

SKYWEST ANNOUNCES FIRST QUARTER 2011 RESULTS

June 27, 2011 (Canada NewsWire Group) --

CALGARY, June 27 /CNW/ - SkyWest Energy Corp ("SkyWest", "we", "us", "our" or the "Company") (TSX-V: SKW) is pleased to announce its financial and operating results for the first quarter ending March 31, 2011.

(\$ CDN unless otherwise noted)	For the three month period ended March 31, 2011	For the three month period ended March 31, 2010
FINANCIAL		
Revenues	6,982,936	9,274
Funds from (used in) operations ⁽¹⁾	3,225,442	(71,522)
Per share (basic)	0.02	(0.00)
Per share (diluted)	0.02	(0.00)
Net income (loss)	(139,462)	(75,634)
Per share (basic)	(0.00)	(0.01)
Per share (diluted)	(0.00)	(0.01)
Capital expenditures, net	17,604,191	641,458
Total assets	115,444,480	2,368,460
Shareholders' equity	75,165,004	1,299,883
Working capital (deficiency)	(15,541,227)	162,298
OPERATIONS		
Production sales		
Oil (bbls/d)	550	-
Natural gas (mcf/d)	5,849	44
NGL (bbls/d)	112	-
Total (boe/d @ 6 mcf: 1 bbl)	1,636	8
Average pricing		
Natural gas (\$/mcf)	4.29	2.34
Oil (\$/bbl)	82.90	-
NGL (\$/bbl)	61.49	-
Combined (\$/boe)	47.43	12.88
Expenses		
Operating expenses (\$/boe)	12.10	15.66
Transportation expenses (\$/boe)	2.01	-
Royalty expense (\$/boe)	4.88	2.79
Netback Combined (\$/boe)	28.44	(5.57)
Net Cardium sections	35	1
Common Shares Outstanding	202,423,548	9,462,819
Total shares, warrants and options issued	229,453,224	13,233,647

⁽¹⁾ Funds from operations are calculated as cash flow from operating activities before the change in non-cash working capital and are a non-IFRS measurement (see "Non-IFRS measures").

Message to Shareholders

SkyWest is pleased to provide you with our first quarter 2011 operational and financial results. SkyWest continues to focus on the Cardium resource play and are continually expanding and exploiting our existing Cardium acreage position. We also continue to focus on capital efficiency, lowering operating costs and increasing our oil production. SkyWest continued to develop the Cardium resource play in the first quarter by drilling and completing 3 (2.2 net) horizontal multi-stage fractured light oil wells. The Carrot Creek 9-14 is on production and continues to produce over 175 bbl/day of oil after being on production for over 60 days. The 5-24 South Pembina well continues to produce over 250 boepd after being on production 30 days and the 1-02 Willesden Green well tested at over 600 boepd and is awaiting tie-in.

We have 3 core areas: Willesden Green, Pembina and Carrot Creek, which are located in west central Alberta. Management is very pleased and encouraged by the results of our first round of Cardium wells drilled and our goal is to continue this success into 2011. We are also pursuing other key strategic oil assets and have recently acquired 8.5 sections on an emerging oil resource play for minimal cost at approximately \$40/acre.

Looking Back

- Our 9 operated Cardium horizontal wells averaged 190 boepd over the initial 150 days of production.
- Significantly increased production and cash flow from Q4 2010. Q1 2011 production volumes averaged 1636 boepd (approximately 40% oil and NGLs resulting in 68% of the Company's revenues) versus 679 boepd in Q4 2010. Generated funds flow from operations of \$3,225,442 in Q1 2011 versus \$178,461 in Q4 2010.
- Increased Corporate netbacks to \$28.44/boe from \$20.64/boe in Q4 2010 (an increase of 37.80%). Cardium netbacks are forecasted to be approximately \$35.00/boe for the remainder of 2011.
- Finding, development and acquisition costs for 2010 on a proved plus probable basis were \$16.61/boe.
- Credit facility increased from \$22.5 million to \$30 million. Effective June 14th, the Company increased its \$16.5 million revolving operating demand loan to \$21 million and further increased its non-revolving acquisition development line from \$6 million to \$9 million for a total credit facility of \$30 million.

Looking Ahead

The industry, and more specifically SkyWest, is experiencing a net decline in production in the second quarter of 2011 due to an extended break-up. For SkyWest we experienced a turnaround at the AltaGas gas plant at South Pembina and our gas production being shut in at Ricinus due to temporary processing capacity restrictions at the Shell Caroline facility. We expect the impact on our Q2 2011 cash flow to be minimal as the majority of our lost production is from our gas production at Ricinus.

SkyWest has 2 drilling rigs contracted to continue our 2011 drilling program, whereby we plan to drill 8 to 9 gross (5 to 6 net) additional Cardium horizontal wells this year. Our goal is to exit 2011 with 2200 to 2400 boepd and continuing this trend into 2012. We expect to add significant reserves, cash flow and growth on a per share basis.

I would like to thank all our shareholders for their continued support. It is much appreciated and we look forward to kicking off the balance of our 2011 drilling program.

On behalf of the Board of Directors

Mr. Lawrence Urichuk, President and Chief Executive Officer

Information Regarding SkyWest

SkyWest Energy Corp. is a Cardium focused, public oil and gas exploration and development company, located in Calgary, Alberta with operations in Alberta. SkyWest currently trades on the TSX Venture Exchange (TSXV) under the Symbol "SKW".

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Statements herein that are not historical facts may be considered forward looking statements including management's assessment of future plans and operations, growth expectations within the Corporation, expected initial production rates from certain new wells, timing of completion of wells and of production additions, expected size of various plays, construction or expansion of facilities and the timing thereof and expected costs and the effects thereof, drilling plans and the effects thereof. These forward-looking statements sometimes include words to the effect that

management believes or expects a stated condition or result. All estimates and statements that describe the Corporation's objectives, goals or future plans are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties including, without limitation, risks associated with the Acquisition, oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, SkyWest's actual results may differ materially from those expressed in, or implied by, the forward-looking statements.

Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although SkyWest believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because SkyWest can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the ability of SkyWest to obtain equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which SkyWest has an interest in to operate the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which SkyWest operates; and the ability of SkyWest to successfully market its oil and natural gas products.

Readers are cautioned that the foregoing list of factors and assumptions is not exhaustive. Additional information on these and other factors that could effect SkyWest's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and SkyWest does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOEs

Disclosure provided herein in respect of barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.