



Desktop Valuation Report

Aviation Specialists Group, Inc. (“ASG”) has been engaged by Worldwide Airlease (“Client”) to provide a desktop valuation setting forth ASG’s opinion as to Base Value, Current Market Value and Future Base Values for one 737-300, serial number 19900. Further aircraft information is included in the Aircraft Values section below.

This report contains the following sections:

- ▶ Desktop Valuation Assumptions
- ▶ Value Definitions and Explanations
- ▶ Aircraft Values
- ▶ Aircraft Profile and Market Conditions
- ▶ Commercial Jet Market Overview
- ▶ Covenants
- ▶ Payload-Range, Market Mass Charts

Desktop Valuation Assumptions

By definition, in a desktop valuation the appraiser does not see the subject aircraft or review its specifications and technical documents; consequently, he must make certain assumptions. Regarding the airplane itself, unless specifically stated otherwise, ASG assumes:

- ▶ It is of average specification for its type and age and has no special equipment or characteristics which would materially affect its value.
- ▶ Its utilization in terms of hours and cycles is average for its type and age.
- ▶ It is in passenger or freighter configuration as appropriate.
- ▶ It is certificated and operated under the aegis of a major airworthiness authority such as the FAA, CAA or DGAC.
- ▶ It is in average physical condition and its maintenance records and documents are in compliance with all applicable regulations and good industry practices. Required back to birth records are on hand and in good order and original equipment manufacturer parts are in use throughout the aircraft.
- ▶ With regard to maintenance status, for a new aircraft the airframe, engines, landing gear and other major life/time-limited components are new with all warranties in place and then age at an average rate of usage until they reach half-life, half-time condition. For a mature aircraft, all such components are in half-life, half-time condition.
- ▶ It has no history of major damage.
- ▶ It complies with applicable Airworthiness Directives and mandatory Service Bulletins.

In developing values, ASG makes two further assumptions:

- ▶ That the aircraft will be sold as a single unit or as part of a small lot. It will not be the subject of a fleet sale which could result in a price discount.
- ▶ That the aircraft is *not* subject to an existing lease. ASG’s opinion of values excludes the effects of attached lease rental streams and tax benefits, either of which can have a material effect on an aircraft’s actual purchase price.

Value Definitions and Explanations

ASG uses the ISTAT definitions for Base Value and Current Market Value which are:

- ▶ **Base Value** is an appraiser’s opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and



assumes full consideration of its “highest and best use”. An aircraft’s Base Value is founded in the historical trend of values and in the projection of value trends and presumes an arm’s length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. In most cases, the **Base Value** of an aircraft assumes its physical condition is average for an aircraft of its type and age, and its maintenance time status is at mid-life, mid-time (or benefitting from an above average maintenance status if it is new or nearly new, as the case may be).

- ▶ **Market Value** (or **Current Market Value** if the value pertains to the time of the analysis) is the appraiser’s opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. **Market Value** assumes that the aircraft is valued for its highest, best use, that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm’s length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

Please note these additional points regarding ASG’s use of these value definitions:

- ▶ In ASG’s opinion, the commonly used term **Fair Market Value** is synonymous with the ISTAT term **Market Value** or **Current Market Value**.
- ▶ When ASG sets forth **Current Market Value**, it is specifically excluding costs of sale and carrying costs of the subject aircraft. That is, it is measuring the trading price of the aircraft itself without any potential transaction costs.
- ▶ For future and/or residual values for an aircraft - **Future Base Values** - ASG makes the assumption that not only is the aircraft marketplace in reasonable balance, *but also* that economic conditions are neutral, that is, neither boom nor bust. ASG is measuring the subject aircraft’s value, utility and market acceptance in a balanced marketplace and is attempting to sterilize the effects of economic cycles on its market price.

Aircraft Values

ASG’s value opinions for the subject aircraft are set forth in millions of U.S. dollars in the following table. Future Base Values are shown in then-current dollars using an inflation rate of 2.5% per annum compounded annually which ASG believes is a reasonable long term inflation rate.

Aircraft Details

Aircraft Type	737-300 nonEFIS
Serial Number	19900
Build Date	January 1987
Engine Type	CFM56-3B1
Max Takeoff Weight #	135,000
Configuration	pax

Value Summary in US\$ millions, November 2007

Current Market Value	\$7.0
Base Value	\$5.8
Future Base Value at 2.5% p.a. inflation, 4th quarter of:	
2008	\$5.5
2009	\$5.2
2010	\$4.9
2011	\$4.6

Aircraft Profile and Market Conditions

Boeing 737 Family Profile and Demographics

The first Boeing 737 was ordered in 1965 and delivered 2 years later; today there are more than 4,800 in service and over 1,600 on order. There are 3 distinct groups of 737s. The initial 737s (the -100, -200 and -200Advanced) are Pratt & Whitney powered Stage 2 airplanes for which hushkits were available and were produced between 1967 and 1988. What are now called the 737 Classics, the -300/-400/-500 series, are powered by the CFM56-3 engine series, are all Stage 3/Chapter 3 and were delivered between 1984 and early 2000. The 737 Next Generation airplanes, the -600/-700/-800/-900/900ER series, are powered by the CFM56-7 engine and began deliveries in December 1997. The table below compares all of the 737s except the 737-100, of which only one remains in service:

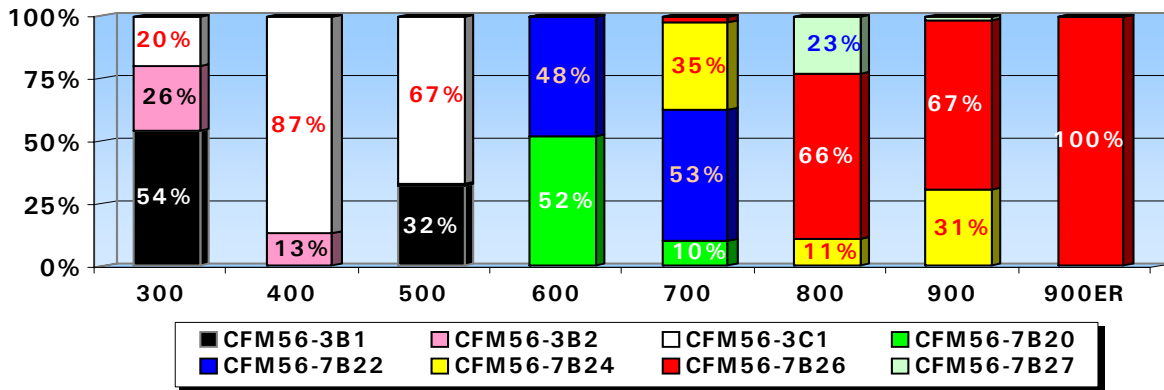
Boeing 737 Family Demographics and Specifications (June 2007)

		Classics			Next Generation				
	200/200A*	300	400	500	600	700	800	900	900ER
Yrs of Deliv	1967-88	1984-1999	1988-2000	1990-1999	since 1998	since 1997	since 1998	2001-2005	2007
# in Service**	756	1,077	468	382	69	846	1,190	52	2
# of Orders	out of production				0	452	997	out of prod	167
# Operators**	183	115	66	58	9	53	88	6	1
Length, ft	100	109.6	119.6	101.8	102.5	110.3	129.5	138.2	138.2
Wingspan, ft	93	94.8			112.6				117.5***
MTOW, #000s	100.0-128.1	124.5 - 139.5	138.5 - 150	115.5 - 133.5	124.0 - 145.5	133 - 154.5	155.5 - 174.2	164.0 - 174.2	187.7
Typ OEW, #000s	62.6-65.3	69.4-72.5	73.1-74.2	69.0	80.2	83.0	91.3	94.6	98.5
Range, nm/# of pax	2,500 w/ 106	2,255 w/ 126	2,060 w/ 147	2,370 w/ 110	3,050 w/ 110	3,365 w/ 126	3,060 w/ 162	2,745 w/ 177	3,200 w/ 180
# of Pax	106-130	126-149	147-168	110-132	110-132	126-149	162-189	177-189	180-215

* the -200Adv commenced in 1971 with line number 280 ** includes all versions except BBJs and military *** factory winglets are standard

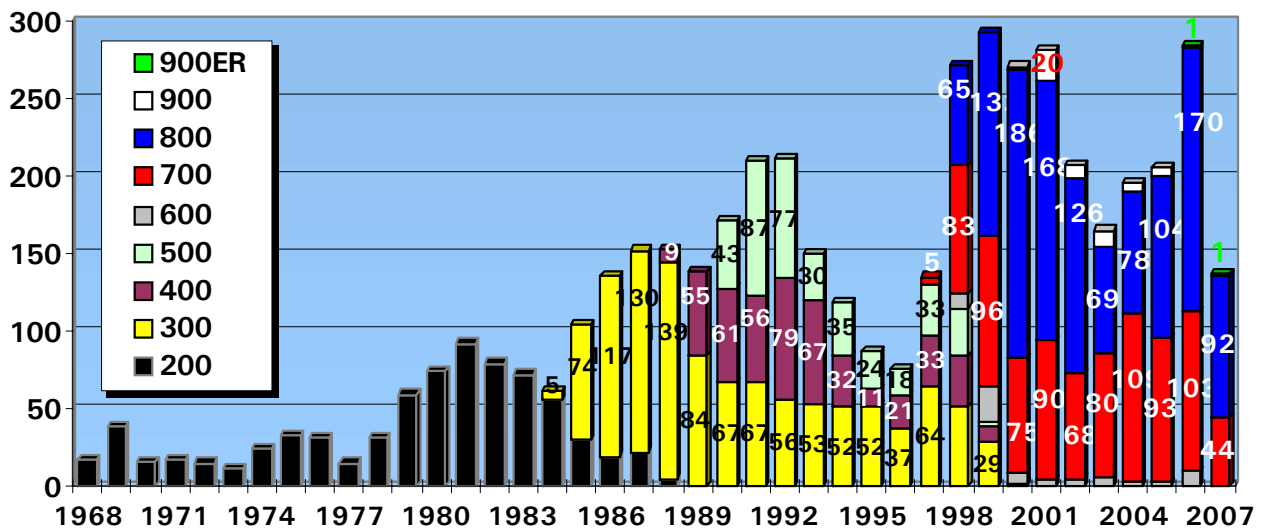
The chart below shows engine types for all 737 Classics and Next Generation models:

737 Fleet Engine Types (June 2007)



The chart below shows the delivery chronology for those 737s which are still in service. The last 737 Classic, a -400 series airplane, was delivered in early 2000.

737 Series Deliveries (June 2007)



The progenitor of the line, the 737-100, was first ordered on February 15, 1965. Initially priced at under \$4 million, the -100 was 94 feet long, had JT8D-7 engines and was designed to fly up to 100 passengers short to medium ranges. The first delivery was to Lufthansa in December 1967. Thirty were built and one remains in service.

The -100 series was quickly superseded by the 737-200. First ordered in April 1965, United took the initial delivery in late 1967. It was about 6 feet longer than the -100, initially had a maximum takeoff weight of 100,000 pounds and was designed to carry 106 passengers 1,500 miles. The -200 Advanced version commenced with line number 280 and replaced the standard 737-200 in 1971. Aerodynamic enhancements and a high lift system improved takeoff performance and the JT8D-15 and -17 engines made higher operating weights available. By the time the last -200A was delivered in 1988, Boeing had produced 1,114 of them.

All Pratt-powered 737s were produced as Stage 2 airplanes; Stage 3 hushkits were available from Nordam and AvAero. Nordam lightweight kits were sold in substantial numbers and a few heavyweight kits were sold but because of cost, added weight and fuel burn penalty they were not popular.

The 737-300 was produced from 1984 through 1999. Enhancements to the airframe and the use of CFM engines created a more aerodynamic and fuel efficient aircraft which met Stage 3/Chapter 3 noise limitations. Compared to the -200 series, it had a 10 foot fuselage stretch, new generation CFM56 engines, MTOWs of up to 139,500 pounds and in a standard seating arrangement could carry 126 passengers about 2,250 nautical miles. An extremely popular jetliner, over 1,100 were delivered. The -300 was superseded in Boeing's product line by the 737-700 which started delivering in December 1997.

The next derivative was the 737-400 which entered service in 1988; the last -400 was built in late 1999 and delivered in early 2000. A 10 foot stretch of the -300, it has MTOWs of up to 150,000 pounds and can transport 147 passengers over 2,000 nautical miles. It is popular with charter operators and in a high-density configuration can carry up to 168 passengers. The -400 was replaced in Boeing's product line by the 737-800, a slightly larger airplane, which started deliveries in April 1998.

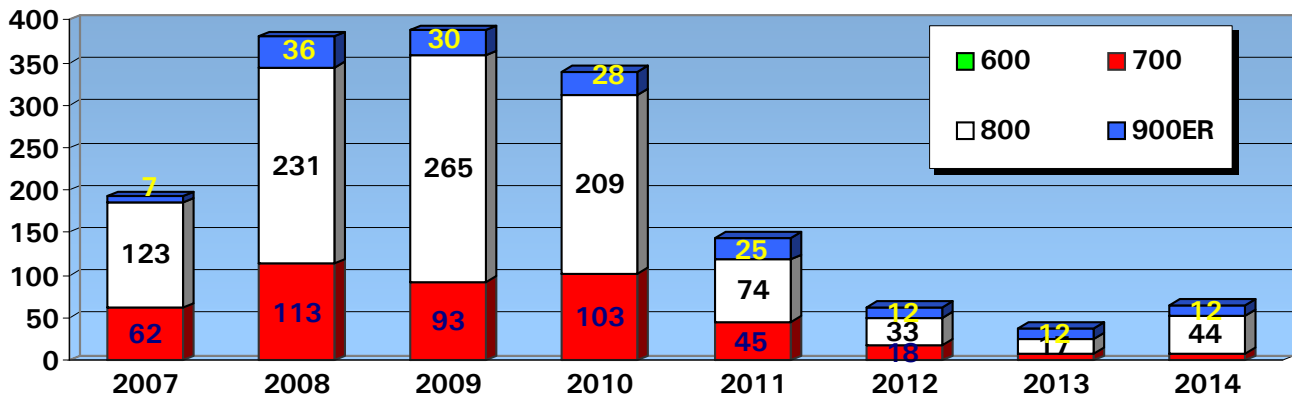
Also incorporating the new technology of its bigger brothers, the 737-500 was a direct replacement of the 737-200 in terms of size and seating capacity. Only 2 feet longer than the -200, it has about the same passenger capacity (110 seats) and a slightly heavier MTOW (133,500 pounds versus 128,100 pounds). The -500 series was replaced by the 737-600 which began delivering in the third quarter of 1998.

The 737 Next Generation series is comprised of the -600, -700, -800, -900 and -900ER. All have a new wing, redesigned landing gear, revised empennage, new interior, a 41,000 foot altitude capability and various systems upgrades. The wing is a complete redesign from the 737 Classics and its longer span and greater chord increase the wing area by 25% and fuel capacity by about 30%. All Next Generation 737s use the CFM56-7 engine which is available with thrust ratings from 18,500 pounds to 27,300 pounds. All models of this engine are physically identical with thrust changes being made electronically. The -600 and -700 replace the -500 and -300 and are about the same length and passenger capacity but have greater range and higher MTOWs. The -800 is 10 feet longer than the -400 which it replaces, seats up to 20 more passengers, has substantially greater range and a 24,000 pound higher MTOW. It currently fits in Boeing's product line between the 737-400 and the 737-900 and is a replacement for the 727-200 in terms of range and seating. In 2001, Boeing started offering factory installed winglets on the -800 which improve its operating efficiency under certain conditions. These winglets can also be retrofitted on previously delivered -800s, are standard on the -900ER, in service with the -700 and under development for the -900. The 737-900 began deliveries in the second quarter of 2001 and in terms of payload-range is positioned in Boeing's product line above the 737-800. It is a 104 inch stretch of the -800, has a 174,200 pound maximum takeoff weight, CFM56-7 engines and the same wing as the -600/700/800 airplanes. Typical two-class seating is 177 passengers and maximum range about 2,750 nautical miles. Although it is physically longer than the -800, it has the same maximum seating capacity of 189 passengers because of exit limit constraints. In mid-2005 Boeing launched an enhanced version of the -900, the 737-900ER, which can seat up to 215 passengers and has a range of up to 3,200 nautical miles with optional auxiliary fuel tanks. It was certificated by the FAA on April 20, 2007 and first delivery was to launch customer Lion Air one week later. The Single Aisle Payload-Range chart later in this report indicates where the various 737 models fit in the single aisle market in terms of typical payload and range profiles.

There was a substantial order book for the Next Generation airplanes with over 1,500 on order as of early 2007. Scheduled deliveries are shown in the following chart:



737 Scheduled Deliveries (June 2007)



The table below lists operators/owners with 30 or more 737s in their fleets ranked by fleet size:

Principal 737 Operators/Owners (June 2007)

Operator	200	300	400	500	600	700	800	900	900ER	Total
Southwest		194		25		278				497
Continental		48		63		36	105	12		264
Ryanair							137			137
US Airways		56	40							96
Alaska	1		40			20	22	12		95
United		64		30						94
China Southern		26		2		25	36			89
Air China		30			6	14	33			83
Delta	6						71			77
American							77			77
Gol		12				30	25			67
WestJet					13	47	5			65
Lufthansa		33		30						63
China Eastern		23				29	7			59
SAS Norge			4	14	11	15	9			53
QANTAS		2	18				33			53
Turkish (THY)			11				41			52
Virgin Blue						22	27			49
KLM		14	13				15	5		47
Jet Airways (India)			4			13	28	2		47
Airtran						46				46



Operator	200	300	400	500	600	700	800	900	900ER	Total
Air Berlin						5	37			42
Malaysian			38							38
Garuda		12	19	5			2			38
Xiamen		4		6		15	11			36
Shenzhen		9				10	12	5		36
Hapagfly							35			35
Aeromexico						30	4			34
British Airways		5	19	9						33
Korean Air							16	16		32
Air Europa							32			32
Royal Air Maroc	4			7		6	14			31
Air One (Italy)	3	6	22							31
easyJet						30				30
Batavia Air	16	11	3							30

Boeing 737-300 Market and Availability

An industry workhorse since its introduction in the mid-1980s, almost 1,000 passenger -300s are flown by over 100 airlines. ASG believes that with its strong market penetration and very broad user base, middle-aged and younger 737-300s will continue to afford their owners at least average utility and future value retention. Older -300s, however, may be less resilient than younger airplanes. The final -300 delivery was in 1999 and there is a substantial population of younger and middle-aged airplanes. The earliest -300s, however, date back to 1984 and are now old; some of the earliest airplanes have already been scrapped. A freighter conversion program is now available for the -300 and -400 series and may be an alternative to retirement for some of the older airplanes.

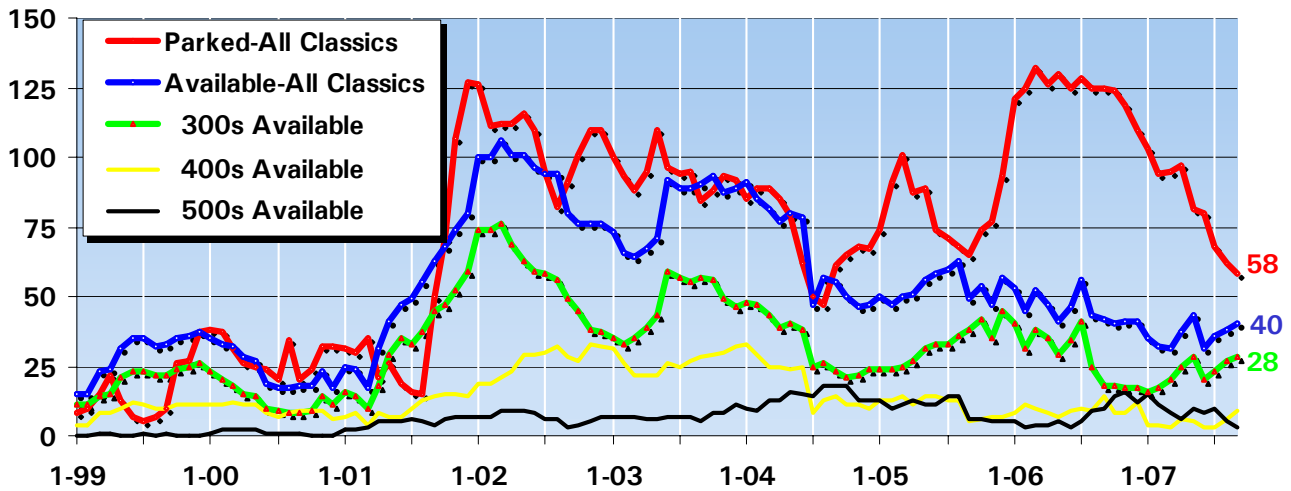
The 737-300 is not without competition in its market segment. Its direct Airbus competitor, the A319, has built considerable market mass (in mid-2007 about 950 aircraft in service with six dozen operators), has a good order book (about 525 aircraft) and is a popular airliner. The -300's successor, the 737-700, began deliveries at the end of 1997 and it, too, is a very popular airliner. As of June 2007 there were nearly 850 737-700s in service and an order book of about 450 aircraft (see the Single Aisle Market Mass chart later in this report).

Declining values in recent years for 737-300s, particularly older ones, opened the potential for freighter conversions. Currently, four companies offer 737-300 passenger to freighter conversions - PEMCO, IAI, ICAS and AEI. ASG understands the 737-300SF (Special Freighter) conversion results in an aircraft with eight pallet positions and costs about \$2.5 million including the cargo handling system. As of mid-2007 about twenty 737-300SFs were in service and an undisclosed number of aircraft were slated for conversion.

The introduction of 737 Next Generation aircraft at the end of 1997 at launch customer and bulk prices coupled with downward cyclical pressure starting in the late 1990s helped drive 737-300 market prices and operating lease rentals down and caused price and rental pressure across the entire 737 Classic product line. In spite of this, the number of stored and available 737 Classics remained relatively low from the late 1990s to the beginning of 2001. However, as economic conditions began to soften in early 2001 and were exacerbated by the 9/11 terrorist attacks, the need for lift fell. The bankruptcies of US Airways and United along with the shutdowns of Ansett and Sabena in a very

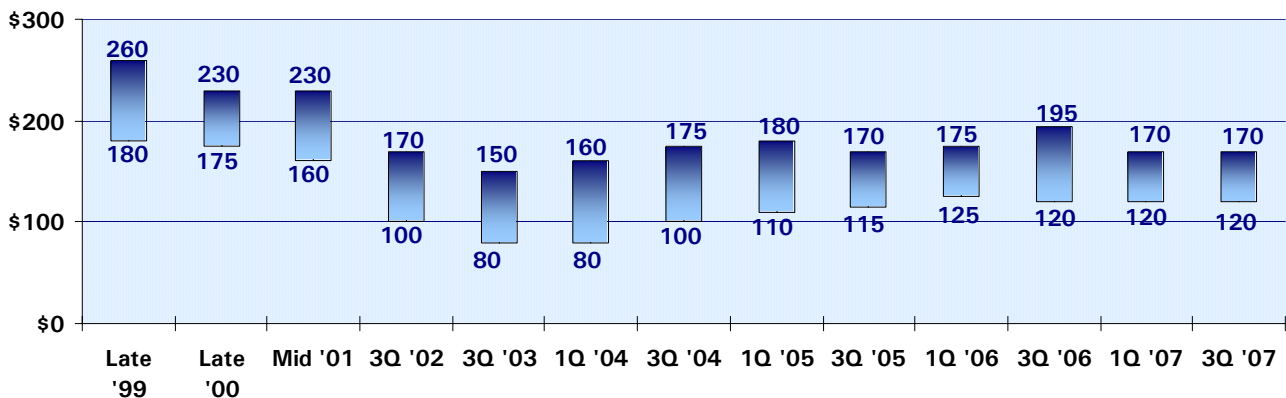
compressed period resulted in a significant increase in the number of parked and available 737-300s and further depressed values and lease rents. As order has returned to the market, the number of -300s publicly available for sale or lease has been generally trending downward. As of September 2007 the number of available 737-300s stood at 28 aircraft. The number of stored 737 Classics had been on the rise since the third quarter of 2005 as US Airways and Delta parked airplanes and Varig ceased operations but in the middle of 2006 the parked fleet started shrinking and by September 2007 had dropped to 58 aircraft of which 45 were 737-300s. The following chart shows trends in parked and available 737 Classics since the beginning of 1999:

737 Classics Parked and Available (September 2007)



Operating lease rentals were badly impacted by the cyclical downturn. In the first half of 2004, operating lease rentals for 737-300s began firming and were running \$80,000-160,000 per month. By the second half of 2006 operating lease rentals had climbed to the \$120,000 to \$195,000 range and during 2007 have settled to the \$120,000-170,000 range as the chart below shows.

737-300EFIS Monthly Operating Lease Rental Range (\$000s)



From late 2004 into 2007, ASG has noted a number of 737-300 sales. A mid-1980s non-EFIS airplane was sold in the \$4-5 million range. Offers on another mid-1980s non-EFIS airplane were received in the \$7 million range. Several late 1980s airplanes sold in the \$7.5-8.5 million range and a 1991 airplane sold for \$8-9 million. A pair of mid-1980s airplanes were purchased for \$5-6 million. Several late 1980s airplanes in less than half-life condition sold in the \$6-7 million range. A pair of non-EFIS mid-1980s airplanes in poor condition sold in the \$5-6 million

range. A mid/late 1980s aircraft sold for slightly over \$7 million and an aircraft of the same vintage and in very good condition sold for \$9-10 million. ASG is also aware of a mid-1990s airplane sold with an attached lease in the \$10 million range. Several mid-1980s 737-300SFs converted by PEMCO were sold with attached leases in the mid-\$10 million range.

In terms of risk from a financier's viewpoint, ASG's opinion of the strengths and weaknesses of the 737-300 is as follows:

Positives

- ▶ Very strong market penetration.
- ▶ High engine, airframe, avionics and operating commonality with its stable mates the 737-400 and -500, of which there are about 850 in service.
- ▶ A freighter conversion program is available.
- ▶ Member of a very large family now in its third generation with over 4,700 in active service.

Negatives

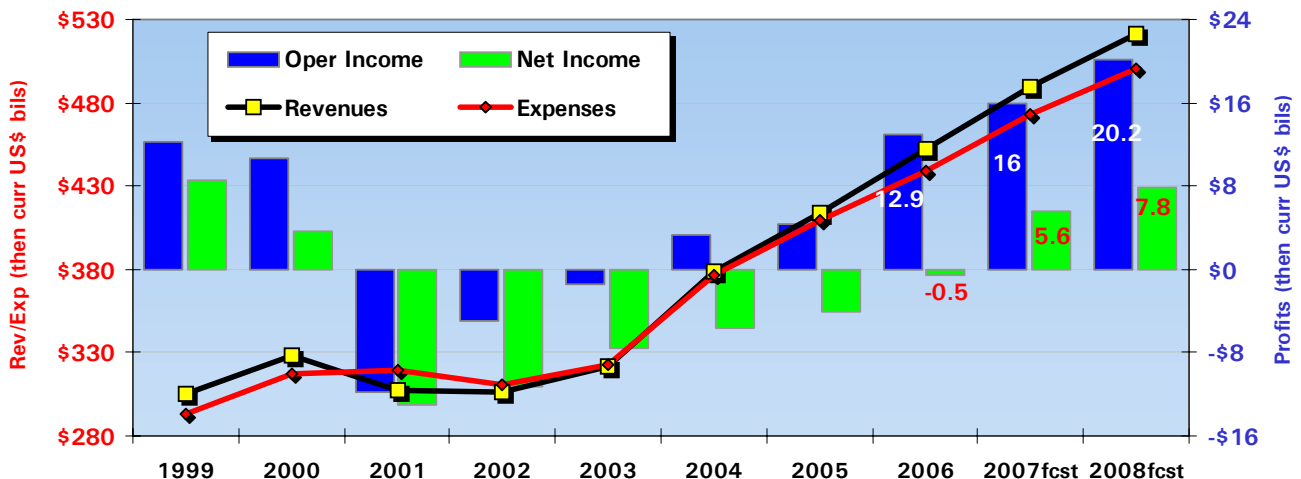
- ▶ Not as technologically advanced or comfortable for passengers as the Airbus narrowbodies.
- ▶ Substantial competition from the modern-technology 737-700 and Airbus A319.
- ▶ Early -300s are showing their age; some have already been scrapped.

Commercial Jet Market Overview

A Brief Overview

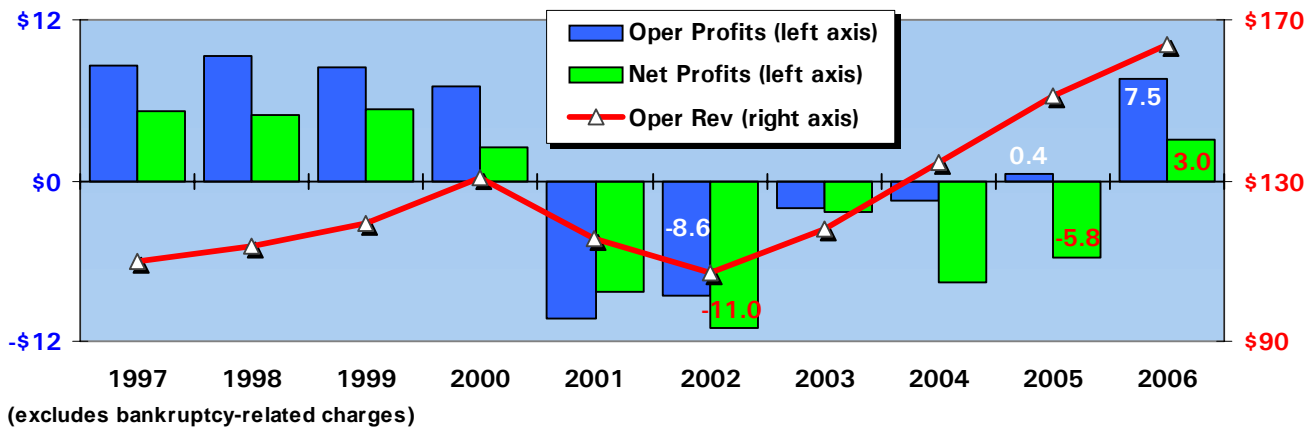
Today, the global aviation industry outlook is generally positive. While airlines are still coping with high fuel prices, many airlines' strong cost control efforts are paying off, demand for both new and used airliners is strong, the Indian and Chinese markets are developing rapidly and while some carriers are still experiencing financial stress, others are profitable. IATA says that since 2001, airline labor productivity is up 56% and non-fuel unit costs are down 15%. For 2007 and 2008, they expect a rise in global passenger traffic of about 6% each year (for the first eight months of 2007, international RPKs were up 7%). IATA indicates that the industry suffered a net loss of about \$500 million during 2006 (a profit of about \$3.1 billion if U.S. restructuring provisions were excluded) and barring unexpected shocks, should return to overall profits in 2007 and 2008. The chart below shows ICAO member airlines' operating results through 2006 as well as IATA's September 2007 forecasts for 2007 and 2008.

ICAO/IATA Airline Revenues, Expenses & Profits



In the U.S., the picture is mixed. While traffic growth slowed during 2006, overall capacity actually declined, load factors continue to be very high and there has been progress by many carriers in reducing costs. Capacity and RPMs have been growing at moderate rates during 2007. The industry has effected multiple fare increases during the last year and the Bureau of Transportation Statistics reported that for the first time since 2000, U.S. passenger carriers as a group have reported overall profits in the first quarter of the year. As the chart below shows, Air Transport Association data indicates that U.S. carriers overall financial results excluding bankruptcy-related charges improved during 2006 with operating profits of over \$7 billion and net profits of about \$3 billion. Delta and Northwest exited bankruptcy in the second quarter of 2007 and for the first time since 2002 no U.S. airlines are operating under Chapter XI protection. At the same time, U.S. airlines are experiencing continuing pain from very high fuel costs, are still readjusting themselves to compete effectively and some are beginning to note domestic traffic softness and resistance to fare increases. In addition, passengers complaints have risen sharply and flight delays are growing as infrastructure groans under the weight of increased traffic.

US Carriers Revenues and Profits (US\$ bil)



With respect to airliners, a number of old, inefficient types such as the 727, DC-9 and DC-10 have been culled from the market and ASG believes that for good aircraft, the value/rental bottom of this cycle was passed in 2003/2004. There has been a marked improvement in operating lease rentals since the middle of 2004 and a firming, or a halt in the decline, of market values. Demand for good quality, modern generation jetliners such as Airbus narrowbodies, 737 Classics and -700/800s, 767-300ER and A330-200 is strong and as noted below new jetliner orders were at very high levels during the past two years.

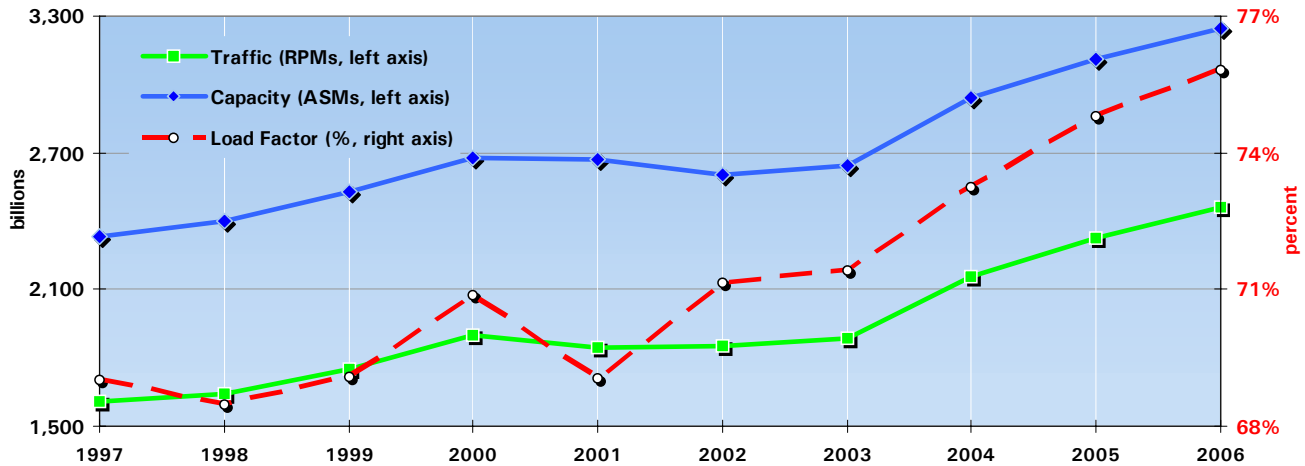
There is still turbulence in the industry and the concern that unforeseen shocks could upset the recovery of the past several years. Cost reductions and improved yields have been offset in particular by very high fuel prices (see the chart later in this section). IATA indicates that world carriers had a net post-tax loss of about \$500 million for 2006 which includes roughly \$3 ½ billion in restructuring costs at Delta and Northwest. In September 2007, IATA updated its forecast and indicated that even in the face of higher oil prices, stronger than expected demand for passenger traffic should result in a 2007 net profit of \$5.6 billion (revised upward from \$5.1 billion forecast earlier this year). For 2008, however, expensive fuel and the impact of the credit crunch has caused them to reduce their forecast of a net industry profit of \$9.6 billion down to \$7.8 billion. It forecasts that European carriers will show net profits of about \$2.1 billion in 2007 (up slightly from \$1.8 billion in 2006), Asian carriers profits of about \$0.7 billion (\$0.8 billion) and North American carriers \$2.7 billion after a loss of about \$2.7 billion in 2006 after taking into account restructuring costs.

Supply, Demand and the General Situation

Between 1994 and 2000, worldwide traffic growth consistently equaled or exceeded capacity growth but starting at

the end of 2000, a softening U.S. economy and the crash of the IT industry began to manifest themselves in falling yields and weakening traffic. A general softening in traffic and capacity growth throughout 2001 was amplified by the events of 9/11 which put a substantial crimp in the long term growth trend line. Total worldwide traffic and capacity dropped below year 2000 levels during 2001-2003 and finally began to show measurable recovery starting in 2004. The following chart, sourced from ICAO data, shows world traffic and capacity trends since 1997.

World Airline Traffic (ICAO data)



With respect to international traffic and capacity, IATA (whose approximately 240 member airlines represent over 90% of scheduled international travel) reported that RPK growth in August 2007 at 8.6% was the highest monthly growth rate in sixteen months although this was affected to some extent by reduced demand in August 2006 due to security concerns on the North Atlantic. For the first eight months of 2007, passenger growth was strong while cargo traffic continued to be weaker than forecast. The table below compares passenger and freight growth for the eight month periods this year and last as well as systemwide load factors.

International Scheduled Traffic Data, Jan-August 2007 compared to Jan-August 2006

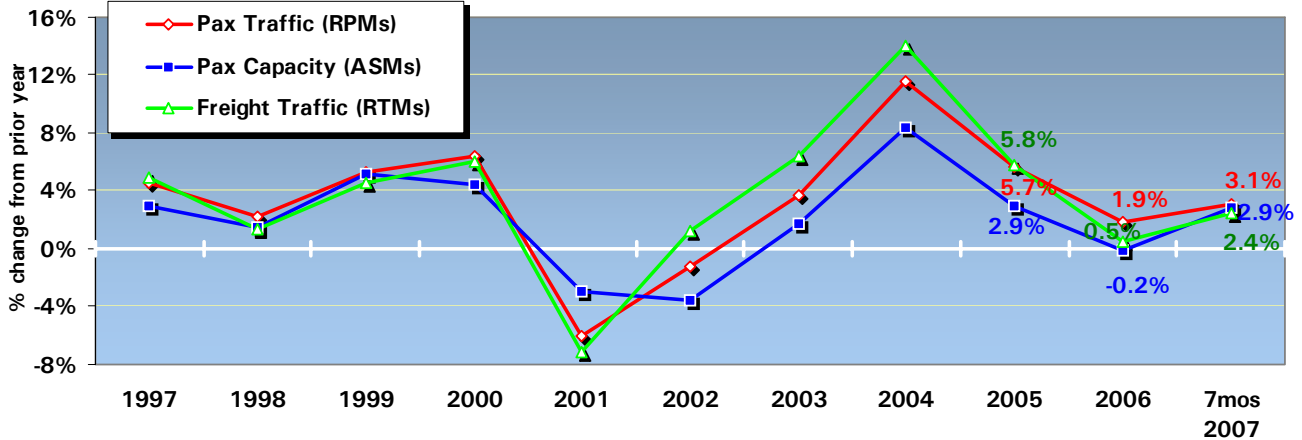
	RPK Growth	ASK Growth	Pax Load Factor	FTK Growth	ATK Growth
Industry	7.2%	6.1%	77.2%	3.9%	5.1%
Africa	9.3%	7.2%	69.2%	-4.4%	4.5%
Asia/Pacific	7.4%	5.6%	76.1%	6.5%	5.8%
Europe	5.9%	5.2%	77.7%	2.4%	3.8%
Latin America	3.9%	5.1%	72.9%	-6.8%	3.5%
MidEast	18.0%	14.5%	76.1%	10.0%	16.1%
N. America	5.1%	4.8%	81.4%	-0.6%	1.9%

IATA data

Bureau of Transportation Statistics data show that for U.S. airlines the rate of passenger traffic growth declined from 5.7% in 2005 to 1.9% in 2006 as price-sensitive leisure travelers responded to increasing fares and a general economic slowdown. At the same time, capacity actually declined slightly, freight traffic growth fell substantially from the prior year and the systemwide load factor was high at almost 79%. During the first seven months of 2007,

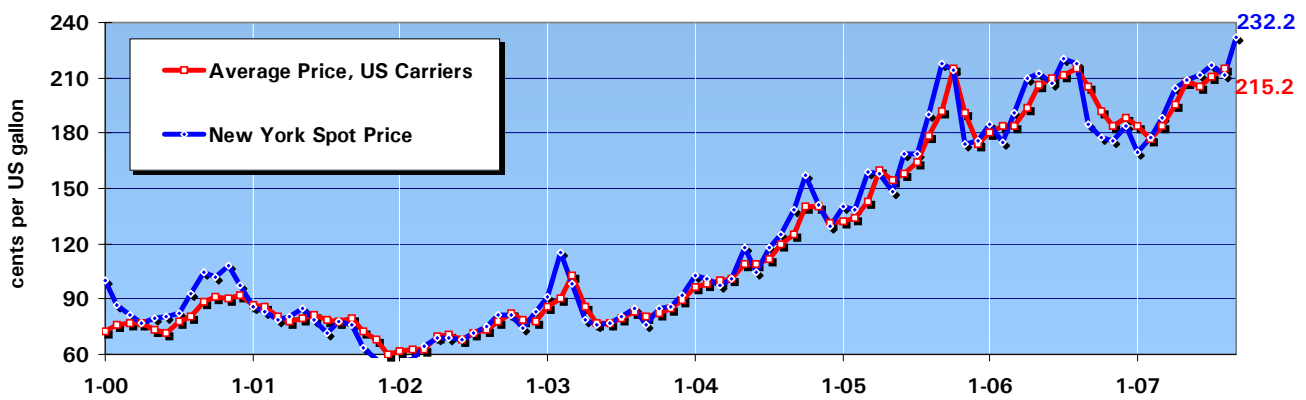
RPM and ASM growth showed moderate gains over the same period in 2006 as shown in the chart below and systemwide load factor was slightly above 80%.

Passenger and Freight Traffic Trends - U.S. Sched and Unsched Carriers



In the milieu of fierce competition, cost control has become critical. Labor costs are a major concern that airlines have worked hard to control and many have had good success. However, fuel prices have been causing substantial problems even for airlines which engage in fuel price hedging as they have been volatile for some time and remain at very high levels. The following chart details average and spot jet fuel prices (*average* prices through August 2007 in red, *spot* prices through September 2007 in blue). It is interesting to note that total fuel consumption for U.S. carriers was down slightly in 2006, dropping from 19.43 billion U.S. gallons in 2005 to 19.36 billion gallons in 2006.

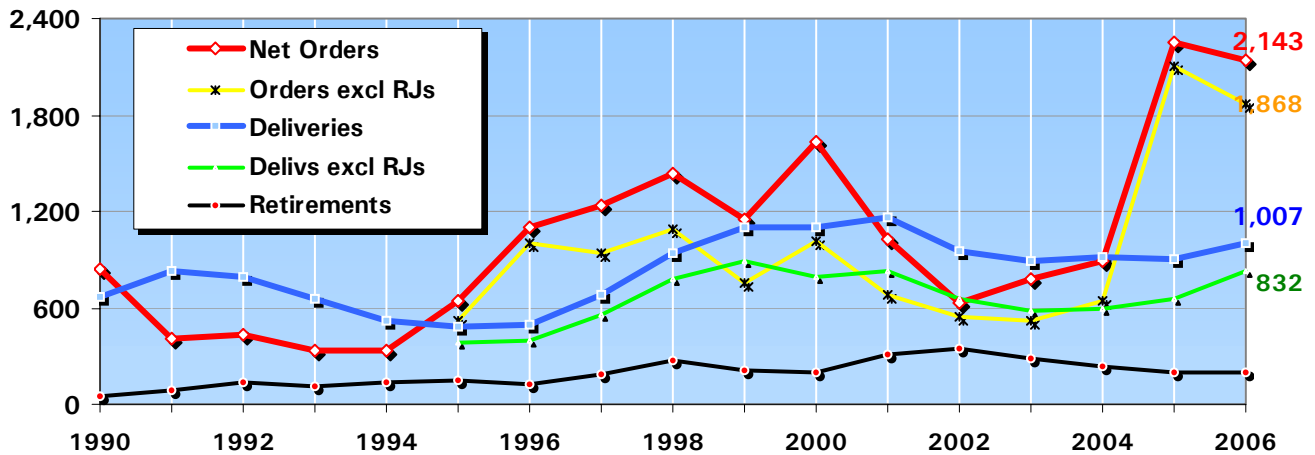
Jet Fuel Prices (through September 2007)



The airliner supply situation continues to be clearly cyclical. Reflecting the most recent market cycle, net new orders of *mainline* jets fell sharply during the last downturn and began to show some recovery during 2004. During 2005 and 2006, climbing passenger traffic triggered strong demand for new jetliners, the bulk of them mainline rather than regional jets. The chart below shows the order/delivery cycle since 1990.

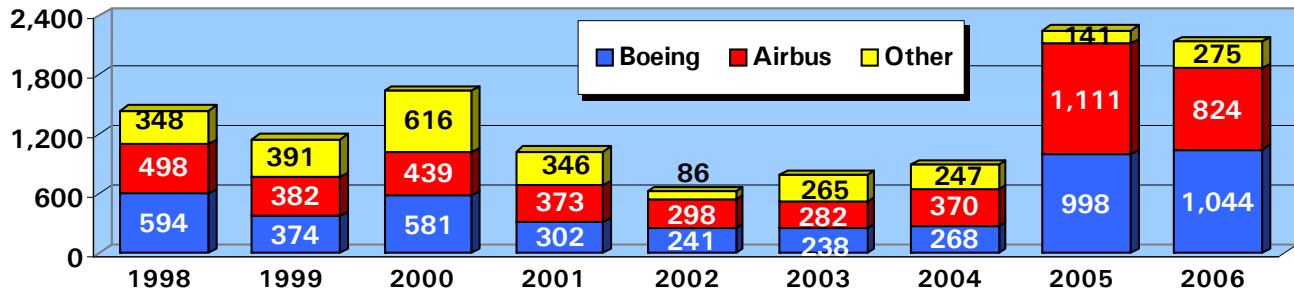


Jetliner Orders/Deliveries/Retirements 1990 - 2006

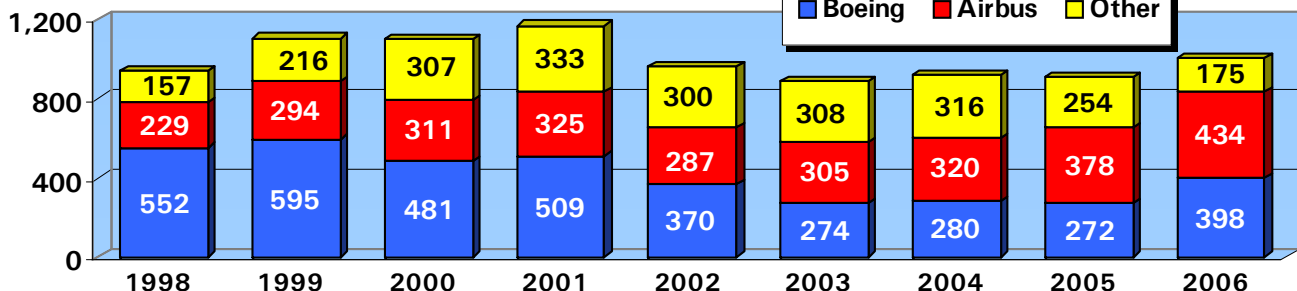


The following charts detail each manufacturer's share of deliveries and net new orders since the late 1990s.

Jetliner Net Orders by Manufacturer



Jetliner Deliveries by Manufacturer

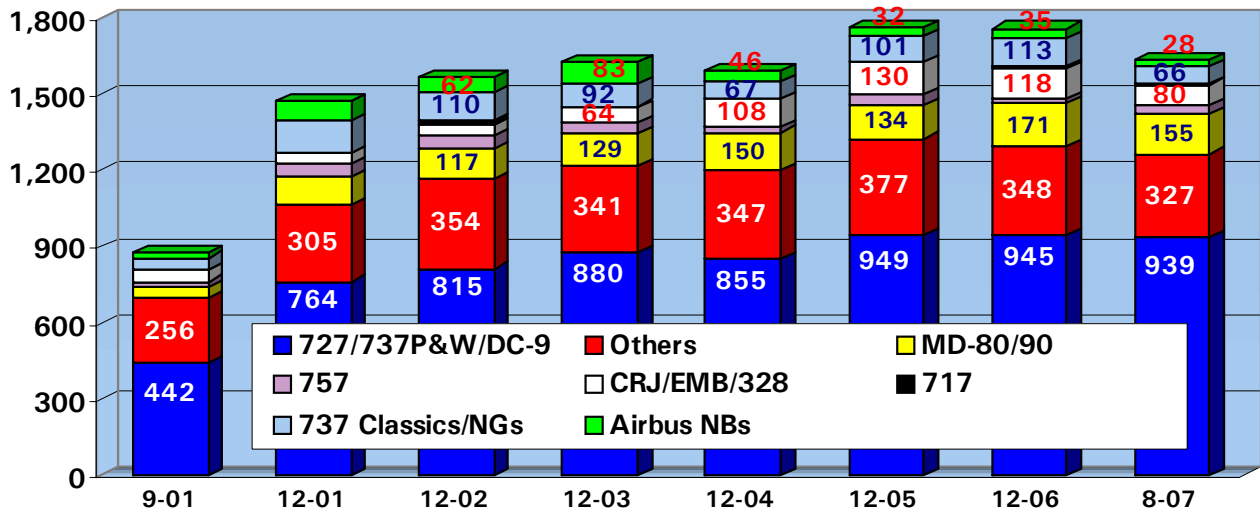


The Single Aisle Sector

With respect to single aisle aircraft, there is an ongoing bifurcation in the market. Values, rents and demand for modern generation narrowbodies - the 737 Classics and NGs, 757s and Airbus family - have enjoyed a clear recovery, especially since 2004. The used supply of those types is limited and manufacturers' order books for new

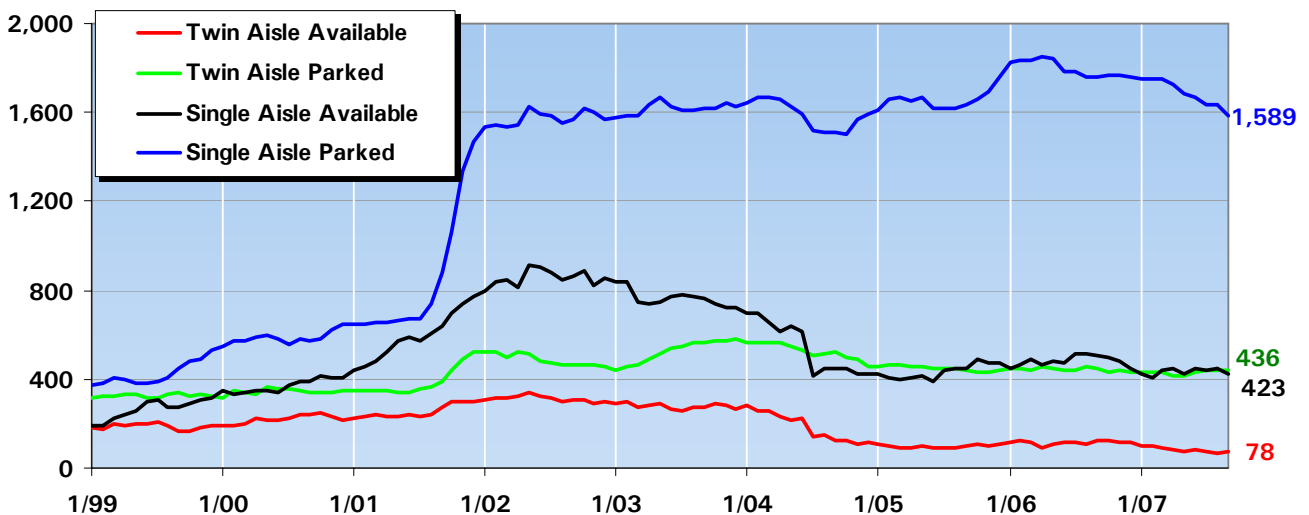
airplanes are substantial. The picture is different for early generation jetliners (all of those built as Stage 2 aircraft), the MD-80s and those which are not first line machines such as the BAe regional jets and Fokkers. Because of high fuel prices, environmental considerations and maintenance costs, demand for those aircraft is slack and many remain in, and are unlikely to exit from, storage. The following chart shows these trends.

Stored Single Aisle Jetliners (September 2001 - August 2007)



With respect to single aisle aircraft availability, the total has been trending down since reaching a cyclical high in 2002. Since that time, the number of single aisle jetliners publicly available for sale or lease has fallen by roughly half and as of September 2007 stood at approximately 425 aircraft, about 2 ½% of the single aisle fleet, which represents a firm market. The chart below shows this trend.

Jetliners Parked and Available (September 2007)





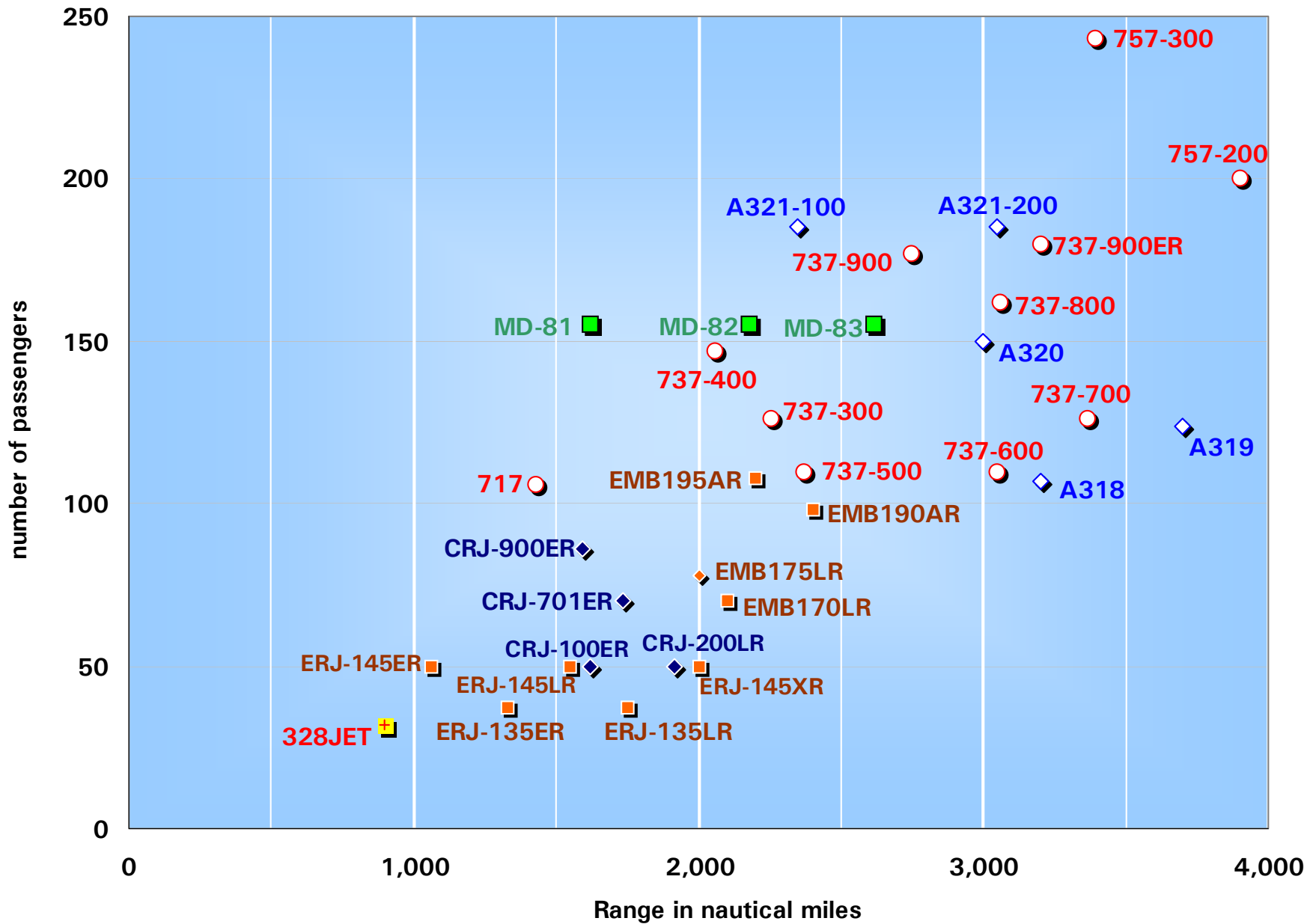
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For Aviation Specialists Group, Inc.

Single Aisle Payload-Range Chart



Single Aisle Market Mass (September 2007)

