

1st October 2007

AVATION PLC

("Avation" or "the Company")

BUYS AND LEASES 6th COMMERCIAL JET AIRCRAFT

The Board of Avation PLC is pleased to announce the completion of the acquisition and lease of its sixth commercial passenger aircraft by its leasing subsidiary Capital Lease Aviation PLC ("CLA").

HIGHLIGHTS

- CLA contracted to purchase the aircraft for USD \$5.10m. With final net cash outlays after acquisition inspection and adjustments, the final purchase price is USD \$4.63m;
- The aircraft has been leased to Skywest Airlines for operation in Australia at a lease rate of about USD \$1.18m per year plus maintenance reserves;
- The term of the lease to Skywest Airlines is 60 months;
- Skywest Airlines will register the aircraft as VF-FNN and it will be the 12th aircraft in Skywest's fleet;
- CLA has paid the purchase price from its existing cash resources; and
- In due course CLA will partially re-finance this aircraft from the banking facility announced on 26 September 2007 in an exercise designed to optimise CLA's debt to equity ratio.

CAPITAL LEASE AVIATION PLC

CLA raised a total of GBP 11,450,001.36 (gross of issue costs) through the issue of 47,708,339 new ordinary shares of 0.1 pence each at a price of 24 pence per ordinary share in July 2007. Avation holds 51.22% of the enlarged share capital of CLA. It is the intention of the Directors that, subject to the securing of further suitable aircraft and also the acquisition of senior debt financing CLA will use a combination of debt and equity finance to acquire various commercial aircraft which will be leased to airlines. CLA will endeavour to provide a leveraged return on the investment in the aircraft and is pleased, to have secured this further debt finance to facilitate this process. CLA owns two Fokker F100 jets both of which are leased to

Skywest Airlines for a term of five years.

Avation's Chairman, Jeff Chatfield said: "Adding the sixth commercial aircraft to the group adds once again to the asset base. We have grown from zero to six commercial airliners in less than a year and we are pleased with the development of the asset base."

The directors take responsibility for the contents of this announcement.

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ENQUIRES:

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