

26 January 2012

**AVATION PLC
(the 'Company')**

Acquisition of two further aircraft and lease to Virgin Australia

Avation PLC is pleased to announce that it has entered into an agreement to acquire an additional two new ATR72-500 aircraft.

These aircraft will be leased by the Company to Australian carrier Skywest Airlines, which will operate the aircraft on behalf of Virgin Australia, pursuant to a 10-year wet-lease contract. The two airlines and the Company are making arrangements to take delivery of the new aircraft forthwith. It is anticipated that the leases will both commence within fourteen days of the date of this announcement.

The operation of these aircraft constitutes a part of the Australian Regional Airline Network ("ARAN") Agreement between Skywest Airlines and Virgin Australia, under which, the parties have agreed that Skywest Airlines will operate a fleet of Aircraft on regional Australian routes on behalf of Virgin Australia and branded in the Virgin Australia brand. These two aircraft are to be leased as additional aircraft to the previously announced delivery stream. The acquisition costs have been funded by a combination of internal funds and finance lease from the vendor. These two aircraft are new and additional to the Company's previously announced firm and option orders direct with the ATR Manufacturer.

Jeff Chatfield, Chairman, Avation PLC commented:

"We are delighted to have expanded our portfolio with the opportunistic acquisition of these two new additional aircraft and to have acquired this using internal funding. These aircraft add to those scheduled for firm delivery from ATR over the course of the next few years, further demonstrating the Company's strategy to build a significant portfolio of these aircraft."

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Information on AVATION PLC can be found at www.avation.net

Avation PLC is registered in England and Wales with an Operational Headquarters in Singapore.

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