

26 March 2012

ASX code SXR

AIM code SKYW

SKYWEST AIRLINES LTD.

(the "Company")

Issue of equity

Skywest Airlines Ltd., the Australian and South East Asia regional airline, is pleased to announce that it has raised £2 million (A\$3.024 million) before expenses from a placing (the "Placing") of 8,000,000 ordinary shares of the Company (the "Placing Shares").

The net proceeds of the Placing are intended to be used by the Company for general working capital purposes. 4,000,000 of the Placing Shares were issued at a price of £0.25 per share and are expected to be held through CREST depositary interests. The balance of 4,000,000 Placing Shares were issued at a price of A\$0.38 per share and are expected to be represented by CHESS depositary interests.

The Placing is conditional only on admission of the Placing Shares to trading on AIM, a market operated by London Stock Exchange plc ("AIM"), and the quotation of the CHESS depositary interests on the ASX becoming effective ("Admission").

The Placing Shares will be issued fully paid and rank pari passu in all respects with the Company's existing ordinary shares in issue. Each CREST depositary interest or CHESS depositary interest, as the case may be, represents an interest in one of the Placing Shares. Following Admission the Company's total issued share capital will be 210,640,000 ordinary shares. The Placing Shares will represent approximately 3.8% of the enlarged issued share capital of the Company. For the purposes of calculating Total Voting Rights shareholders may use the number 210,640,000 as the total number of shares in issue from the date of Admission.

Application will be made for the Placing Shares to be admitted to trading on AIM and for the CHESS depositary interests to be quoted on the ASX. It is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8:00 a.m. (BST) on 30 March 2012 on AIM and at 10:00 a.m. (EDT) on ASX.

As the issue of the Placing Shares is within the Company's 15% issue capacity under ASX Listing Rule 7.1, approval for the issue of the Placement DIs is not being sought from the Company's shareholders.

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