

AVATION PLC
(the "Company")

22 June 2012

Trading Update

Revenues grow as aircraft fleet increases

The Directors of Avation PLC, (LSE: AVAP) the aircraft leasing company, which purchases commercial passenger aircraft and simultaneously leases them to airlines, is pleased to give a trading update for the financial year ending June 30th 2012.

Highlights:

- Anticipated to report material increase in Group revenues of about 30%.
- Expected to end the financial year with approximately USD 218 million in aircraft assets in the portfolio, an increase of 60% year-on-year.
- Six new ATR 72 aircraft delivered to Skywest Airlines/Virgin Australia.
- Revenues are progressively increasing as aircraft numbers grow.
- Successful share placing completed raising £2 million, subject to prospectus being approved and issued.
- The Company is considering a dual listing on the Singapore Stock Exchange.
- Appointment of Cadogan PR for investor relations.

Trading Outlook

The directors have an expectation of a substantial and material increase in Group revenues for the year ending 30 June 2012. These are expected to increased by 30% over the previous year to around £21 million. These are Directors unaudited estimates and are not intended to be a profit forecast.

Several aircraft deliveries are expected in the next 12 months. The Company already has firm long term commitments in place for six new ATR 72 aircraft for the Skywest/Virgin Australia Australian Regional Network Agreement ("ARAN") and is actively evaluating further aircraft acquisition investment opportunities. Long-term debt financing is also already in place for all of the remaining 2012 deliveries.

Background

The ARAN is a long-term agreement signed in January 2011 between the Company, Skywest Airlines and Virgin Australia, under which the Company will procure and supply a fleet of ATR 72 aircraft to operate a regional airline network

on behalf of Virgin Australia. This ARAN agreement has now been implemented and the network has been operational since October 2011 when the first ATR 72-500 entered service. All aircraft are delivered on 10-year terms.

Following the successful delivery of these 6 aircraft under the ARAN agreement, the Company is now seeing a sustained increase in revenues and this is likely to continue as the Group completes the delivery of further aircraft over the coming months and years.

In addition the company has successfully raised £2 million through a conditional placing of shares and is therefore in a strong financial position to accelerate the delivery of aircraft under the agreement should these become available, which would increase the level of revenues further. Completion of this prospectus is expected to be in June 2012.

Tax Regime

The Company confirms that it will be a Singapore Taxpayer for the 2012 financial year, the Corporate headline tax rate for Singapore is 17%, compared to 24% in the United Kingdom.

Australian Regional Airline Network (ARAN)

As part of the "ARAN" Agreement with Skywest Airlines and Virgin Australia signed in January 2011, Avation entered into an agreement to provide a fleet of up to 20 new aircraft to operate primarily along the length of the Eastern Coast of Australia.

The Company has now successfully delivered four new ATR 72 aircraft as part of the originally scheduled deliveries under the agreement and, in addition, 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 eight aircraft options and seventeen purchase rights with price protection, taking the total potential number of deliveries to 40 aircraft.

Of the nine Firm Aircraft yet to be delivered, six will be delivered during the next financial year and will drive an expected continued growth in revenues and profitability.

Placing

On 30 May 2012, the Company announced that it was raising £2 million before expenses from a placing of 2,000,000 new ordinary shares of the Company at a price of 100 pence per share, through W H Ireland Limited. Proceeds of the placing will be used by the Company to fund a proportion of the pre-delivery payments relating to the Firm Aircraft not yet delivered.

Listing on Singapore Stock Exchange

Given the operational focus of the company and the residence of the management, the Directors believe a listing on the Singapore Stock Exchange (SGX) may raise the profile of the Company amongst Asian investors. Accordingly, it is evaluating the merits of a dual listing on the Singapore Stock Exchange of its ordinary shares.

Cadogan PR

The Company has appointed Cadogan PR as Investor and Financial Public Relations adviser to help raise the profile of Avation amongst investors and the investment media working alongside its other financial advisers.

Commenting Today, Jeff Chatfield, Chairman and Founding Director said:

“The growth in revenues and profits we are now seeing is directly proportional to the number of aircraft we are delivering and will continue to grow as more aircraft go to Skywest / Virgin Australia over the coming months with four further aircraft being delivered before the end of 2012. At the same time, our strengthened balance sheet gives us greater flexibility in the way we are able to acquire aircraft and therefore our ability to accelerate the growth of revenues.”

-ENDS-

More information on Avation PLC can be seen at: <http://www.avation.net>

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. All data included in this trading update is unaudited and preliminary in nature. Avation PLC undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. All persons, wherever located, should consult any additional disclosures that Avation PLC may make in any regulatory announcements or documents which it publishes. All persons, wherever located, should take note of these disclosures. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Avation PLC shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.

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