

LSE: AVAP

07 May 2013

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR CANADA, JAPAN, NEW ZEALAND, THE REPUBLIC OF IRELAND, THE REPUBLIC OF SOUTH AFRICA OR THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL

THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY NEW ORDINARY SHARES, NOR SHALL IT (OR ANY PART OF IT), OR THE FACT OF ITS DISTRIBUTION, FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO, ANY CONTRACT OR COMMITMENT WHATSOEVER WITH RESPECT TO THE PROPOSED OPEN OFFER OR OTHERWISE. THIS ANNOUNCEMENT IS NOT A CIRCULAR AND INVESTORS SHOULD NOT SUBSCRIBE FOR OR PURCHASE ANY NEW ORDINARY SHARES REFERRED TO IN THIS ANNOUNCEMENT EXCEPT SOLELY ON THE BASIS OF INFORMATION IN THE CIRCULAR PUBLISHED ON 7 MAY 2013. COPIES OF THE CIRCULAR WILL, FOLLOWING PUBLICATION, BE AVAILABLE FROM THE COMPANY'S REGISTERED OFFICE, CHEYNE HOUSE, CROWN COURT, 62-63 CHEAPSIDE LONDON EC2V 6AX UNITED KINGDOM

AVATION PLC
(the "Company")

Underwritten Open Offer

Avation PLC ("Avation" or the "Company") (LSE: AVAP) the specialist provider of leased aircraft services, is pleased to announce that it proposes to raise approximately £2.5 million (net of expenses) by way of an underwritten Open Offer of 4,337,987 New Ordinary Shares at the Issue Price of 60 pence per New Ordinary Share.

Highlights:

- -- Proposed Open Offer to raise approximately £2.5 million (net of expenses);
- Issue Price of 60p per New Ordinary Share represents a discount of 20.5% per cent to the closing middle market price on 3 May 2013 (being the last dealing day prior to this announcement);

- Qualifying Shareholders can subscribe for a Basic Entitlement of 0.0975 New Ordinary Shares for every 1 Existing Ordinary Share held as at 5pm on 3 May 2013;
- Qualifying Shareholders who take up their full Basic Entitlement can additionally apply for Excess Shares through the Excess Application Facility at a ratio of one Excess Share for each Existing Ordinary Share (the level of Excess Shares available, if any, will depend on take up of Basic Entitlements by Qualifying Shareholders and allocations of Excess Shares will be at the absolute discretion of the Directors);
- Open Offer fully underwritten by Epsom Assets Limited;
- The net proceeds will be used by Avation to fund the on-going "Pre-Delivery Payments" programme for the supply of new aircraft under the 4 March 2011 sale and purchase agreement between the Company and ATR, such aircraft to be leased to Virgin Australia.

Jeff Chatfield, Executive Chairman of Avation, said:

"Avation has a stream of commercial aircraft deliveries scheduled for Virgin Australia's regional network. This share issue is sufficient to fund the equity required in the aircraft in the form of the up-coming pre-delivery payments. The balance of the purchase price for these aircraft is proposed to be funded with debt. The proceeds of this Underwritten Open Offer will support the planned continued growth of the Company."

The Circular and Application Form will be posted to Qualifying Shareholders (other than shareholders in Restricted Jurisdictions) today. Qualifying Shareholders who hold their shares in CREST will have their CREST accounts credited on 8 May 2013. Completed Application Forms (with payment in full) and settlement of CREST instructions to be received no later than 11 a.m. on 22 May 2013.

When posted, copies of the Circular will be submitted to the UKLA's National Storage Mechanism and will be available for inspection at www.hemscott.com.

In addition, the Circular will be available to view on the Company's website (www.avation.net). Copies of the Circular will be also available from the Company's Registered Office, Cheyne House, Crown Court, 62-63 Cheapside London EC2V 6AX United Kingdom.

--- ENDS ---

ENQUIRIES

Avation PLC:

Jeff Chatfield (Executive Chairman)

+65 9735 4151

Liberum Capital Limited:

Chris Bowman / Richard Bootle

+44 203 100 2222

W H Ireland Limited:

James Joyce

+44 207 220 1666

Blythe Weigh Communications

Tim Blythe, Rob Kellner, Eleanor Parry

+44 20 7138 3204

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into Canada, Japan, New Zealand, the Republic of Ireland, the Republic of South Africa or the United States or any jurisdiction into which the publication or distribution would be unlawful.

This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company. The distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. The New Ordinary Shares have not been and will not be registered under the applicable securities laws of any of the Restricted Jurisdictions and, unless an exemption under such laws are available, may not be offered for sale or subscription or sold, or pledged, or subscribed directly or indirectly within the Restricted Jurisdictions or for the account or benefit of any national, resident or citizen of the Restricted Jurisdictions. The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state of the United States and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to or for the account or benefit of any US person within the meaning of Regulation S of the Securities Act, except pursuant to an applicable exemption from registration requirements. In particular, the New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or the adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

This announcement and the Circular have not been, and will not be, lodged with ASIC and are not, and do not purport to be, a document containing disclosure to investors for the purposes of Chapter 6D of the Corporations Act of Australia (the "Corporations Act"). They are not intended to be used in connection with any offer, sale or issue for which

disclosure is required and does not contain all the information that would be required by those provisions if they applied. No direct or indirect offers for issue or sale, and no invitations for applications for issue or offers to purchase, are being or will be made in, to or from Australia, and no prospectus, advertisement or other offering material relating to the New Ordinary Shares has been or will be distributed or published in Australia, unless: (a) such offer or invitation does not require disclosure to investors in accordance with Chapter 6D of the Corporations Act; (b) such action complies with all applicable laws, regulations and directives (including without limitation the licensing requirements set out in Chapter 7 of the Corporations Act); (c) such action does not require any document to be lodged with ASIC; and (d) the offer or invitation is made only to a person who is a "sophisticated Investor" within the meaning of section 708(8) of the Corporations Act or a "professional investor" within the meaning of section 708(11) of the Corporations Act.

Forward looking statements:

This announcement contains forward looking statements including, without limitation, statements containing the words "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

These factors include, but are not limited to, those described in the part of the Circular entitled "Risk Factors", which should be read by prospective investors in conjunction with the other cautionary statements that are included in this announcement. Prospective investors should specifically consider the factors identified in this announcement and the Offer Document which could cause actual results to differ before making an investment decision.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements apply only as at the date of this Announcement. Subject to its legal and regulatory obligations (including under the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based unless required to do so by any appropriate regulatory authority or by law, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

Avation plc