

26 September 2007

AVATION PLC

("Avation" or "the Company")

SECURES USD \$7.5M FINANCE FACILITY

The Board of Avation PLC is pleased to announce that it has secured a fixed interest USD \$7,574,000 finance facility for its leasing subsidiary Capital Lease Aviation PLC. The group intends to use a portion of the proceeds to fully fund the purchase of additional commercial passenger aircraft.

Finance Facility

The salient terms of the finance facility, secured from a subsidiary of a leading UK Bank, are as follows:

- the finance facility amount is \$7,574,000;
- the facility is being provided by a subsidiary of a major UK commercial bank;
- the currency of the facility is United States Dollars;
- the finance facility has a term to expiry of 60 months with interest fixed at 6.5 per cent;
- there are no convertible to equity elements to the facility.

CAPITAL LEASE AVIATION PLC ("CLA")

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.

Avation's Chairman, Jeff Chatfield said: **"We are delighted to have secured a further \$7.5 million facility which will enable us to develop further our aircraft leasing business. We are thus better positioned to strengthening our aviation asset base and developing long term revenue streams."**

The directors take responsibility for the contents of this announcement.

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ENQUIRES:

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Notes to Editors:

Avation PLC is quoted on the PLUS Market in London, and is the owner of a fleet of four commercial aircraft, provides aircraft leasing, airline consumables along with a business unit providing equipment to the broadcast industry.

Avation's fleet of four Fokker F100 aircraft are leased to regional airline operators, including SkyWest, (Western Australia's Regional Airline) and to a European regional airline. The aircraft are purchased by a combination of debt and equity and the debt amortises over the period of the lease.

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 in a fundraising lead by W.H Ireland. Avation holds 51.22% of the enlarged share capital of CLA. CLA has also previously secured debt finance facilities of USD \$48m.