PUBLIC REPORT TEMPLATE 2010

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Controlling Corporation

Skywest Airlines (Australia) Pty Ltd

Period to which this report relates

Start 1 July 2006 **End** 30 June 2010

(eg. for a Corporate Group with the trigger-year 2005-06, the report will cover the period 1.7.2006-30.6.2010)

Part 1 – Information on assessments completed to date

Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

At Skywest Airlines, minimising the environmental impact of our air services and protecting the environment, is something we take very seriously. It is worth expressing that despite the high profile of the airline industry, the share of greenhouse gases contributed are relatively small. The United Nation's Intergovernmental Panel on Climate Change (IPCC), the foremost global authority on the issue, has confirmed that aviation contributes 2% of the world's CO_2 emissions.

Skywest's current fleet is a mix of Fokker 50 turboprops and Fokker 100 jet aircraft. Both types of aircraft are recognised as being more fuel efficient than other aircraft in their class. We are also currently developing a fleet renewal plan. By introducing more modern, fuel efficient aircraft and by operating these to best practice we will be able to further reduce the greenhouse gas emissions generated during our operations.

The 2010 EEO assessment has been performed as a joint effort between the corporation's Finance, Management, Information Technology and Flight Operation Departments. The majority of our emissions are the direct result of burning aircraft fuel, therefore calculations have been performed based on fuel usage data from a sophisticated flight operations programme, known as Geneva, the data generated from Geneva has then been used to determine the environmental impact as per the NGERS OSCAR calculations.

During the current reporting period Skywest had a couple of significant events occur which have had an impact on the outcomes of the assessments. Two events in particular was the expansion of the fleet, with 2 new aircrafts being added during the year ended 30 June 2010 & the other being the company's increase in its route network & number of services to existing routes during the year. Both events have subsequently resulted in additional flights & therefore has increased the quantity of fuel used during the year. Therefore it is important to note that whilst Skywest has saved through strategies implemented based on its size in the previous reporting period, these 2 events have had the effect of offsetting some of the savings in the current reporting period.

Opportunities outlined in the previous reporting period have been assessed & results are detailed in this report accordingly at section 2B.

Opportunities identified during the current reporting period have been implemented, assessed & results are detailed in this report at section 2A. Also within this section, an opportunity has been identified, but yet to be implemented, to reduce energy consumption in the next reporting period. The trial of such opportunities has already commenced subsequent to the 2010 reporting period & results thereof will determine the company's action to incorporate any potential future changes. The company has budgeted for such potential change & therefore highlights Skywest's commitment to undertake any action where reasonable in order for the company to play its part in reducing energy consumption.

Through the identification and implementation of projects within Skywest's business operations in which energy savings can be made, Skywest Management believe that the company has complied with the intent and key requirements of Energy Efficiency Opportunities legislation.

Part 1 – Information on assessments completed to date (continued)

Table 1.2 – Energy use assessed		
Group member and/or business unit and/or key activity and/or site (or part thereof) that has had an assessment completed by 30 June 2010 (Include all assessments completed to date for the current 5 year cycle).	**Period over which assessment was undertaken[1]**	**Energy use for the period 1.7.2009 to 30 June 2010 of the assessed entity (or part thereof) expressed in GJ[2]**
Skywest Airlines	Ongoing	1794184
Total energy use of assessed entities (or part thereof)		**1794184**
Total energy use of the whole corporate group in the period 1.7.2009 to 30 June 2010		1794184
Total energy use of assessed entities (or part thereof) for the period 1.7.2009 to 30.6.2010 expressed as a percentage of total energy use for the period 1.7.2009 to 30.6.2010		100%

1. This should be the start and finish date (month and year) for the assessment (planned assessment dates were nominated in Table 3.1 of the approved ARS).

2. Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule.

Table 1.3 – Accuracy of energy use assessed data		
Entity	**% achieved**	**Reasons for not achieving data accuracy to within ±5%**
Skywest Airlines	**<5%**	

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: **Skywest Airlines (Australia) Pty Ltd**

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).	1794184	GJ

Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – < 2 years		2 – ≤ 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation								
	To be Implemented	2	2	116 2547					116 2547
	Implementation Commenced								
	Implemented	1	1	249					249
	Not to be Implemented								
Outcomes of assessment	Total Identified	3	3	2,912					2,912

Part 2A - New assessments completed during the reporting period (continued)

Name of Group member or business unit or key activity or site:

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

1794184	GJ

Table 2.2 – Opportunities assessed to an accuracy of worse than (>) ±30%

Status of opportunities identified		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – < 2 years		2 – ≤ 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation								
	To be Implemented								
	Implementation Commenced								
	Implemented								
	Not to be Implemented								
Outcomes of assessment	Total Identified								

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: Skywest Airlines (Australia) Pty Ltd

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).	1794184	GJ

Table 2.3 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – < 2 years		2 – ≤ 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation								
	To be Implemented								
	Implementation Commenced								
	Implemented	4							38,856 22,080 168 1,581
	Not to be Implemented								
Outcomes of assessment	Total Identified	4							62,685

Part 2B - Update of assessments originally reported in previous Public Reports (continued)

Name of Group member or business unit or key activity or site: Skywest Airlines (Australia) Pty Ltd

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

1794184	GJ

Table 2.4 – Opportunities assessed to an accuracy of worse than (>) ±30%

Status of opportunities identified		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – < 2 years		2 – ≤ 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation								
	To be Implemented								
	Implementation Commenced								
	Implemented	3							15,044 139,866 55,112
	Not to be Implemented								
Outcomes of assessment	Total Identified	3							210,022

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2C - Details of at least three significant opportunities found through EEO assessments

Table 2.5 – Description of 3 significant opportunities
Opportunity 1
PC energy consumption monitoring Skywest's office PC fleet contributes to its total energy use. PCs which are on, but not actively or effectively being used represent a waste of energy & cost to the environment. An opportunity has arisen to trial the company's power management software to measure & manage its carbon gas emissions from its PCs. The software monitors & provides an analysis of the company's PC energy usage & costs. It also allows the company to identify energy efficiencies to maximize its emissions reductions. It delivers to each PC user relevant & timely information about their computer use & feedback on how to change their usage in order to reduce their energy consumption (eg display shutdown, screen saver launch). It is estimated that power efficiency will increase by up to 50-85% with the use of this software & result in savings of approximately 2,547 GJ of CO2 emissions per year. The project payback depends on the level of support the company requires by the supplier, however it is estimated a 3 year supplier support package will result in a payback period of 4.6 months or a 1 year support package will result in a payback period of 3.17 months. Any change in the company's software will be dependent on the results of the trial currently being undertaken in the 2011 reporting period.
Opportunity 2
Office PC desktop replacement Old, obsolete and inefficient PCs have been replaced with newer cost-efficient desktops in 2010. They offer optional high-efficiency power supplies & energy conscious design options including up to 90% efficient power supply units & power-management settings. Annual savings are estimated at 249 GJ tonnes of C02 emissions per year.

Opportunity 3

Office equipment replacement

Skywest continue to replace old, obsolete and inefficient PCs with newer cost-efficient systems including new laptops in 2011. They offer optional high-efficiency power supplies & energy conscious design options including up to 90% efficient power supply units & power-management settings. Annual savings are estimated at 116 GJ of CO2 emissions per year.

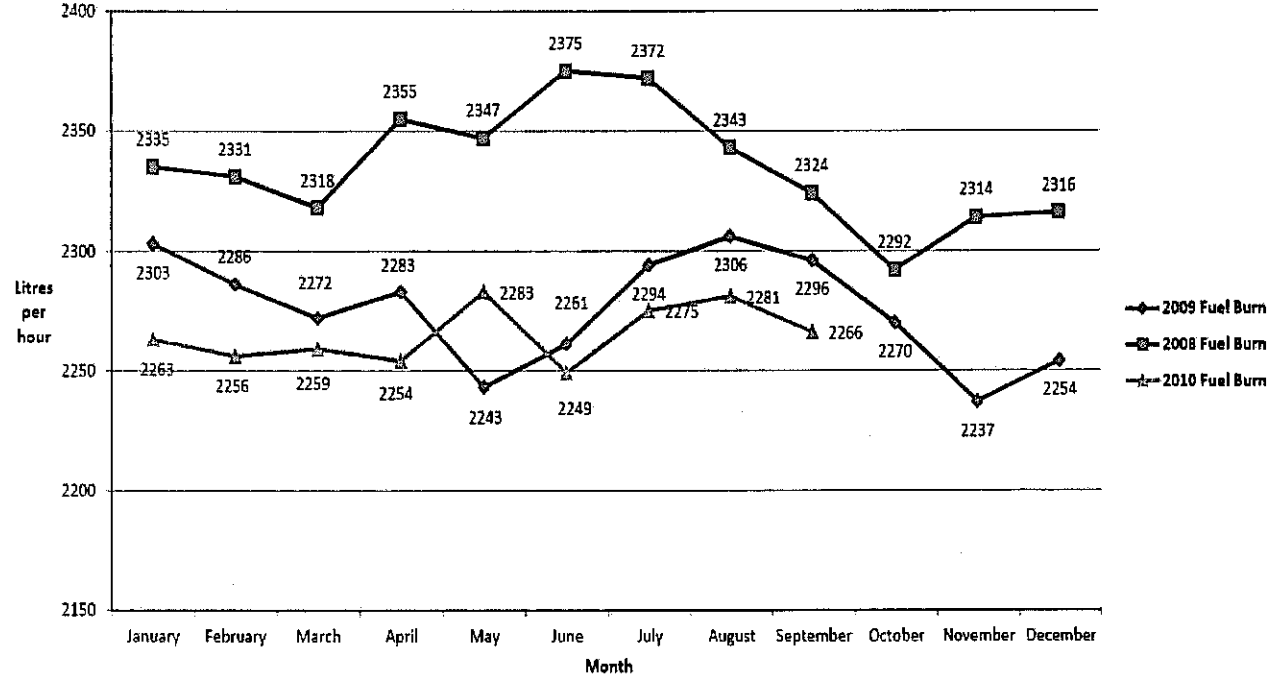
Part 3 - Voluntary Contextual Information

Table 3.1 – Contextual Information

Skywest recognises the need to continually monitor & measure its energy usage, particularly in relation to emissions from its fuel usage. A Fuel Policy Group has been formed & operated for a number of years to ensure the effective & efficient use of aircraft fuel particularly for its Fokker 100 jet aircrafts. Opportunties to reduce the amount of fuel used when flying have been implemented & outlined in previous reporting periods. These have been successful in reducing the amount of fuel used & therefore resulting in a reduction in fuel emissions.

Skywest can demonstrate performance improvements in relation to fuel used per flying hour over the past 3 years as below:

F100 Fuel Burn per Calendar Year



Due to the success of previous opportunities, no new policies were implemented in the 2010 reporting period.

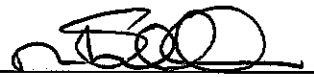
Table 3.2 – Energy use expressed in Greenhouse Gas emissions and as an energy use indicator			
Period of energy use 1 July 2009 to 30 June 2010			
Name of group member/ business unit/ key activity/site	**Energy use pa (GJ)**	**Energy use pa (GGE)**	**Energy use as an Indicator***
Skywest Airlines	**1794184**	**124893 tonnes CO2**	**36.8 GJ per kltr aviation turbine fuel uplift**
Total			

Table 3.3 - Opportunities assessed to an accuracy of better than or equal to (<=) ±30% ($ value)						
Status of opportunities identified		**Number of opportunities**	**Estimated energy savings per annum by payback period ($)**			**Total estimated energy savings per annum ($)**
			0 – < 2 years	**2 – ≤ 4 years**	**> 4 years**	
Business Response*	Under Investigation					
	To be Implemented					
	Implementation Commenced					
	Implemented					
	Not to be Implemented					
Outcomes of assessment*	Total Identified					

Part 3 - Voluntary Contextual Information (continued)

Table 3.4 – Changes in energy use as an indicator			
Name of group member/ business unit/ key activity/site	**Current energy use as an indicator**	**Previous energy use as an indicator**	**Reasons for change**
N/A			
Total			

Part 4 - Declaration

Table 4.1 - Declaration of accuracy and compliance (mandatory information)	
The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.	 Mark Shelton Chief Executive Officer **Date 31 March 2011**