

AVATION PLC
(the "Company")

NEW AIRLINE CUSTOMER

Avation PLC, (LSE: AVAP) the aircraft leasing company, which purchases commercial passenger aircraft and leases them to airlines, today announces that it has secured a new airline customer.

Avation PLC has entered into a Letter of Intent with Fiji Airways for the lease of one new ATR 72-600 to be delivered in April 2014. The operating lease will be for a twelve year term and is at typical commercial lease rates. The operator of the aircraft will be Fiji Airways' regional subsidiary Pacific Sun. The operating lease is subject to final contract between the parties. The aircraft is being delivered pursuant to the exercise of one of the aircraft options for 2014 delivery positions owned by the Company.

Avation PLC's Executive Chairman, Jeff Chatfield said "We are excited to welcome Fiji Airways to our increasingly diversified airline customer pool. This new airline is an important expansion of our customer base."

For reference the full text of the Pacific Sun media release is quoted below in this announcement.

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More information on Avation PLC can be seen at: www.avation.net

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The full text of the Pacific Sun Media release:

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PACIFIC SUN TO ADD NEW ATR 72-600 TO ITS FLEET
New acquisition to boost domestic and regional travel and trade

Pacific Sun, Fiji Airways' regional subsidiary has today announced that it will lease an ATR 72-600 aircraft, to add to its fleet of two ATR 42 and three DHC Havilland Twin Otter aircraft. Pacific Sun has signed a formal Letter of Intent (LOI) for this leased aircraft with Singapore-based aircraft leasing company Avation PLC.

Pending the signing of the formal contract, the brand new ATR 72-600 is expected to arrive in Fiji in April 2014. The aircraft would be acquired as an operating lease for 12 years, and funded by the company's own finances, without the need for external financing. Pacific Sun intends to use the new aircraft on its domestic and regional (Pacific Islands) routes, which it operates on behalf of Fiji Airways.

Nalin Patel, Pacific Sun's Chairman said the intent to acquire an additional, larger aircraft stems from the airline's confidence in the growth of domestic and regional travel.

"Pacific Sun provides an invaluable link between Fiji's main and outer islands, as well as between Fiji and its Pacific neighbours, Mr. Patel said. "With the growth in domestic and regional traffic experienced in the past years, and a restructure of Pacific Sun's operations under the leadership of General Manager Shaenaz Voss now complete, the time is now right for the airline to expand its fleet. This will provide a boost to travel between Fiji's larger domestic ports (Nadi, Suva and Labasa), as well as encourage further travel and trade between Fiji, Tuvalu, Kiribati, Vanuatu, Samoa and Tonga."

Voss says the decision to acquire the larger ATR 72-600 aircraft, which can carry 68 passengers was done after careful and independent assessment of Pacific Sun's route network and the traffic it carried year round.

"What this acquisition will allow us to do is match demand with the right capacity. Due to its size, our new ATR will operate between Fiji's larger ports – Nadi, Suva and Labasa, and from Fiji to other Pacific island destinations, so naturally we will increase frequency of flights between to our Regional Ports. While we look forward to announcing what our schedules will look like, we can safely say that the increased capacity and frequency will allow us to offer more convenient services with even better connectivity opportunities with Fiji Airways' international schedules."

Pacific Sun's ATR pilots will undergo a 'difference' course and will be certified to operate both ATR 42 and ATR 72 aircraft types when the new aircraft joins the fleet.

"While we have the required number of pilots to operate the new ATR 72 once it's inducted into the fleet, we will also promote from within our existing national pilot complement".

Aubrey Swift, Fiji Airways Acting CEO says the new aircraft acquisition is the start of further investment the parent company will make in Pacific Sun.

"Now that Fiji Airways has been launched and all continues to go well for the national carrier, the Board and Fiji Airways' Management now turn the focus to our regional subsidiary. As part of the Fiji Airways revitalisation and turnaround, Pacific Sun has already undergone operational restructuring. The work going on now is fleet and network optimisation to ensure that the Pacific Sun adds valuable capacity to the domestic and regional markets."

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Note to Editors: Details and background on Avation PLC can be found here: <http://avation.net/about.html>

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