of each year. From time to time, we may opportunistically repurchase our 7.750% Senior Notes in open market or privately negotiated transactions on terms we believe to be favorable. As of June 30, 2017, $144.8 million in aggregate principal amount of the 7.750% Senior Notes remains outstanding. We may also redeem the 7.750% Senior Notes at any time and from time to time at a premium as specified in the indenture governing the 7.750% Senior Notes.

Promissory Notes

In December 2010, we entered into two promissory notes to purchase a heavy and a medium helicopter. We refinanced the notes upon their maturity in December 2015. The notes bear interest at the one-month LIBOR rate plus 181 basis points and require monthly principal and interest payments of $0.1 million with final payments totaling $16.8 million due in December 2020.

Aeróleo Debt

During the six months ended June 30, 2017 and 2016, we settled certain tax disputes in Brazil totaling \$0.2 million and \$2.5 million, respectively. As of June 30, 2017 and December 31, 2016, we had installments totaling \$3.2 million and \$3.4 million, respectively, that were due to applicable taxing authorities. Such amounts bear interest at a rate equal to the overnight rate as published by the Central Bank of Brazil.

During the six months ended June 30, 2016, we prepaid a $1.0 million loan due to a third party in Brazil.

For additional information about our long-term debt, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations-Amended and Restated Senior Secured Revolving Credit Facility", "-7.750% Senior Notes", "-Promissory Notes", and "-Aeróleo Debt" contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

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, 2017, our cash provided by operating activities was $13.4 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. Management will continue to closely monitor our liquidity as well as 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, 2017, we had no such guarantees in place.

Contingencies

Brazilian Tax Disputes

We are disputing assessments of approximately $7.2 million in unaccrued taxes, penalties and interest levied by the municipal authorities of Rio de Janeiro (for the period between 2000 to 2005) and Macaé (for the period between 2001 to 2006) (collectively, the "Municipal Assessments"). We believe that, based on our interpretation of tax legislation supported by clarifying guidance provided by the Supreme Court of Brazil with respect to the issue in a 2006 ruling, we are in compliance with all applicable tax legislation, have paid all applicable taxes, penalties and interest and plan to defend these claims vigorously at the administrative levels in each jurisdiction. In the event the Municipal Assessments are upheld at the last administrative level, it may be necessary for us to deposit the amounts at issue as security to pursue further appeals. In 2015, we received a final, unfavorable ruling with respect to a similar assessment levied by the Rio de Janeiro State Treasury for the periods between 1994 to 1998 (the "1998 Assessments"). The 1998 Assessments were upheld without taking into consideration the benefit of the clarifying guidance issued by the Supreme Court following the assertion of the claims. The final adjudication of the 1998 Assessments requires payment of amounts that are within the established accruals, will be paid in multiple installments over time and are not expected to have a material effect on our financial position or results of operations. At June 30, 2017, it is not possible to determine the outcomes of the Municipal Assessments, but we do not expect that the outcomes would have a material effect on our business, financial position or results of operations. In addition, it is not possible to reasonably estimate the likelihood or potential amount of assessments that may be issued for any subsequent periods.

We are also disputing challenges raised by the Brazilian tax authorities with respect to certain tax credits applied by Aeróleo between 1995 to 2009. The tax authorities are seeking $2.3 million in additional taxes, interest and penalties. We believe that, based on our interpretation of tax legislation, we are in compliance with all applicable tax legislation and plan to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome of this matter, but we do not expect that the outcome would have a material adverse effect on our business, financial position or results of operations.

We are disputing responsibility for $2.9 million of employer social security contributions required to have been remitted by one of our customers relating to the period from 1995 to 1998. Although we may be deemed co-responsible for such remittances under the local regulatory regime, the customer's payments to us against presented invoices were made net of the specific remittances required to have been made by the customer and at issue in the claim. As such, we plan to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome of this matter, but we do not expect that the outcome would have a material adverse effect on our business, financial position or results of operations.

We are disputing certain penalties that are being assessed by the State of Rio de Janeiro in respect of our alleged failure to submit accurate documentation and to fully comply with filing requirements with respect to certain value-added taxes. We elected to make payment of $0.2 million in installments over time to satisfy a portion of these penalties. Upon confirming with the asserting authority that the originally proposed penalties of $1.6 million with respect to the balance of the assessments were calculated based on amounts containing a typographical error, the aggregate penalties that remain in dispute total $0.4 million.

At June 30, 2017, it is not possible to determine the outcome of this matter, but we do not expect that the outcome would have a material adverse effect on our business, financial position or results of operations.

We are disputing the imposition of $0.9 million in fines levied by the Brazilian customs authorities. These fines relate to our alleged failure to comply with certain deadlines under the temporary regime pursuant to which we import helicopters into Brazil. In order to dispute such fines and pursue our legal remedies within the judicial system, we deposited certain amounts at issue as security into an escrow account with the presiding judge in the matters who controls the release of such funds pending the outcome. We believe our documentation evidences our timely compliance with the relevant deadlines. As such, we plan to defend this case vigorously. At June 30, 2017, it is not possible to determine the outcome of these matters, but we do not expect that the outcome would have a material adverse effect on our business, financial position or results of operations.

We are disputing fines of $0.3 million sought by taxing authorities in Brazil following the final adjudication to disallow certain tax credits we applied to offset certain social tax liabilities. The fine is calculated as 50% of the incremental tax liability resulting from the disallowance of the tax credits and has been applied without taking into account the circumstances relating to the disallowance of such tax credits. The constitutionality of such fines is under review by the Supreme Court in Brazil. There are a number of cases in which taxpayers have received favorable rulings due to the unconstitutionality of the law. As such, we plan to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome, but we do not expect that it would have a material adverse impact on our business, financial position or results of operations.

We are disputing contingent fees of $0.5 million sought by our former tax consultant that have been calculated based on unrealized tax savings attributed to the consultant’s suggested tax strategies. Our contention is that fees are due only upon realized tax savings. At June 30, 2017, it is not possible to determine the outcome of these matters, but we do not expect that the outcome would have a material adverse effect on our business, financial position or results of operations.

In the normal course of business, we become involved in various employment-related litigation matters. At June 30, 2017, it is not possible to determine the outcome of several claims wherein claimants are seeking amounts that, in the aggregate, are $0.1 million above our established accruals. We do not expect that the outcome with respect to such claims would have a material adverse effect on our business, financial position or results of operations.

We are also disputing claims from the Brazilian tax authorities with respect to federal customs taxes levied upon the helicopters leased by us and imported into Brazil under a temporary regime and subject to re-export. In order to dispute such assessments and pursue our available legal remedies within the judicial system, we deposited the amounts at issue into an escrow account that serves as security and with the presiding judge in the matter controlling the release of such funds. We believe that, based on our interpretation of tax legislation and well established aviation industry practice, we are not required to pay such taxes and plan to defend this claim vigorously. At June 30, 2017, it is not possible to determine the outcome of this matter, but we do not expect that an adverse outcome would have a material effect on our business, financial position or results of operations.

As it relates to the specific cases referred to above, we currently anticipate that any administrative fine or penalty ultimately would not have a material effect on our financial position or results of operations. We have deposited $9.3 million into escrow accounts controlled by the court with respect to certain of the cases described above and have fully reserved such amounts subject to final determination and the judicial release of such escrow deposits. These estimates are based on our assessment of the nature of these matters, their progress toward resolution, the advice of legal counsel and outside experts as well as management’s intentions and experience.

Other

On November 21, 2016, we filed a lawsuit in the District Court of Dallas County, Texas against Airbus Helicopters, Inc. and Airbus Helicopters S.A.S. (collectively, “Airbus”) alleging breaches of various contracts between us, fraudulent inducement and unjust enrichment in connection with the sale by Airbus of H225 model helicopters to us. We seek compensation for our monetary damages in an amount to be determined. We cannot predict the ultimate outcome of the litigation, and we may spend significant resources pursuing our legal remedies against Airbus.

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. In addition, from time to time, we are involved in tax and other disputes with various government agencies. Management has used 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 business, consolidated financial position or results of operations.

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, 2016. There have been no material changes since such date.

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, 2016. There has been no material change in our exposure to market risk during the Current Quarter, except as described below.

As of June 30, 2017, we had non-U.S. dollar denominated capital purchase commitments of €95.7 million ($109.3million). 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 $10.9 million. As of June 30, 2017, our Brazilian subsidiary maintained a non-U.S. dollar denominated working capital balance of R$15.1 million ($4.6 million). An adverse change of 10% in the underlying foreign currency exchange rate would reduce our working capital balance by $0.4 million.

ITEM 4. CONTROLS AND PROCEDURES

With the participation of our Chief Executive Officer and 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, 2017. Based on their evaluation, our principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were not effective in providing 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 Securities and Exchange Commission'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, 2017 solely because of the existence of the material weakness in internal controls over financial reporting described below.

Material Weakness in Internal Control Over Financial Reporting

In connection with its evaluation of the internal control over financial reporting for the year ended December 31, 2016, management identified the following deficiencies which collectively represent a material weakness in our internal controls over financial reporting:

- Review controls over accounting policies for the classification of property and equipment were not sufficiently designed to ensure compliance with GAAP, specifically related to the classification of certain parts that are used to service helicopters undergoing maintenance as property and equipment or inventory;
- Our review controls were not designed or operating effectively to ensure proper classification of property and equipment additions; and
- Our internal controls were not designed to properly reconcile physical counts of property and equipment to our underlying accounting records.

While these issues did not result in any material misstatements on our consolidated financial statements, they did collectively represent a material weakness in internal control over financial reporting.

Remediation Process

Management is in the process of remediating the material weakness and has begun to implement additional controls, including a more detailed property and equipment capitalization policy, training and educating the applicable accounting and operational employees on the new policy, implementing improved controls over the classification and recording of property and equipment and implementing improved reconciliation controls. Specifically, these measures include: (i) further detailing, formalizing and documenting the procedures surrounding the classification of property and equipment in order to ensure consistent application of our policies; (ii) expanding management's review of the related classification process; and (iii) expanding, formalizing and documenting additional analysis to be performed on our fixed asset register, including monthly, quarterly and annual reconciliations of the register. While we believe the remediation measures described above will remediate this material weakness going forward, the implementation of these controls is ongoing, and as we continue to evaluate and work to improve our internal control over financial reporting, management may determine to take additional measures to address this material weakness or determine to modify the remediation steps described above.

We expect the remediation and testing of the additional controls noted above to be completed by the end of 2017 and believe the remediation measures will strengthen our internal control over financial reporting and remediate the material weakness identified.

Changes in Internal Controls Over Financial Reporting

During the quarter ended June 30, 2017, there were no changes in our internal control over financial reporting other than the controls to address the material weakness identified above.

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, 2016. 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, 2016.

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, 2017:

	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, 2017 - April 30, 2017	—	$ —	—	$ 22,934,076
May 1, 2017 - May 31, 2017	—	$ —	—	$ 22,934,076
June 1, 2017 - June 30, 2017	—	$ —	—	$ 22,934,076

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 8, 2017	By:	/s/ Jennifer D. Whalen
		Jennifer D. Whalen, *Vice President, Acting Chief Financial Officer*

EXHIBIT INDEX

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SEPARATION AND CONSULTING AGREEMENT

This **SEPARATION AND CONSULTING AGREEMENT** (the "Agreement") is entered into as of the last date on the signature page(s) attached hereto, by and between Andrew Puhala (the "Employee") and Era Helicopters, LLC, a Delaware limited liability company (the "Company").

WHEREAS, the Employee has served as the Company's Senior Vice President, Chief Financial Officer since September 14, 2015;

WHEREAS, the Company and the Employee are not parties to an employment agreement or other contractual understanding regarding the employment of the Employee, and the employment of the Employee is an "*employee at will*" and may be terminated at any time by either party for any reason;

WHEREAS, the parties have determined by mutual agreement that the employment of Employee shall be terminated, and that the Employee shall continue in a consulting capacity with the Company, on the terms set forth in this Agreement; and

WHEREAS, the parties agree to resolve any and all issues or disputes that may presently exist, or that may later arise out of the circumstances surrounding the Employee's employment with or termination from the Company.

NOW THEREFORE, in consideration of the premises and the covenants herein, the sufficiency of which is hereby acknowledged, the Employee and the Company agree as follows:

1. Termination of Employment

The Employee's employment with the Company and its affiliates shall cease effective as of June 16, 2017 (the "Termination Date"). Effective as of the Termination Date, the Employee hereby resigns from all his positions with the Company and its current and former parents, subsidiaries and affiliates (each entity individually, and collectively, the "Company Group"). From and after the Termination Date, the Employee shall not hold any office or title with the Company Group, except as a consultant pursuant to Section 3 hereof. The Employee further agrees that, following the Termination Date, he will have no authority to act on the Company's behalf and that he will not hold himself out to any third party as an agent or employee of the Company, other than as specifically mutually agreed between the Company and the Employee during his term as a consultant to the Company hereunder.

2. Payments and Benefits

(a) Accrued Salary and Vacation. The Company shall pay to the Employee (i) earned but unpaid salary through the Termination Date; and (ii) pay in respect of the previously accrued but unused vacation days as of the Termination Date, in each case, less applicable withholdings and deductions as provided herein, in accordance with the Company's past practice.

(b) Continued Health Benefits. The Employee and his eligible dependents shall be entitled to continue to participate in the Company's health and dental insurance plans (collectively, "Health Plans") at the full applicable Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") rate for the applicable COBRA period. The Employee shall be responsible for all payments related to COBRA continuation coverage and for completing and submitting all applicable enrollment documents as required by the administrator. The Employee's participation in the Health Plans shall otherwise be subject to the terms and conditions of the Health Plans as applicable to employees generally from time to time, including the right of the Company to amend or terminate the Health Plans.

(c) Incentive Bonus. Subject to the terms of this Agreement, the Company shall pay to the Employee an amount equal to $65,000.00, less applicable withholdings and deductions as provided herein, in accordance with the Company's past practice, in recognition for the Employee's efforts during the portion of fiscal year 2017 during which the Employee was employed by the Company (the "FY2017 Pro Rated Bonus"). The FY2017 Pro Rated Bonus will be paid on the first applicable pay date following the termination of the Consulting Period for any reason other than pursuant to the Company's election to terminate the Consulting Services upon a breach of the terms of this Agreement by the Employee.

(d) Deferred Incentive Bonus. Subject to the terms of this Agreement, the Company shall pay to the Employee an amount equal to $42,835 in respect of the previously awarded but deferred annual cash incentive bonus awarded in respect of fiscal years 2015 and 2016, together with any and all interest payable thereon through the date of payment, calculated in in accordance with the Company's past practice, less applicable withholdings and deductions (the "Deferred Bonus"). The Deferred Bonus will be paid within seven (7) days following the Release Effective Date.

(e) Equity Awards. The Employee has previously been granted awards of restricted stock (the 'Restricted Stock") and stock options ("Stock Options") with respect to the common stock of the Company pursuant to the terms of the Era Group Inc. 2012 Share Incentive Plan. Effective upon the Termination Date, any shares of Restricted Stock that have not previously become vested shall become vested and non-forfeitable and any Stock Options that have not previously become vested shall become vested and shall remain exercisable until the earlier of (A) ninety (90) days following the end of the Consulting Period or (B) the expiration of the original term of the applicable Stock Option, in each case, in accordance with the treatment contemplated under terms of the applicable award agreement upon a "termination without Cause." Except to the extent modified hereby, the Restricted Stock and Stock Options shall continue to be subject to the terms and conditions as provided by the respective award agreements for each such award and the plan pursuant to which each award is granted.

(f) No Additional Benefits. The Employee acknowledges and agrees that, except as provided in this Section 2, the Employee's participation as an active employee under any benefit plan, program, policy or arrangement sponsored or maintained by the Company Group shall cease and be terminated as of the Termination Date. Without limiting the generality of the foregoing, the Employee's eligibility for and active participation in any of the tax-qualified plans maintained by the Company Group will end on the Termination Date and the Employee will earn no additional benefits under those plans after that date. The Employee shall be treated as a terminated employee for purposes of all such benefit plans and programs effective as of the Termination Date, and shall receive all payments and benefits due to him under such plans and programs in accordance with the terms and conditions thereof.

(g) Acknowledgement. The Employee understands and agrees that absent this Agreement, he would not otherwise be entitled to any payments and benefits as set forth in Sections 2(c) and 3 and his right to receive the payments and benefits set forth herein shall be an unsecured contractual obligation of the Company and he shall have no greater rights than any other employee, consultant or general unsecured creditor of the Company.

(h) Tax Withholding. Notwithstanding anything contained herein to the contrary, all payments made by the Company or its subsidiaries to the Employee pursuant to this Section 2 shall be reduced by applicable tax withholdings and any other deductions required by law.

3. Consulting Services

(a) Consulting Period. The Employee shall be retained by the Company as a consultant for the period commencing on the Release Effective Date and terminating on the 4-month anniversary of the Release Effective Date, subject to early termination pursuant to Section 3(h) below (as applicable, the "Consulting Period").

(b) Scope of Consulting Services. During the Consulting Period, the Employee shall consult with the Company Group and its executive officers on an as-needed basis regarding the business and operations of the Company and the Company Group, as well as the transition of duties of the Employee to other employees of the Company (the "Consulting Services"). The Employee shall report directly to, and shall perform the Consulting Services as directed by, the President and Chief Executive Officer of the Company, or such other officer or director of the Company Group as may be determined from time to time by the Company, in its sole discretion. During the Consulting Period and thereafter, the Employee also will cooperate with the Company and its affiliates in any pending or future litigation or investigations or other disputes concerning third parties in which the Employee, by virtue of his prior employment with or service to the Company or its subsidiaries, affiliates or predecessors, has relevant knowledge or information; provided however that Employee shall be reimbursed for his time at an hourly rate equivalent to his current effective hourly rate and previously approved expenses in connection with such cooperation provided following the end of the Consulting Period. In connection with providing the Consulting Services, the Employee shall comply in full with all applicable law, and rules and regulations and with the Company Group's Code of Business Conduct & Ethics (as such Code applies to consultants of the Company).

(c) Confidential Information. In connection with the Consulting Services described herein, the Employee will receive, and the Company hereby agrees to provide, certain Company Information (as defined in Section 5(a)(i) below) on an as-needed basis during the term of the Consulting Period. The Employee agrees to be bound by the terms of Section 5(a) below, and further promises that he will not disclose such Confidential Information to any person inside or outside the Company without its express written consent to do so, and further agrees that he will not use the Confidential Information for any purpose other than the performance of the Consulting Services.

(d) Performance of Consulting Services. The Consulting Services shall be required at such times and such places as shall not result in unreasonable inconvenience to the Employee, recognizing the Employee's other business commitments that he may have to accord priority over the performance of the Consulting Services. In order to minimize interference with the Employee's other commitments, the Consulting Services, to the extent practicable and not prejudicial to the Company Group, may be rendered by personal consultation at his residence or office wherever maintained, or by correspondence through mail, telephone, e-mail or other similar mode of communication at times most convenient to him. It is hereby understood and agreed that during the Consulting Period, the Employee shall have the right to engage in full-time or part-time employment with other business enterprises; provided that the Employee does not breach the restrictive covenants set forth in Section 5 hereof. The parties hereto reasonably anticipate that the level of bona fide services that the Employee is to perform for the Company and its subsidiaries during the Consulting Period will not exceed more than twenty percent (20%) of the average level of bona fide services that the Employee performed for the Company and its subsidiaries over the immediately preceding 36-month period (or, if less, since the date the Employee commenced employment with the Company).

(e) Status as Independent Contractor. The Employee acknowledges and agrees that his status at all times during the Consulting Period shall be that of an independent contractor, and that he may not, at any time, act as a representative for or on behalf of the Company Group for any purpose or transaction, and may not bind or otherwise obligate the Company Group in any manner whatsoever without obtaining the prior written approval of an authorized representative of the Company Group therefor. The Employee hereby waives any rights to be treated as an employee or deemed employee of the Company Group for any purpose during the Consulting Period, and that he shall not be entitled to the benefits of being an employee or deemed employee of the Company Group during the Consulting Period. The Employee hereby acknowledges and agrees that, except as provided in Section 2(c) hereof, he shall not be eligible for, shall not actively participate in, and shall not otherwise accrue benefits under, any of the Company Group's benefit plans during the Consulting Period.

(f) Consulting Fees. In consideration for the Consulting Services, subject to the terms hereof, the Company shall pay the Employee a consulting fee of $22,916.67 per month for the Consulting Period (the “Consulting Fees”). The Consulting Fees shall be paid to the Employee, in arrears, on or about the last business day of each month to which such Consulting Fees relate commencing with the last day of the month of the Release Effective Date and to the extent the Employee performs Consulting Services for only a portion of any month, the Consulting Fee payable to the Employee in respect of such month shall be pro-rated. The parties hereby acknowledge and agree that the Consulting Fees shall not be deemed to be wages, and therefore, shall not be subject to any withholdings or deductions. The Employee will receive a Form 1099 with regard to the Consulting Fees, and the Employee shall be solely responsible for, and shall pay, all taxes assessed on such fees under the applicable laws of any federal, state, or local jurisdiction.

(g) Expenses. The Company will be responsible for any reasonable and necessary out-of-pocket expenses incurred by the Employee during the Consulting Period that are directly related to the provision of Consulting Services by the Employee in accordance with the Company's standard expense reimbursement policies applicable to independent contractors, provided that (i) the incurrence of such expenses are approved in advance by the Company, and (ii) appropriate receipts and vouchers for such expenses are submitted to the Company within thirty (30) days after the expenses are incurred.

(h) Early Termination. The Consulting Period shall continue for the term described in Section 3(a) unless terminated earlier upon the Employee's death or Disability or upon the Company's election to terminate the Consulting Services upon a breach of the terms of this Agreement by the Employee. In the event of any such termination, the Consulting Fees shall cease upon the date on which the termination occurs. For purposes of this Agreement, "Disability" shall be defined as a physical or mental impairment that prevents the Employee from performing the Consulting Services, as determined by the Company in its sole discretion.

4. Release of Claims

Notwithstanding anything to the contrary in this Agreement, the Company shall not be obligated to make any payment to the Employee under this Agreement until and unless the Employee shall have executed and delivered to the Company the Release of Claims attached hereto as Exhibit A (the "Release") within seven (7) days following the Termination Date. The Release becomes effective on the date of delivery of the executed Release to the Company (the "Release Effective Date").

The Company hereby provides the Employee the opportunity to review and consider this Agreement for seven (7) days from June 16, 2017, the date Employee receives this Agreement. At the Employee's option and sole discretion, the Employee may waive the seven (7) day review period and execute this Agreement before the expiration of seven (7) days. In electing to waive the seven (7) day review period, the Employee acknowledges and admits that he was given a reasonable period of time within which to consider this Agreement and his waiver is made freely and voluntarily, without duress or any coercion by any other person.

5. Restrictive Covenants

In consideration of his rights and benefits under this Agreement, the Employee agrees as follows:

(a) Non-disclosure. As a part of this Agreement, the Employee acknowledges that he is being compensated, in part, in consideration for not disclosing information about the Company Group. The Employee specifically acknowledges and agrees that:

(i)"Company Information" shall include all of the Company Group's trade secrets (that is, any information that derives independent economic value from not being generally known or readily ascertainable by the public, whether or not written or stored in any medium); the identity, preferences and selling and purchasing tendencies of actual Company Group suppliers and customers and their respective decision-makers; the Company's marketing plans, information and/or strategies for the development and growth of the Company Group's products, its business and/or its customer base; the terms of the Company Group's deals and dealings with its customers and suppliers; information regarding Company Group employees, including but not limited to their skills, training, contacts, prospects and abilities; the Company Group's training techniques and programs; the Company Group's costs, prices, technical data, inventory position and data processing and management information systems, programs, and practices; the

Company Group's personnel policies and procedures and any other information regarding human resources at the Company Group that the Employee obtained in the course of his employment with the Company. To ensure the continued secrecy of Company Information, the Employee agrees that he will not divulge, furnish or make accessible to anyone, Company Information at any time (including both during and following the Consulting Period), except with the consent of or pursuant to the Company's instructions or pursuant to mandatory court order, subpoena or other legal process.

(ii)Upon the Termination Date, the Employee will immediately turn over to the Company any and all Company Information. The Employee agrees that he has no right to retain any copies of Company Information for any reason. Notwithstanding the foregoing provisions of this subsection (ii), during the Employee's provision of Consulting Services, the Company Group may provide the Employee certain Company Information, and this will not be a violation of this subsection (ii) for so long as the Company Group permits the Employee to retain such information and provided that the Employee immediately turns over to the Company any and all such Company Information upon the conclusion of the Consulting Services. Notwithstanding the language set forth hereinabove, it is agreed that Employee will remove any Company Information from his mobile phone and other electronic devices and media.

(b) Non-disparagement. The Employee agrees that he shall not make nor cause to be made any negative, adverse or derogatory comments or communications that could constitute disparagement of any member of the Company Group or their respective officers or directors, or that may be considered to be derogatory or detrimental to the good name or business reputation of any of the foregoing, including but not limited to the business affairs, financial condition or prospects of any of the Company Group, including comments to any media outlet, industry group, financial institution, client, customer or employee of the Company Group. The Company agrees that it will not make, and agrees to instruct the members of its board of directors, its executive officers and spokespersons of the Company Group to refrain from making, any external statements (or authorizing any statements to be reported as being attributed to the Company Group), that disparage, defame, or denigrate the Employee. Nothing in this Section 5(b) shall be construed to prevent the Employee from providing information in any governmental agency or court proceeding to the extent required by law, or giving truthful testimony in response to direct questions asked pursuant to a lawful subpoena or other legal process.

(c) Noncompetition. The Employee acknowledges that the Employee has and will continue to perform services of a unique nature for the Company that are irreplaceable, that he will receive Confidential Information in connection with his provision of these services, and the Employee's performance of such services to a competing business will result in irreparable harm to the Company. Accordingly, and ancillary to and in consideration for the mutual promises between the Employee and the Company contained in this Agreement (including, but not limited to, the Company’s promise to provide Confidential Information and the Employee’s promise not to disclose the same), the Employee agrees that the Employee will not, directly or indirectly, own, manage, operate, control, be employed by (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) or render services to any of the following entities or their affiliates: Bristow Group Inc., PHI, Inc., CHC Helicopter, HNZ Group, Gulf

Helicopters, Omni, Paiwan Hans Helicopters Ltd., Heli-Union, Weststar, Pegaso, NHV, SonAir, Hevilift, Heliservicio, Blueway, MHS Aviation, Travira Air, Starlite Aviation Group, Senior Taxi Aereo, Helicol-Pas, Helistar, Heliportugal, Silkway, Bel Air, Global Vectra Helicorp Ltd., RLC, LLC, VIH Aviation Group, Milestone Aviation Group, Waypoint Leasing, Lease Corporation International, LOBO Leasing, Macquarie Rotocraft Leasing, and any entity, affiliate or principal of any entity leasing helicopter aircraft to or buying helicopter aircraft from any of the Company's leasing clients or any of their affiliates, subsidiaries and/or related entities, including any other person, firm, corporation or other entity, in whatever form, which following the date hereof is or subsequently becomes principally engaged in the business of providing helicopter aviation services (collectively, the "Prohibited Activities") during the period from the date hereof until the later of (i) the last day of the Consulting Period and (ii) the 4-month anniversary of the Termination Date (in either case, the "Restricted Period"). Notwithstanding the foregoing, nothing herein shall prohibit the Employee from being (i) a passive owner of not more than one percent (1%) of the equity securities of a publicly traded corporation engaged in the Prohibited Activities, so long as the Employee has no active participation in the business of such corporation; or (ii) employed by, or providing services to, a subsidiary, division or unit of any entity that engages in any such Prohibited Activities so long as the Employee does not provide any services to such portion of the entity's business that engages in such Prohibited Activities.

(d) Nonsolicitation; Noninterference. During the period from the date hereof until the first anniversary of the Termination Date, the Employee agrees that the Employee shall not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (i) solicit, aid or induce any employee, representative or agent of the Company Group to leave such employment or retention or, in the case of employees, to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company Group, or hire or retain any such employee, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, or (ii) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company Group and any of their respective vendors, joint venturers or licensors. An employee, representative or agent shall be deemed covered by this Section 5(d) while so employed or retained and for a period of six (6) months thereafter.

6. Enforcement of Restrictions

(a) Reasonableness. The Employee hereby acknowledges that: (i) the restrictions provided in this Agreement (including, without limitation, those contained in Section 5 hereof) are reasonable in light of the necessity of the protection of the business of the Company Group; (ii) his ability to work and earn a living will not be unreasonably restrained by the application of these restrictions; and (iii) if a court concludes that any restrictions in this Agreement are overbroad or unenforceable for any reason, the court shall modify the relevant provision to the least extent necessary and such provision shall be enforced as modified.

(b) Injunctive and Other Relief. The Employee recognizes and agrees that should he fail to comply with the restrictions set forth in this Agreement (including, without limitation, those contained in Section 5 hereof), which restrictions are vital to the protection of the Company Group's business, the Company Group will suffer irreparable injury and harm for which there is no adequate remedy at law. Therefore, the Employee agrees that in the event of the breach or threatened breach by him of any of the restrictive covenants in this Agreement, the Company Group shall be entitled to preliminary and permanent injunctive relief against him and any other relief as may be awarded by a court having jurisdiction over the dispute. In the event of a breach by the Employee of such provisions, the Company Group shall have the right to cease making any payments, or providing other benefits, under this Agreement. The rights and remedies enumerated in this Section 6 shall be independent of each other, and shall be severally enforced, and such rights and remedies shall be in addition to, and not in lieu of, any other rights or remedies available to the Company Group in law or in equity.

7. Return of Property

Except as set forth in Section 5(a)(ii) above, and concurrently with the Termination Date, the Employee shall deliver to a designated Company representative all records, documents, hardware, software, and all other Company property and all copies thereof in the Employee's possession. The Employee acknowledges and agrees that all such materials are the sole property of the Company. Notwithstanding anything to the contrary contained herein, the Employee will be entitled to remove, transfer and retain (i) papers and other materials of a personal nature, including without limitation photographs, personal correspondence, personal diaries, personal calendars and rolodexes, personal phone books and files relating exclusively to his personal affairs, (ii) information the Employee reasonably believes may be needed for the planning and preparation of the Employee's personal tax returns; and (iii) copies of compensation and benefit plans and agreements relating to the Employee's employment with or termination from the Company.

8. Miscellaneous

(a) Entire Agreement. This Agreement and the Release set forth the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any and all prior understandings and agreements between the parties and neither party shall have any obligation toward the other except as set forth herein. The Company confirms and acknowledges that the Company is obligated to indemnify the Employee pursuant to that certain Officer Indemnification Agreement between the Company and the Employee dated September 14, 2015. Without limiting the generality of the foregoing, the Employee agrees that the execution of this Agreement and the payments made hereunder shall constitute satisfaction in full of the Company's obligations to the Employee under any and all plans, programs or arrangements made by the Company under which the Employee may be entitled to severance or similar payment and/or benefits. This Agreement may not be superseded, amended, or modified except in writing signed by both parties.

(b) Severability and Reformation. Each of the provisions of this Agreement constitutes independent and separable covenants. Any portion of this Agreement that is determined by a court of competent jurisdiction to be overly broad in scope, duration, or area of applicability or in conflict with any applicable statute or rule will be deemed, if possible, to be modified or altered so that it is not overly broad or in conflict or, if not possible, to be omitted from this Agreement. The invalidity of any portion of the Agreement will not affect the validity of the remaining sections of this Agreement.

(c) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(d) Successors and Assigns. This Agreement and any rights herein granted are personal to the parties hereto and will not be assigned, sublicensed, encumbered, pledged or otherwise transferred by either party without the prior written consent of the other party, and any attempt at violative assignment, sublicense, encumbrance or any other transfer, whether voluntary or by operation of law, will be void and of no force and effect, except that this Agreement may be assigned to by the Company to any successor in interest to the business of the Company. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors, affiliates and any person or other entity that succeeds to all or substantially all of the business, assets or property of the Company. This Agreement and all of the Employee's rights hereunder shall inure to the benefit of and be enforceable by the Employee's heirs and estate.

(e) No Conflict; Governing Law. Each party represents that the performance of all of the terms of this Agreement will not result in a breach of, or constitute a conflict with, any other agreement or obligation of that party. This Agreement is made in, governed by, and is to be construed and enforced in accordance with the internal laws of the State of Texas, without giving effect to principles of conflicts of law. The Employee agrees that any legal action or proceeding brought under or in connection with this Agreement or the Employee's employment shall be initiated and maintained in a state or federal court located in Texas.

(f) Code Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and applicable guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Employee by Code Section 409A or any damages for failing to comply with Code Section 409A. To the extent any taxable expense reimbursement or in-kind benefits under this Agreement is subject to Code Section 409A, the amount thereof eligible in any calendar year shall not affect the amount eligible for any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the year in which the Employee incurred such expenses, and in no event shall any right to reimbursement or receipt of in-kind benefits be subject to liquidation or exchange for another benefit. Notwithstanding any provisions of this Agreement to the contrary, if the Employee is a "specified employee" (within the meaning of Code Section 409A and determined pursuant to any policies adopted by the Company consistent with Code Section 409A), at the time of the Employee's separation from service and if any portion of the payments or benefits to be received by the Employee upon separation from service would be considered deferred compensation under Code Section 409A and cannot be paid or provided to the Employee without the Employee incurring taxes, interest or penalties under Code Section 409A, amounts that would otherwise be payable pursuant to this Agreement and benefits that would otherwise be provided pursuant to this Agreement, in each case, during the six-month period immediately following the Employee's separation from service will instead be paid or made available on the earlier of (i) the first business day of the seventh month following the date of the Employee's separation from service or (ii) the Employee's death.

9. Confidential Agreement

The Employee agrees that, as a condition of this Agreement, the Employee will not disclose or in any other manner communicate the terms and provisions of this Agreement to or with any other person except to the Employee's legal counsel, financial or tax advisor(s), or the Employee's significant other (each, an "Authorized Person"). The Employee also acknowledges and agrees that each Authorized Person must be informed by the Employee of, and agree to be bound by, the confidentiality provisions of this Agreement. In the event that the Employee or an Authorized Person is required by law, court order, or subpoena to make any disclosure concerning the Company Group or this Agreement, the Employee will promptly notify the Company of the intended disclosure so as to afford the Company sufficient opportunity to protect and/or enforce the confidentiality provisions of this Agreement.

10. Protected Disclosures

(a) Nothing in this Agreement or the Release will preclude, prohibit or restrict the Employee from (i) communicating with, any federal, state or local administrative or regulatory agency or authority, including but not limited to the Securities and Exchange Commission (the "SEC"); or (ii) participating or cooperating in any investigation conducted by any governmental agency or authority.

(b) Nothing in this Agreement, the Release, or any other agreement between the parties, prohibits or is intended in any manner to prohibit, the Employee from (i) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the U.S. Congress, and any governmental agency Inspector General, or (ii) making other disclosures that are protected under whistleblower provisions of federal law or regulation. Notwithstanding anything in the Release, this Agreement and the Release do not limit the Employee's right to receive an award (including, without limitation, a monetary reward) for information provided to the SEC. The Employee does not need the prior authorization of anyone at the Company to make any such reports or disclosures, and the Employee is not required to notify the Company that the Employee has made such reports or disclosures.

11. Notices

All notices and other communications hereunder shall be in writing. Any notice or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the addresses maintained in the Company's records. Notices sent to the Company should be directed to the attention of the Company's General Counsel.

12. Counterpart Agreements

This Agreement may be executed in multiple counterparts, whether or not all signatories appear on these counterparts, and each counterpart shall be deemed an original for all purposes.

13. Captions and Headings

The captions and headings are for convenience of reference only and shall not be used to construe the terms or meaning of any provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ERA HELICOPTERS, LLC

/s/ Shefali Shah

By: Shefali Shah

Title: SVP, General Counsel

Date: June 22, 2017

ANDREW PUHALA

/s/ Andrew Puhala

Date: June 22, 2017

EXHIBIT A

RELEASE OF CLAIMS

1 . Terms of Release. This general release is entered into by and between Andrew Puhala (the 'Employee") and Era Helicopters, LLC (the "Company"), as of the date hereof (the 'General Release"), pursuant to the terms of the Separation and Consulting Agreement dated as of June _22 , 2017, and to which this General Release is attached (the 'Separation Agreement"), which provides the Employee with certain significant benefits, subject to the Employee's executing this General Release.

2. General. In exchange for and in consideration of the incentive bonus and other payments and benefits described in the Separation Agreement, 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 "Releasors"), 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 the Effective Date of this General Release (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 General 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 Releasors 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 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, or local law or ordinance; any public policy, whistleblower, contract, tort, or common law, including any claim for breach of the covenant of good faith and fair dealing, and any demand for costs or litigation expenses (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 Separation Agreement and this General 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 that certain Officer Indemnification Agreement between the Company and the

Employee dated September 14, 2015, the Company's Certificate of Incorporation or By-laws are excluded from this General 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) any predecessor or successor 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. **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 he has no knowledge of any improper or illegal actions or omissions by the Company, nor does he know of any basis on which any third party or governmental entity could assert such a claim. This expressly includes any and all conduct that potentially could give rise to claims under the Sarbanes-Oxley Act of 2002 (Public Law 107-204).

6. **No Right to File Action or Proceeding.** The Employee agrees that he will not, unless otherwise prohibited by law, at any time hereafter, voluntarily participate in as a party, or permit to be filed by 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 its past, present, or future parents, subsidiaries, divisions, affiliates, successors and assigns and any of their past, present or future directors, officers, agents, trustees, administrators, attorneys, employees or assigns (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 General Release and that this General Release shall act as a bar to recovery in any such proceedings. This General Release does not purport to limit any right Employee may have to file a charge under the Age Discrimination in Employment Act 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 General Release does, however, waive and release any right to recover damages under civil rights statutes.

7 . **No Admission of Liability.** The Employee agrees that neither this General Release nor the furnishing of the consideration for the general release set forth in this General 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 General Release.

8. **Governing Law.** This General Release shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflict of laws provisions. If any provision of the General 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, then such provision immediately shall become null and void, leaving the remainder of this General Release in full force and affect.

9 . **Prior Agreements.** This General Release and the Separation Agreement sets forth the entire agreement between the Employee and the Released Parties and it supersedes any and all prior agreements or understandings, whether written or oral, between the parties, except as otherwise specified in this General Release or the Separation Agreement. The Employee acknowledges that he has not relied on any

representations, promises, or agreements of any kind made to him in connection with his decision to sign this General Release, except for those set forth in this General Release and the Separation Agreement.

10. **Amendment.** This General Release may not be amended except by a written agreement signed by both parties, which specifically refers to this General Release.

11. **Counterparts; Execution Signatures.** This General Release may be executed in any number of counterparts by the parties hereto 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 HE HAS CAREFULLY READ THIS GENERAL 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 GENERAL RELEASE ARE THOSE STATED AND CONTAINED IN THIS GENERAL RELEASE; AND THAT HE IS SIGNING THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY. THE EMPLOYEE STATES THAT HE IS IN GOOD HEALTH AND IS FULLY COMPETENT TO MANAGE HIS BUSINESS AFFAIRS AND UNDERSTANDS THAT HE MAY BE WAIVING SIGNIFICANT LEGAL RIGHTS BY SIGNING THIS GENERAL RELEASE.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties have executed this General Release as of the _22__ day of June, 2017.

ANDREW PUHALA

/s/ Andrew Puhala

Exhibit 31.1

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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) 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
    d) 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 8, 2017

/s/ Christopher S. Bradshaw

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

Exhibit 31.2

CERTIFICATION

I, Jennifer D. Whalen, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) 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
    d) 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 8, 2017

/s/ Jennifer D. Whalen

Name: Jennifer D. Whalen
Title: Vice President, Acting Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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, 2017, 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 8, 2017

/s/ Christopher S. Bradshaw

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

Exhibit 32.2

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

I, Jennifer D. Whalen, as Principal Financial 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, 2017, 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 8, 2017

/s/ Jennifer D. Whalen

Name: Jennifer D. Whalen
Title: Vice President, Acting Chief Financial Officer
(Principal Financial Officer)