

AVATION PLC

('AVATION' OR THE 'COMPANY')

AGREES NEW LEASE OF AIRCRAFT

The Board of Avation, a commercial jet aircraft leasing group, is pleased to announce that it has agreed the lease of an additional Fokker 100 jet aircraft to Skywest Airlines Pty. Ltd. ("Skywest").

This aircraft (MSN 11373) was previously under lease to a European operator, and will be re-registered in Australia as VH-FNU. The company understands that the Aircraft will be used mostly for Skywest's recently announced Rio Tinto Services Ltd. contract.

HIGHLIGHTS

- After satisfactory re-delivery from the previous lessee, the aircraft has now been formally delivered to Skywest in the Netherlands and is now under the control of Skywest Airlines Pty Ltd and is undergoing preparations to enter commercial service;
- The aircraft is leased by Skywest Airlines Pty Ltd. for a lease rate amounting to US\$90,000 per month plus maintenance reserves for a period of six years.

The Chairman, Jeff Chatfield said: **"This is a useful new lease for this aircraft, in which Avation has already built up substantial equity during the prior lease period. I am confident that we will continue to deliver these kinds of lease arrangements for the benefit of our shareholders."**

The directors take responsibility for the contents of this announcement.

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Avation plc