NEW AIRCRAFT LEASED TO NEW CUSTOMER
AGM CLARIFICATION

The Directors of Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, announce that the Company has entered into a Letter of Intent, secured finance and received deposits to lease two new ATR 72-600 aircraft.

The two new aircraft are to be leased for 12 years to new client, Airline Allied Services Limited, a wholly owned subsidiary of Indian state carrier Air India and operating under the name of ‘Air India Regional’. The aircraft are scheduled for delivery in December 2014 and January 2015 and will be the twenty-first and twenty-second ATR 72’s purchased by the Company.

To finance the deliveries, Avation PLC has today entered into a binding letter of offer for senior debt finance with an export credit agency. The interest rate margin and cost of funds are consistent with Avation’s 2014 OECD credit rating. The overall cost of funding is in line with Avation’s typical commercial bank sourced senior funding.

Commenting today, Jeff Chatfield, Executive Chairman of Avation PLC, said: "Consistent with our strategy of diversifying the customer base and geography for our leased aircraft we are pleased to announce this new client and geographic diversification into India. We welcome Air India Regional as an operator and are pleased to have secured additional export credit finance for India.”

AGM Clarification

The Directors have responded to questions from shareholders concerning the Company’s intentions and policies. In order to be transparent to all shareholders the directors wish to confirm their intentions around equity issues made for cash pursuant to resolution 9 (disapplication of pre-emption rights) of the upcoming AGM.

Assuming that the relevant resolution is passed the directors intend that, where possible, should any fund raising be required, the company's brokers be asked to contact existing shareholders and allow them to participate in such fund raising pro-rata to their holding (shareholders will need to ensure the Company stockbrokers have their contact details). Directors will retain the discretion over the terms of such placing. However, notwithstanding the foregoing, if and only if it is proposed that new shares be issued at pricing which represents a discount to the per share net tangible assets (NTA), then shares will only be issued on a fully pre-emptive basis by way of a rights issue or open offer.

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

Enquiries:

Avation PLC - Jeff Chatfield, Executive Chairman +65 6252 2077
Company Stockbrokers:
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