

7 Jan 2010

AVATION PLC
("AVATION" or "THE COMPANY")

CONDITIONAL \$7.8M FINANCE AND ACQUISITION OF AIRCRAFT

The Company is pleased to announce that it has entered into a conditional letter of intent to purchase one Airbus A320-200 aircraft. The aircraft is currently in service in the UK and is at this time is owned by a reputable international aircraft leasing company.

The Company has paid an initial deposit for the aircraft of US\$150,000. The total cost for the aircraft to enter service is approximately US\$11,000,000 with a base purchase price consideration of US\$8,600,000. The Company will pay for the aircraft from its own group cash flows and in principle has secured interest free vendor finance in respect of US\$7,800,000 over a period of three years.

The Directors are pleased with the offer of finance from the vendor.

The aircraft is being acquired for leasing to Skywest Airlines Limited ("Skywest") who have commenced technical and commercial due diligence on the aircraft. Upon commencement of a lease with Skywest a further formal announcement on any operating lease terms and duration will be made. Notwithstanding the above the Company considers that the aircraft could be readily leased to a wider range of airlines.

Chairman Jeff Chatfield said "We are pleased to have the opportunity to acquire this aircraft on very attractive terms to us in strengthening the Company's balance sheet further and broadening our fleet"

The Directors take responsibility for the contents of this announcement.

---ENDS---

ENQUIRES:

AVATION PLC
Jeff Chatfield, Chairman

07783 942 553

ADVISOR
Dr Frank Lucas, Loeb Aron & Company

020 7628 1128

MEDIA
Nick Rome, Will Tindall
Bishopsgate Communications

020 7562 3350

Avation plc