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Southwest Airlines Developing Bid Proposal in Frontier Airlines Bankruptcy Court Proceeding

Low-Fare Carrier Seeks to Acquire Frontier Airlines

DALLAS, July 30 /PRNewswire-FirstCall/ -- Southwest Airlines (NYSE: LUV) confirmed today that the carrier is preparing a bid to acquire Denver-based Frontier Airlines, which will be sold at auction in bankruptcy court next month. The carrier has submitted a nonbinding proposal in accordance with the bidding procedures established in the U.S. Bankruptcy Court for the Southern District of New York. The bid is worth a minimum of \$113.6 million, which is in excess of the bid currently filed by Republic Airways.

Submission of a nonbinding proposal gives Southwest an opportunity to engage with Frontier in the due diligence required to determine the scope of a binding proposal to be submitted by the court's Aug. 10, 2009, deadline.

"We are excited about the opportunity to submit a bid," said Gary Kelly, Southwest's Chairman of the Board, President, and CEO. "We see a strong fit between our Company cultures, a mutual commitment to high quality Customer Service, and similar entrepreneurial roots."

A successful acquisition of Frontier Airlines will allow Southwest to expand its network with its legendary low fares, add jobs into Southwest, and boost competition in Denver and other cities. Southwest is a qualified investor and is still preparing its proposal; therefore, it is premature to comment on the specifics at this point.

To view a Q&A with a Southwest Airlines Executive Vice President Corporate Services and Corporate Secretary Ron Ricks, please visit: <http://www.blogsouthwest.com/blog/southwest-bids-frontier-airlines>.

Frontier filed for bankruptcy court protection in April 2008. On June 22, 2009, Republic Airways submitted a bid to purchase Frontier for \$108.8 million.

After 38 years of service, Southwest Airlines offers a reliable product with exemplary Customer Service. Southwest Airlines is the most productive airline in the sky and offers Customers a comfortable traveling experience with all premium leather seats and plenty of legroom. Southwest recently updated its gate areas and improved its boarding procedure to make flying Southwest Airlines even more convenient and simple. Southwest Airlines currently serves 66 cities in 33 states, and announced service to Boston Logan, which begins Aug. 16, 2009, and to Milwaukee, which begins Nov. 1, 2009. Southwest currently operates more than 3,300 flights a day and has more than 35,000 Employees systemwide.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of

1934, as amended. Specific forward-looking statements relate to the Company's interest in acquiring Frontier Airlines. These forward-looking statements are based on the Company's current information, intent, expectations, and projections and are not guarantees of future actions or performance. These statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) the Company's ability to receive all necessary approvals, including any necessary governmental or regulatory approvals and the approval of the Company's Board of Directors; (ii) results of the Company's due diligence; (iii) changes to the Company's business plan and strategies; (iv) the Company's being named the winning bidder in the auction process in Frontier's bankruptcy proceeding and the Company's ability to obtain all necessary approvals for the acquisition in Frontier's bankruptcy proceeding, including approval by Frontier's creditors and the bankruptcy court of Frontier's plan of reorganization, (v) the Company's ability to timely and effectively prioritize its revenue and cost reduction initiatives; and (vi) other factors, as described in the Company's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008. Therefore, the Company can give no assurance that any bid it submits to acquire Frontier will be successful or that any subsequent acquisition will be completed.

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