Avation plc - Issue/allotment of shares

AVATION PLC - ISSUE/ALLOTMENT OF SHARES

27 JUNE 2007

AVATION PLC
("AVATION" OR THE "COMPANY")

ISSUE OF SHARES

The Board of Avation announces that on the 27 June 2007, the Company issued and allotted shares pursuant to the exercise of warrants issued to a former director of Avation.net Inc and approved by shareholders at the 2006 AGM.

200,000 new ordinary Shares were issued pursuant to the exercise of warrants by Mr. Seah Kian Peng. The warrants had an exercise price of 4 pence per ordinary share.

As a consequence there are now a total of 19,114,195 shares in issue and the Directors' Shareholding is 16.16%.

For the sake of transparency and good governance an issuance of warrants which occurred on the 4th of January 2007 with a strike price at the then market price of 3.5p is now regarded as appropriate for announcement. The warrants were issued in recognition of services provided to the company which included the efforts associated with Company formation by Company Secretary Mrs. Siobhan Cool in the amount of 150,000 Warrants and also a grant of 350,000 Warrants to the intermediary for the introduction to the current lenders to the Company which resulted in the financing facility of USD$9.2 million being secured in December 2006 and announced on 22nd December 2006. These Warrants will expire on the 3rd January 2008 if not exercised by that date.

---ENDS---

The directors take responsibility for the contents of this announcement.

ENQUIRES:

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