

MAY 18 2007

**AVATION PLC
('Avation' or the 'Company')**

PURCHASE OF FOURTH JET AIRCRAFT

The Board of Avation, the owner of commercial jet aircraft, which provides aircraft leasing, airline consumables as well as a business unit providing equipment to the broadcast industry, is pleased to advise that it has entered into a conditional term sheet to purchase a Fokker 100 Aircraft which will bring Avation's fleet to four Fokker F100 aircraft.

HIGHLIGHTS

Avation has indicated its willingness to pay US \$4.9m for the aircraft;

The aircraft is currently operated by a European Airline;

The existing aircraft lease with the European Airline will be novated to the Company;

The aircraft is leased at approximately US \$1.0m plus reserves per year to the European Airline

An engineering representative of the Company has satisfactorily inspected the aircraft itself along with the books and records for the aircraft.

The Company has paid the up-front deposit on the purchase price, the balance will be funded from the Company's existing cash, a potential warrant exercise and bank credit lines. The Company's bankers have indicated their approval for additional banking lines. The conditionality in the purchase includes the entering into definitive sale agreements which are typical in transactions of this nature, however, the Company intends to proceed to settle these documents as quickly as practicable.

The Company is operating profitably and the operations are proceeding to the expectations of the directors.

The Chairman, Jeff Chatfield said: **"Subject to final documentation, we are pleased to have agreed the purchase of a fourth jet Aircraft. This deal will further bolster our asset base and long term revenue streams as the company continues grow its aircraft leasing business."**

The directors take responsibility for the contents of this announcement.

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ENQUIRIES:

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