

SUBJECT TO COMPLETION, DATED JANUARY 14, 1998



PROSPECTUS

BALTIA AIR LINES — U.S. INTERNATIONAL AIR CARRIER

The New Way to Europe™

1,200,000 Shares of Common Stock and 1,200,000 Redeemable Common Stock Purchase Warrants

All of the 1,200,000 shares of common stock of \$.0001 par value ("Common Stock" or "Shares") and 1,200,000 Redeemable Common Stock Purchase Warrants ("Warrants") offered hereby (together, the "Securities") by Baltia Air Lines, Inc. (the "Company") are being sold through Hobbs Melville Securities Corp. as the lead managing underwriter ("Lead-Manager" or "Representative") and _____ as the co-manager ("Co-Manager") together referred to as ("Underwriters.") The initial public offering price is \$5.50 per Share and \$.10 per Warrant. The Shares and Warrants will be separately tradable as of the date hereof. Investors may purchase Common Stock, Warrants or both securities. Each Warrant entitles the holder to purchase one Share for \$6.05 during the four-year period commencing one year from the date of this Prospectus. The Company may redeem outstanding Warrants, once they become exercisable, at a price of \$.10 per Warrant on not less than 30 days' written notice, provided the closing bid quotations of the Shares have exceeded \$10 for 20 consecutive trading days ending on the third day prior to the date on which notice is given. See "Description of Securities."

Prior to this Offering, there has been no public market for the Securities, and there can be no assurance that any such market will develop or, if developed, that it will be sustained. The initial public offering prices as well as Warrant exercise and redemption prices were determined by negotiations between the Company and the Lead-Manager. See "Underwriting." The Company has applied for quotation of the Shares and Warrants on the SmallCap tier of the NASDAQ Stock Market (The NASDAQ SmallCap Market) under symbols "BALT" and "BALTW," respectively, and for listing on the Boston Stock Exchange under the symbols _____ and _____, respectively.

The Securities offered hereby are speculative and involve a high degree of risk and immediate substantial dilution. See "Risk Factors" at page 7 and "Dilution" at page 19.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Company(2)
Per Share	\$5.50	\$0.55	\$4.95
Per Warrant	\$0.10	\$0.01	\$0.09
Total (3)	\$6,720,000	\$672,000	\$6,048,000

(1) Does not include a 3% non-accountable expense allowance which the Company has agreed to pay to the Lead-Manager. The Company has also agreed to issue to the Lead-Manager warrants to purchase up to 120,000 Shares and 120,000 Warrants (Representative's Warrants), and to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting."

(2) Before deducting other expenses of this offering payable by the Company estimated at \$235,000, and the Underwriter's non-accountable expense allowance of \$201,000.

(3) The Company has granted the Lead-Manager an option, exercisable within 45 days from the date of this Prospectus, to purchase up to 180,000 additional Shares and 180,000 additional Warrants on the terms set forth above, solely for the purpose of covering over-allotments, if any (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be \$7,728,000, \$772,800 and \$6,955,200 respectively. See "Underwriting."

The Securities are being sold by the Underwriters on a firm commitment basis, subject to prior sale, when, as, and if delivered to and accepted by the Underwriters, and subject to the right to reject any order, in whole or in part, and subject to certain other conditions. It is expected that delivery of certificates representing the Securities will be made against payment therefor at the offices of Hobbs Melville Securities Corp. in New York City, on or about February _____, 1998.

HOBBS MELVILLE SECURITIES CORP.

The date of this Prospectus is February _____, 1998

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.