

SOUTHERN AIR INC.
CURRENT AIRCRAFT FLEET AND ACQUISITION PLANS

1. Current Aircraft Fleet

Southern does not own or lease any aircraft at the present time.

2. Aircraft Acquisition Plan

Southern Air is currently negotiating the lease of a B-747-200 aircraft in an all-cargo freighter configuration with a maximum cargo capacity of 250,000 pounds. A copy of the aircraft lease agreement will be supplied in a supplement to this application.

Southern is planning to lease one additional B-747-200 series aircraft in an all-cargo freighter configuration with a maximum capacity of 250,000 pounds and add it to Southern's fleet during the second half of Southern's first year of operations. A copy of the aircraft lease agreement will be supplied in a supplement to this application.

Southern plans to add one or more B-747 all-cargo aircraft to its fleet during the second year of operations depending on Southern's first-year financial results, customer demand and other business factors.

3. Capital Financing Plan

The owners of 75% of the voting shares of Southern will make \$3.4 million available to Southern from their personal assets or by guarantees of loans from financial institutions to fund its preoperating costs and its first three months of operating expenses as needed. As demonstrated on the following pages of this exhibit for which Rule 39 confidential treatment has been sought from the Department, these owners have access to adequate capital to fund their commitment to the company.

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