

06 December 2011

**AVATION PLC
("AVATION" or the "COMPANY")**

Aircraft fleet to expand

The Company is pleased to announce that it has contracted to purchase five additional ATR-72 aircraft from ATR. This will expand the total number of these aircraft for firm delivery to 13.

Furthermore, Avation has secured a further additional eight ATR72 aircraft options. The economics of each aircraft delivery are substantially in accordance with that as previously disclosed by the Company.

These new aircraft are to be wet leased in conjunction with Australian carrier Skywest Airlines, who will operate the aircraft in Virgin Australia colours pursuant to 10-year operating leases. The Company has achieved price protection on all of these additional aircraft.

"We are delighted to have firmed up five additional aircraft and secured price protection on an additional eight aircraft over the next few years. This new agreement provides a potential delivery stream of aircraft for the next four years. The Company has entered discussions with respect to financing the acquisition costs of these aircraft" says Chairman, Jeff Chatfield.

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