

United States Bankruptcy Court
Southern District of New York

In re Mesa Air Group, Inc. et al.,
Debtors

Case No. 10-10018 (MG)
Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF
ENTITIES IN WHICH THE ESTATES
HOLD A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of 1/31/2010 on the value, operations and profitability of those entities in which the Debtors' estates hold a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of Mesa Air Group, Inc. ("MAG") holds a substantial or controlling interest in the following entity:

Name of Entity	Interest of the Estate
Mo-Go, LLC	75%

In addition to the entities listed in the table above, MAG is the sole member of Mesa Angels Foundation ("MAF"), an Internal Revenue Code section 501(c)(3) not-for-profit foundation organized as a non-stock corporation. Under U.S. tax rules, the member of a 501(c)(3) organization is prohibited from having any benefit inure to it by the organization. MAF receives donations contributed directly from employees of MAG, with such donations automatically deducted from payroll. MAF had assets on hand of approximately \$125,759.32 in cash as of the Petition Date.

Nilchi, Inc. ("Nilchi") holds an 88% interest in non-debtor Indigo Miramar, LLC for the purpose of investing in an airline related business. Nilchi prepares its financial statements with information provided by non-debtor third parties. As of the date hereof, Nilchi has not received the necessary information to prepare this Periodic Report.

Patar, Inc. ("Patar") holds a 43% interest in non-debtor Finao Telserra Fund I LLP ("Finao Telserra Fund") for the purpose of Patar's investment in an electronic transaction processing company. Patar wrote off its investment in such company in 2008 and, accordingly, no longer maintains any financial information with respect to its interest in Finao Telserra Fund.

This periodic report (the "Periodic Report") consists of three exhibits for Mo-Go, LLC ("Mo-Go"). Exhibit A contains a valuation estimate for Mo-Go as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the

Periodic Report, along with summarized footnotes. Exhibit C contains a description of Mo-Go's business operations.

THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR DEBTOR
IN POSSESSION.

The undersigned, having reviewed the above listing of entities in which the estates hold a substantial or controlling interest, and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

Date: March 31, 2010



Mike Lotz
President and Chief Financial Officer

Notes to Periodic Report Required by Bankruptcy Rule 2015.3

The financial statements contained in this Periodic Report are unaudited. While management of the Debtors and their affiliates have made every reasonable effort to ensure that these financial statements are accurate and complete based upon information that was available at the time of preparation, the subsequent receipt of information may result in material changes in the data contained in these financial statements, and inadvertent errors or omissions may exist. To the extent the Debtors discover additional information that may differ materially from the information set forth in the financial statements contained herein, the Debtors may amend, supplement or otherwise modify this Periodic Report to reflect such changes. Accordingly, the Debtors reserve all rights to amend, supplement or otherwise modify this Periodic Report as they deem necessary or appropriate.

1. Reservation of Rights. Nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of title 11 of the United States Code (the "Bankruptcy Code") and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers.

2. Basis of Presentation. The financial statements contained herein were not intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Debtors' affiliates. Significant efforts have been put forth to attribute the assets and liabilities to the proper legal entity. However, because the Debtors' accounting systems, policies, and practices were developed with a view to producing consolidated reporting, rather than by legal entity, it is possible that not all assets or liabilities have been recorded at the correct legal entity. Accordingly, the Debtors reserve all rights to supplement or amend any financial statements contained in this Periodic Report.

Moreover, given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a non-debtor entity shows more assets than liabilities, this is not an admission that the non-debtor entity was solvent at the Petition Date or at any time prior to the Petition Date, including the date as of or for the period of any financial statements or other financial information included in this Periodic Report. Likewise, to the extent that a non-debtor entity shows more liabilities than assets, this is not an admission that the non-debtor entity was insolvent at the Petition Date or at any time prior to the Petition Date, including the date as of or for the period of any financial statements or other financial information included in this Periodic Report.

3. Current values. Unless otherwise indicated, the basis for all current values included in this Periodic Report was the net book value from relevant corporate books and records as of the close of business on January 31, 2010. The net book value as of January 31, 2010 may not reflect the current value of the respective assets.

For the reasons discussed above, the Debtors caution readers not to place undue reliance upon the information contained in this Periodic Report. For further information, please refer to the consolidated financial statements and footnotes thereto in the respective Annual Report on Form 10-K for the fiscal year ended September 30, 2008 and other filings by the Debtors with the Securities and Exchange Commission.

Exhibit A
Valuation Estimate for Mo-Go, LLC

The below figures were prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) and represent the book value of Assets, Liabilities and Shareholder Equity of Mo-Go, LLC

(In \$U.S. 000's)

Month ended
January 31, 2010

ASSETS	
Assets:	
Cash and cash equivalents	1,562
Receivables, net of allowance	2,469
Prepaid expenses and other assets	362
Total Deferred Income Tax	729
Property and equipment, net	7,090
Security and other deposits	223
Total Assets	12,435
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current Liabilities:	
Current LTD	263
Accounts payable	288
Air traffic liability	940
Other accrued expenses	915
LTD (Excl Current Portion)	3,546
Other Non-Current Liabilities	3,775
Total liabilities	9,728
Stockholders' equity:	
Common stock	23,000
Retained Earnings	(20,293)
Total stockholders' equity	2,707
Total liabilities and stockholders' equity ⁽¹⁾	12,435

(1) Mesa Air Group entered into the Mo-Go joint venture on October 14, 2009. The financial data in this report reflects activity from October 14, 2009 through January 31, 2010.

Exhibit B
Financial Statements for Mo-Go, LLC

Exhibit B-1
Balance Sheet for Mo-Go, LLC

(In \$U.S. 000's)

Month ended
January 31, 2010

ASSETS

Assets:

Cash and cash equivalents	1,562
Receivables, net of allowance	2,469
Prepaid expenses and other assets	362
Total Deferred Income Tax	729
Property and equipment, net	7,090
Security and other deposits	223
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(1) Mesa Air Group entered into the Mo-Go joint venture on October 14, 2009. The financial data in this report reflects activity from October 14, 2009 through January 31, 2010.

Exhibit B-2
Statement of Income (Loss) for Mo-Go, LLC

(In \$U.S. 000's)

	YTD October 14 to January 31, 2010
Revenues:	
Passenger	\$ 12,523
Other	942
Total Revenue	13,464
 Operating Expenses:	
Flight Operations	3,371
Aircraft Fuel	3,260
Aircraft and traffic servicing	2,591
Maintenance	2,963
Promotion and sales	1,296
General and administrative	1,419
Depreciation and amortization	551
Total operating expenses	15,451
Operating Income (Loss)	(1,987)
 Nonoperating income (expense)	
Interest Expense	(95)
Total Nonoperating income (expense)	(95)
Income (Loss) before income taxes	(2,082)
Income taxes ⁽²⁾	(729)
Net Income (Loss) ⁽¹⁾	(1,353)

(1) Mesa Air Group entered into the Mo-Go joint venture on October 14, 2009. The financial data in this report reflects activity from October 14, 2009 through January 31, 2010.

(2) As of January 31, 2010, the company estimated an effective tax rate of 35%.

Exhibit B-3
Statement of Cash Flows for Mo-Go, LLC

(In \$U.S. 000's)

		Month ended January 31, 2010
Cash flows from operating activities:		
Net income (loss)	\$	(294)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization		57
Deferred income taxes		(158)
Intercompany billing from Go! Airline		316
Changes in operating assets and liabilities:		
Receivables		(258)
Prepaid expenses and other assets		112
Accounts Payable		(653)
Other accrued liabilities		818
Net cash provided by (used in) operating activities		(61)
Cash flows from financing activities:		
Principal payments on long-term borrowings		(26)
Net cash (used in) provided by financing activities		(26)
Increase (decrease) in cash and cash equivalents		(87)
Cash and cash equivalents at beginning of period		1,649
Cash and cash equivalents at end of period ⁽¹⁾		1,562

(1) Mesa Air Group entered into the Mo-Go joint venture on October 14, 2009. The financial data in this report reflects activity from October 14, 2009 through January 31, 2010.

Exhibit B-4
Statement of Changes in Shareholders'/Partners' Equity (Deficit) for Mo-Go, LLC

Mesa Air Group, Inc. entered into the Mo-Go joint venture on October 14, 2009. There has been no change in interest holders' equity (deficit) for the period covered by the Periodic Report.

Exhibit C
Description of Operations for Mo-Go, LLC

Mesa Air Group, Inc. (“MAG”) holds a 75% direct interest in Mo-Go, LLC, which contracts with Mesa Airlines, Inc. to service the *go!* Mokulele operations in Hawaii.

Pursuant to Mo-Go’s operating agreement, Mo-Go is a joint venture whose purpose is to engage in the business of providing inter-island commercial airline services in Hawaii.