

STATEMENT OF CASH FLOWS

OPERATING ACTIVITIES

Net Income (loss) (25,093,616)

Adjustments to reconcile Net Income to net cash provided by (used in) operations:

Depreciation 2,357,535

Share-based compensation 358,510

Amortization of deferred credits (1,047,165)

Paid-in-kind interest expense 13,930,743

(Gain) loss on asset disposition -

Fuel derivatives unrealized mark-to-market (7,373,185)

Changes in operating assets and liabilities:

(Increase) decrease in credit card holdbacks 623,243

(Increase) decrease in other receivables 217,814

(Increase) decrease in prepaid expense and other assets 5,173,915

Increase (decrease) in accounts payable and other accrued liabilities 3,874,901

Increase (decrease) in air traffic liability (700,363)

Net cash provided by (used in) operations (7,677,668)

INVESTING ACTIVITIES

Capital expenditures (5,065,742)

Deposits on flight equipment (20,001,268)

Aircraft lease deposits and purchase options (3,118,300)

(Increase) decrease in restricted cash 1,744,160

Net cash provided by (used in) investing activities (26,441,150)

FINANCING ACTIVITIES

Proceeds of equity issuance, net of issuance costs 8,877

Proceeds from sale and leaseback transactions 59,535,672

Proceeds of debt issuance, net of debt issuance costs 35,177,931

Repayment of notes payable (55,537,853)

Net cash provided by (used in) financing activities 39,184,627

Net Change in Cash 5,065,809

Beginning Cash Balance 24,838,614

Ending Cash Balance 29,904,423