

AVATION PLC
(‘Avation’ or ‘the Company’)

SHARE EXCHANGE AND ISSUE OF NEW SHARES

Further to the announcement on 22 September 2014 regarding the acquisition of 21,065,334 ordinary shares in Capital Lease Aviation (“CLA”) from Jabre Capital, Avation is pleased to announce that it has conditionally agreed with Jabre Capital to issue 2,786,061 new ordinary shares in the Company (“Vendor Consideration Shares”) as consideration for the purchase of CLA ordinary shares. This transaction, at the time of agreement, then represented approximately 21.5% of the issued shares in CLA and was conducted at a purchase price of 20.5 pence per CLA share.

The Vendor Consideration Shares have subsequently been conditionally placed with various investors (a “Vendor Consideration Placing”) at a price of 155 pence per share, through WH Ireland Ltd and Cenkos Securities Plc. The Vendor Consideration Placing is conditional, inter alia, on a prospectus of the Company being published and a placing agreement with WH Ireland Ltd and Cenkos becoming unconditional and not being terminated.

The Vendor Consideration Shares represent 5.0% of the enlarged issued share capital of the Company. Application will be made for the Vendor Consideration Shares to be listed on the Official List pursuant to a Standard Listing and admitted to trading on the London Stock Exchange's ("LSE") main market for listed securities (“Admission”). It is expected that Admission and that dealings in the fully paid Vendor Consideration Shares will become effective by 8:00 a.m. on or around 28 November 2014. Any changes to the outlined timetable will be notified via RNS.

Following admission to trading, the Company's total issued share capital will be 55,663,727 ordinary shares, of which 450,000 are held in treasury. For the purposes of calculating total voting rights shareholders may use the number 55,213,727 as the total number of shares in issue following Admission.

The new ordinary shares will, when issued, rank pari passu in all respects with the existing ordinary shares including the right to receive dividends and other distributions declared following Admission.

The prospectus will be prepared in accordance with the Prospectus Rules of the Financial Services Authority (the "FCA") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA

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More information on Avation can be seen at: www.avation.net.

Enquiries:

Avation PLC - Jeff Chatfield, Executive Chairman	+65 6252 2077
WH Ireland - Harry Ansell / James Joyce	+44 207 220 1666
Cenkos - Guy Briselden	+44 207 397 8900

Blytheweigh - Tim Blythe / Eleanor Parry

+44 207 138 3204