

February 28, 1984

2002 AIRPORT ROAD
GRAND RAPIDS, MN 55744

218/326-6657

TO: ALL FELLOW EMPLOYEES

FROM: ROBERT D. SWENSON
PRESIDENT & CHIEF EXECUTIVE OFFICER

GREETINGS TO YOU!

The exciting news is that we've now committed to a specific course with our recent F27 purchases. These two aircraft will complement our 99's and give us diversity in our aircraft fleet and additional expansional capabilities. Although it has taken months of work and effort to bring the project to this phase, we now have months of planning and intensive effort ahead of us to successfully place these aircraft into service early this Summer. At the same time, this project in no way underscores our level of commitment to excellence in our Beech 99 program.

These F27 Series 200 aircraft are currently in 44- and 48-passenger configurations. Both new interiors are done in maroons, reds and oranges and are perfectly in our colors. Both aircraft have been completely repainted, one is all over white with a gray belly and the other is all over white with maroon, red and orange stripes painted on the lower fuselage. We will be painting our trim colors on these aircraft upon their arrival in the United States. Maintenance-wise, both of these aircraft have come out of detailed checks that cover the complete maintenance program and both are in excellent condition. These aircraft are presently at Air U.K.'s facilities in Norwich, England and will be delivered to us on March 31 and May 15, respectively.

Along with purchasing these aircraft, we have cancelled our orders for the three Dash 8's. For your information, I will detail most of the reasoning behind our purchase of the Fokker F27's and some of the reasons why we felt we would be unable to utilize the Dash 8's on our planned route structure.

1. Timing - We felt we needed larger equipment sooner.
2. Capacity - Our market research indicated a need for 40-seat aircraft, thus with 44- or 48-seat aircraft, we have additional growth capabilities.
3. Price - The Dash 8's were originally priced at 3.7 million per aircraft and have since escalated up to over 5.0 million. The F27's we purchased were 1.8 million apiece with additional used aircraft available throughout the world.
4. Operating Costs - Our research indicated that the breakeven number of passengers required on a 200 statute-mile segment with either aircraft was the same, thus, the F27 has a greater profit potential with 8 to 12 more passenger seats for profit. This also gives the F27 a lower breakeven load factor.
5. Operating History - The F27 is a proven machine with current production of the aircraft ongoing. Fokker has also embarked upon the new model Fokker 50 with planned production on these aircraft through the year 2000. Although the Dash 8 looks to be an excellent aircraft, the first operators of this model will have to develop reliability programs to receive component overhaul extensions.

Summary: Although we still believe the Dash 8 is an excellent aircraft, we felt we needed larger equipment sooner. The F27 has a lower purchase price, a lower breakeven load factor and comparable hourly operating costs.

NOTE: The F27 200's on our route system will normally be cruising between 12,000 and 16,000 feet altitude at a speed of approximately 275 statute miles per hour. The aircraft are pressurized, complete with sandbox and will feature in-flight services.

In conjunction with providing in-flight services, I am taking applications from both inside and outside the Company to fill the position of Manager - In-Flight Services. This position will be based in Minneapolis and will involve manual preparations, training and supervision of Flight Attendants and In-Flight Services. We are looking for a self-starter who is a mature and responsible individual, capable of initiating and running the Department. If you are interested in this position, please send your resume to me as soon as possible.

I am pleased to announce that we have recently hired a new Vice President, Maintenance, Mr. Bernhard Loegering. Bernie recently retired from the FAA as a maintenance inspector, (principally assigned to Northwest Airlines), and will give us additional expertise as we continue to expand our Maintenance Department and our airline fleet. Bernie will be based in Minneapolis along with our growing operational group there.

As we continue forward, we will be moving more of our Operations personnel to the Minneapolis offices. When the moving dates for these personnel are firmed up, I will let everyone know.

Further, we should be near completion of our six-month evaluations in most departments. If you have not had an evaluation, please contact your immediate supervisor.

With regards to airline pass travel, you must be employed full time for at least six months to qualify for travel on other airlines and appropriate attire must be worn at all times. People travelling on a pass within our own system will be refused travel if in jeans. Any employee or family member not following Pass Policy or requesting deviations from the standards as specified in our Station Manuals, will be subject to loss of all pass privileges. Pass privileges are exactly that, a privilege.

With regards to route case status, the following update applies:

1. Pierre-Sioux Falls, South Dakota - This route award has been taken to court by the State of South Dakota. They have requested that the CAB further define the exact seats necessary to be provided both East and West out of Pierre. It appears as though this case will take several months to reach a conclusion.
2. Southwestern Minnesota - Several competitors have put in proposals to serve these communities with less subsidy than we feel is necessary. American Central, Bemidji, Midwest Aviation and Great Lakes have all put in proposals for service. We do not foresee us making any major changes regarding our proposals of service or subsidy needs to provide services in these cities. We plan to win this route award and continue serving these cities with quality service.
3. Clinton and Ottumwa, Iowa - We recently put a bid in to serve these cities to Chicago. Our bid is approximately \$100,000 less than the renewal bid of American Central's. We bid fairly on these cities and feel we can be profitable at the level of subsidies submitted. You will be kept updated on this case as it progresses.

4. Mason City and Fort Dodge - We are awaiting the CAB designation setting the second year rates for service on these communities. We have already negotiated these rates and are awaiting their selection of a specific service pattern.
5. None of our other route cases are in proceedings at this point in time.

Congratulations to the following employees for joining Mesaba during the past few months! Thank you for selecting our Company to work with and welcome aboard. The following employees are now full time employees.

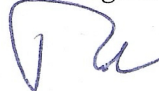
Rick Budden	PSA	OTG	December 8, 1983
John Thompson	First Officer	MSP	December 12, 1983
Bill Munig	First Officer	MSP	December 12, 1983
Greg Hughes	First Officer	MSP	December 12, 1983
David Bredow	First Officer	MSP	December 12, 1983
David Luedke	PSA	MSP	December 15, 1983 PT to FT
David Miller	PSA	MSP	December 15, 1983 PT to FT
Janine Hince	Mtnce Clk	GPZ	January 1, 1984 PT to FT
Rhonda DeVries	PSA	JMS	January 1, 1984
Harold Sellie	Mechanic	MSP	January 16, 1984
Christopher Dargay	First Officer	MSP	January 18, 1984
Kathryn Williams	First Officer	MSP	January 18, 1984
Heidi Humrickhouse	Air Freight	GPZ	January 23, 1984
Laurie Anderson	Clk Typist	GPZ	January 23, 1984
William Boynton	First Officer	MSP	January 26, 1984
Karen Veldhuizen	PSA	MKT	February 5, 1984 PT to FT
Mary Jo Murphy	PSA	MSP	February 5, 1984 PT to FT
Mitch Hagen	First Officer	MSP	February 6, 1984
Alan Bachman	Mechanic	MSP	February 13, 1984
Nancy Feters	PSA	FRM	February 14, 1984 PT to FT
Bernhard Loegering	Vice President-		
	Maintenance	MSP	February 22, 1984
Richard Reed	First Officer	GPZ	February 24, 1984
Dave Johnson	First Officer	MSP	February 24, 1984

Thanks to everyone's efforts, we set a new boarding record in January of 7,420 passengers! Specific city boarding records were set in December for the Brookings, Fort Dodge, Fairmont, MSP, Huron and Mason City stations and in January for the Huron and Minneapolis stations. Congratulations to the personnel in these cities!

Please find enclosed our Third Quarter Financial Report for the three months and nine months ended December 31, 1983, for your review. In it you will find that we were profitable again and set quarterly earnings and revenue records. For the months of October, November and December, we reported a net profit of \$104,000. We must maintain and improve upon our profitability to attract investors and shareholders interest. Our profitability is critical to our jobs and our future growth. Let's continue forward with progress!

Thank you for your support and your efforts. I hope the warmer weather is agreeing with you.

Best regards,



Robert D. Swenson
President & Chief Executive Officer

Enclosure