

*For immediate release*

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26 January 2012

**SKYWEST AIRLINES LTD**

**("Skywest" or "the Company")**

**DELIVERY OF AN ADDITIONAL TWO AIRCRAFT TO VIRGIN AUSTRALIA  
AND  
FLEET EXPANSION**

Skywest Airlines Ltd ("Skywest"), the Australian and South East Asia regional airline, is pleased to announce the delivery of its fifth new ATR72-500 aircraft with the sixth new ATR72-500 aircraft expected to be delivered within 14 days. The operation of these two aircraft will constitute a part of the Australian Regional Airline Network ("ARAN") Agreement between Skywest Airlines and Virgin Australia, under which, the parties agreed, pursuant to a 10-year wet-lease, that Skywest Airlines will operate up to 18 new aircraft on behalf of Virgin Australia.

Skywest is also pleased to note that the Australian Competition and Consumer Commission ("ACCC") has granted interim authorisation for a proposed corporate alliance between Skywest and Virgin. Under the proposed corporate alliance, the airlines propose to offer bundled air passenger transport services to corporate customers seeking an integrated suite of charter, domestic and international services. This may provide more flexibility in routes and further potential code shares.

The full text of the ACCC press release is attached to this announcement.

The Company is also pleased to announce the addition to its portfolio of an additional Fokker F100 aircraft. The purchase price is being financed by the seller over a period of 32 months. The Company intends to lease the aircraft to its subsidiary, the Australian airline Skywest Airlines (Australia) Pty Ltd ("Skywest Airlines"), under an operating lease for a period of 36 months. Skywest Airlines intends to bring this jet aircraft into Australian service in due course.

**Jeff Chatfield, Skywest Airlines Chairman commented:**

"We are delighted with the additional ATR72-500 aircraft, and to be enhancing our relationship with Virgin Australia. We look forward to further servicing the ARAN Agreement and growing the fleet we operate on behalf of Virgin. Furthermore, the addition of the Fokker 100 highlights our ambition to increase scope for fly in fly out operations servicing a growing number of scheduled charter contracts with the leading natural resources companies operating in Western Australia."

**--ENDS--**

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**< The full text of the ACCC Media Release follows >**

**ACCC GRANTS INTERIM APPROVAL TO VIRGIN AND SKYWEST'S CORPORATE ALLIANCE**

The Australian Competition and Consumer Commission has granted interim authorisation for a proposed corporate alliance between Virgin and Skywest. Under the corporate alliance, the airlines propose to offer bundled air passenger transport services to corporate customers seeking an integrated suite of charter, domestic and international services.

"In granting interim authorisation, the ACCC has taken into account that this is unlikely to result in permanent changes to the relevant markets," ACCC chairman Rod Sims said.

"It will only affect corporate customers who have the option not to acquire the integrated air services package from Virgin and Skywest if they do not consider there is any benefit to them."

The ACCC considers it reasonable for the applicants to begin marketing the corporate alliance and have the opportunity to deliver the claimed public benefits. Interim authorisation commences immediately, and will remain in place until the date that the ACCC's final determination comes into effect or is revoked.

The ACCC has sought submissions on the substantive application from interested parties. Those submissions close on 27 January 2012. The ACCC will now proceed to prepare its draft determination.

Further information, including the application and public submissions, can be found on the ACCC's public register at [www.accc.gov.au/AuthorisationsRegister](http://www.accc.gov.au/AuthorisationsRegister).

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