

30th May 2012

**AVATION PLC
(the "Company")
PLACING OF NEW ORDINARY SHARES**

Avation PLC, the aircraft leasing company, is pleased to announce that it has conditionally raised £2 million before expenses from a placing ('the Placing') of 2,000,000 new ordinary shares of the Company ('the Placing Shares'), at a price of 100 pence per share, through W H Ireland Limited ('W H Ireland') to clients of W H Ireland.

Background to and Reasons for the Placing

On 10 January 2011, the Company entered into an agreement (the "ARAN Agreement") with Skywest Airlines and Virgin Australia to provide a fleet of up to 20 new aircraft which will operate primarily along the length of the Eastern Coast of Australia.

The Company has successfully delivered four aircraft as part of the scheduled deliveries under the ARAN Agreement and, in addition to those scheduled deliveries, has acquired two additional ATR-72 500 aircraft and delivered these into the ARAN.

The Company has a further nine firm new aircraft orders to be delivered under its purchase agreement with ATR ("Firm Aircraft"), as well as a further five aircraft options and seventeen purchase rights. The proceeds of the Placing are intended to be used by the Company to fund a proportion of the pre-delivery payments relating to the Firm Aircraft not yet delivered.

The Placing

The Placing is conditional, inter alia, on a prospectus of the Company being published in relation to the Placing. Following admission to trading, the Company's total issued share capital will be 44,374,463 ordinary shares. The Placing Shares will represent 4.5% of the enlarged issued share capital of the Company. Application will be made for the Placing Shares to be listed on the Official List pursuant to a Standard Listing and admitted to trading on the London Stock Exchange's ("LSE") main market for listed securities. It is expected that admission to the LSE and that dealings in the fully paid Placing Shares, will become effective by 8:00 a.m. on 29 June 2012.

Admission is subject to publication of a prospectus* and a placing agreement with WH Ireland becoming unconditional in all respects, save only for admission, and not being terminated.

The Placing Shares will, when issued, rank pari passu in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following admission.

*The prospectus will be prepared in accordance with the Prospectus Rules of the Financial Services Authority (the "FSA") made under section 73A of FSMA and approved by the FSA under section 87A of FSMA

--- ends ---

ENQUIRIES:

Avation PLC

Jeff Chatfield, Chairman
W H IRELAND
Harry Ansell / James Joyce

+44 7783 942 553

+44 20 7220 1666

Financial Public Relations
Cubitt Consulting
Nicholas Nelson, Madeline Douglas

+44 0207 367 5118

Website
www.avation.net