

## Continental Airlines and ExpressJet Reach New Seven-Year Capacity Purchase Agreement

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Continental Airlines (NYSE: CAL) today announced that it has reached a new seven-year capacity purchase agreement with ExpressJet Airlines, Inc. to provide regional jet service for Continental Airlines at rates that are lower than rates under its current agreement and more competitive with those offered by other regional service providers. The new agreement is effective July 1, 2008.

The new contract enables Continental to continue to benefit from the excellent service and substantial feed traffic provided by ExpressJet. The base agreement covers flying by ExpressJet of a minimum of 205 regional jets in the first year and a minimum of 190 regional jets thereafter.

In addition, ExpressJet has the right to return to Continental 39 Embraer 50-seat regional jets that ExpressJet currently uses for non-Continental contract flying. Continental plans to add the returned aircraft to the new agreement and withdraw from the agreement up to 30 of its Embraer 37-seat regional jets currently flown by ExpressJet for Continental. Continental will then sublease or ground all of the withdrawn Embraer 37-seat regional jets to better align regional capacity with current market conditions. Additionally, the agreement reduces the rent Continental charges ExpressJet on 30 other regional jets that ExpressJet will retain for seven years to fly at its own revenue risk.

Continental and ExpressJet also entered into a settlement agreement and release of all the parties' claims relating to payments and rates under the original capacity purchase agreement, including all disputes previously disclosed as possible matters for arbitration.

Continental Airlines is the world's fifth largest airline. Continental, together with Continental Express and Continental Connection, has more than 3,100 daily departures throughout the Americas, Europe and Asia, serving 145 domestic and 138 international destinations. More than 550 additional points are served via SkyTeam alliance airlines. With more than 45,000 employees, Continental has hubs serving New York, Houston, Cleveland and Guam, and together with Continental Express, carries approximately 69 million passengers per year.

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