

SKYSERVICE AIRLINES INC.

April 9, 2010

Re: The Receivership of Skyservice Airlines Inc. ("Skyservice")

Dear Sirs/Mesdames,

As you undoubtedly know from media reports or directly from dealing with Skyservice within the past week or so, on March 31, 2010 Skyservice went into receivership and ceased operations. By order of the court dated March 31, 2010, FTI Consulting Canada Inc. was appointed as the receiver of all of the property of Skyservice (the "Receiver"). The purpose of this letter is to inform you that arrangements are being made to allow the lessors (the "Lessors") of the leased Skyservice aircraft and engines set out in Schedule A (the "Aircraft") to retake possession of the Aircraft and terminate the leases.

Background

When it was appointed on March 31, 2010, the Receiver was not authorized to operate Skyservice's business. On the same day, eight Aircraft located in Toronto became subject to seizure proceedings in Toronto brought by the GTAA and Nav Canada (later joined by the Ottawa Airport Authority) and two Aircraft located in Winnipeg became subject to a seizure order in favour of the Winnipeg Airports Authority (together, the "Seizure Claims"). In the Toronto proceedings, the court made a further order on March 31, 2010 that no person, including the Receiver, was permitted to take possession of the Aircraft, so they remained at their airport location in Toronto or Winnipeg and subject to airport security.

Since March 31, 2010, the Lessors have had discussions with the airport authorities and Nav Canada to have the Aircraft released from the Seizure Claims by posting substitute security for the airport authorities' claims against Skyservice. Court-approved arrangements in this regard are being implemented.

Aircraft Return Arrangements

The Lessors have asked the Receiver to enter into arrangements with them to enable the Lessors to re-take possession of their respective Aircraft (the "Aircraft Return Arrangements") and, in some cases, to obtain assistance from the Receiver, on behalf of Skyservice, in preparing the Aircraft to be ferried to other locations or assisting with the necessary paperwork for the Lessors to do so.

The Receiver understands that, in some cases, it is not uncommon in the airline industry for aircraft to contain equipment or parts that are borrowed or exchanged or to otherwise be subject to claims of other owners, suppliers or financiers (the "Added Equipment"). It is anticipated that the Aircraft Return Arrangements, when finalized, will include the agreement of each Lessor to make arrangements with owners or suppliers of Added Equipment on their Aircraft that have a claim superior to the Lessor, if any, to compensate the owner or supplier or to return the Added Equipment, as may be agreed between the Lessor and owner or supplier or, if they cannot agree,

as may be ordered by the court. However, the details of the way in which Added Equipment will be dealt with have not yet been finalized.

Because the Lessors have requested that they be permitted to re-take possession of their Aircraft on an urgent basis, it is expected that court approval for the Aircraft Return Arrangements will be sought very soon after the arrangements are finalized (the "Court Approval Hearing"). Therefore, the Receiver wanted to provide parties that may have an interest with this update, as the Court Approval Hearing could occur as early as the beginning of next week.

If you would like to participate at the Court Approval Hearing, please contact us or have your lawyers **contact us immediately by e-mail as follows:**

To: Skyservice.receiver@fticonsulting.com

**Cc: jgage@mccarthy.ca
hmeredith@mccarthy.ca**

Subject: Skyservice - Court Approval Hearing

In the body of your e-mail, please provide your contact information (including email contact information) and some indication of your interest in the Court Approval Hearing.

Because the Court Approval Hearing may happen on very short notice to those requesting it, receiving contact information immediately is important.

Otherwise, if you are interested in seeing a copy of the court materials for the Court Approval Hearing or the court order, if granted, approving the Aircraft Return Arrangements, they will be posted on the <http://cfcanada.fticonsulting.com/skyservice/> (the "Website") soon after they are available. A copy can also be requested from the Receiver by e-mail at Skyservice.receiver@fticonsulting.com or by telephone at 1-888-679-5969 or 416-679-5969.

Further information regarding the Skyservice receivership can be obtained from the Website. If you would like to contact any Lessor directly, you will find contact details for the counsel representing each Lessor on the Service List posted on the Website.

Yours truly,

Skyservice Airlines Inc., by its receiver FTI Consulting Canada Inc.

Schedule A

<u>TAIL #</u>	<u>Type</u>	<u>Lessor</u>	<u>Aircraft Location</u>	<u>Serial Number</u>	<u>Engine</u>
FLEU	B757	Thomson Airways Limited	TORONTO	29941	30821/ 30835
FLOX	B757	Thomson Airways Limited	WINNIPEG	26158	31651/ 31872
GTDG	A320	Thomson Airways Limited	TORONTO	1571	575247/ 779396
FOBH	B757	Thomson Airways Limited	WINNIPEG	29944	30742/ 30880
GTDH	A320	Aircraft: Orix Aviation Systems Limited Engines: Thomson Airways Limited	TORONTO	1605	575132/ 779384
GTDP	A320	International Lease Finance Corporation	TORONTO	1780	575402/ 575403
FRAA	A320	MCAP Europe Ltd.	TORONTO	1411	V10905/ V10907
GTSJ	B757	IAI V Inc.	TORONTO	24772	30734/ 30739
GTBB	B757	Celestial Aviation Trading 23 Limited	TORONTO (Mallard)	32447	31868/ 31754
GMYH	B757	C.I.T. Leasing Corporation	TORONTO	25053	30786/ 30785