

BALANCE SHEET

As At: June 30, 2005
 Schedule B-1.1 for Group I < 20M

Air Carrier: Asia Pacific
 Operation : System PFQS

LINE#	DESCRIPTION	

	ASSETS	
	CURRENT ASSETS	
Line 1	Cash and cash equivalents	767,887
Line 2	Notes and accts receivable (net)	3,001,441
Line 3	Other current assets	843,233
Line 4	Total current assets	4,612,561
	PROPERTY AND EQUIPMENT	
Line 5	Owned property and equipment	14,313,001
Line 6	Less: accumulated depreciation	3,396,993
Line 7	Prop.& equip. under cap. leases	0
Line 8	Less: accumulated amortization	0
Line 9	Total property & equipment	10,916,008
Line 10	OTHER ASSETS	805,514
Line 11	TOTAL ASSETS	16,334,083
	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
Line 12	Notes and accounts payable	3,716,151
Line 13	Accrued taxes	19,678
Line 14	Other current liabilities	1,709,464
Line 15	Total current liabilities	5,445,293
Line 16	LONG-TERM DEBT	11,291,573
Line 17	OTHER LIABILITIES	960,881
Line 18	DEFERRED CREDITS	0
	STOCKHOLDERS' EQUITY:	
Line 19	Preferred shares outstanding	0
Line 20	Common shares outstanding	1,000,000
Line 21	Other paid in capital	0
Line 22	Retained Earnings	-2,363,664
Line 23	Total stockholders' equity	-1,363,664
Line 24	Less: Treasury stock	0
Line 25	Net stockholders' equity	-1,363,664
Line 26	TOTAL LIAB. & STOCKHOLDERS' EQ.	16,334,083
Line 19A	No. of Preferred shares outstanding	0
Line 20A	No. of Common shares outstanding	0

I, the undersigned, (Title) _____
 of the above-named air carrier certify that the above report and
 the attached Financial Schedules, Statement of Operations, and
 Traffic and Capacity Statistics, including the T-100 report and
 Passenger Origin-Destination Survey, have been examined by me and
 to the best of my knowledge and belief are true, correct and
 complete reports for the period stated.

Signature: _____ Date: _____

Name (Please Type or Print) _____

STATEMENT OF OPERATIONS

Six Months Ended: June 30, 2005
 Schedule P-1.1 Group I < 20M

Air Carrier: Asia Pacific
 Operation : C

LINE#	DESCRIPTION	AMOUNT
	OPERATING REVENUE	
	Transport Revenue	
	Scheduled Service	
Line 1	Passenger	0
Line 2	Other	0
Line 3	Nonscheduled Service	8,103,866
	Transport Related Revenue	
Line 4	Public Service Revenue	0
Line 5	Other	0
Line 6	Total Operating Revenue	8,103,866
	OPERATING EXPENSE	
Line 7	Flying Operations	6,087,786
Line 8	Maintenance	1,409,830
Line 9	General Services and Administration	608,435
	Depreciation and Amortization	
Line 10	Owned Property and Equipment	547,270
Line 11	Leased Property and Equipment	622,200
Line 12	Transport Related Expense	0
Line 13	Total Operating Expense	9,275,521
Line 14	OPERATING PROFIT OR LOSS	-1,171,655
	NONOPERATING EXPENSE (INCOME)	
Line 15	Interest Expense	297,239
Line 16	Other Nonoperating (Net)	-120,877
Line 17	Income Tax	0
Line 18	Discontinued operations, extra-ordinary items or Accounting changes	0
Line 19	Net Income	-1,348,017
Line 20	Full-Time Employees	35
Line 21	Part-Time Employees	4

Operation: System
 Total Eqp B-727-2
 Code 9999 Code 7152

ACCT #	DESCRIPTION	Code 9999	Code 7152
DIRECT EXPENSES:			
FLYING OPERATIONS (Less Rentals)			
3	Pilots and Co-pilots (S&W &Benef	748,908	748,908
4	Aircraft Fuel and Oil	3,925,728	3,925,728
5	Other	323,789	323,789
6	Total Flying Ops. (Less Rentals)	4,998,425	4,998,425
7	Maintenance - Flight Equipment	1,409,830	1,409,830
8	Depr. & Rental - Flight Equipme	1,191,154	1,191,154
9	Total Direct Expenses	7,599,409	7,599,409
INDIRECT EXPENSES			
11	Flight Attendant Expense	0	0
12	Traffic Related Expense	0	0
13	Departure Related Expense	931,220	931,220
14	Capacity Related Expense	744,892	744,892
15	Total Indirect Expense	1,676,112	1,676,112
16	Total Operating Expense	9,275,521	9,275,521
17	Total Aircraft Hours (Airborne)	1,416	1,416
18	Aircraft Days Assigned	543	543
19	Aircraft Fuels Issued (gallons)	2,133,420	2,133,420