

AVATION PLC
("Avation" or "the Company")

AIRCRAFT PURCHASE AND BOND ISSUANCE

Avation PLC (LSE: AVAP), the commercial passenger aircraft leasing company, advises that it has priced and issued a US\$20,000,000 tranche of its 7.5% senior notes due 2020 which is a tap of and to be consolidated into and form a single series with the existing US\$100,000,000 7.5% senior notes due 2020 which were issued in 2015. The tranche proceeds are designated primarily for the purchase of a new ATR72-600 aircraft in June 2017. The Company expects that this aircraft will enter service under an operating lease with a new airline customer in July 2017. The issuance was made under Avation's existing US\$500,000,000 Global Medium Term Notes programme.

Details of the pricing of the issue are included below in full in this announcement.

Avation's Executive Chairman Jeff Chatfield said: "The Company is expected to take delivery of an additional new ATR72-600 aircraft in June 2017. The Company has recently observed significant large scale orders for new ATR72-600 aircraft and is pleased that the regional aircraft market segment in Asia continues to develop with new airlines operating additional aircraft in line with growing passenger numbers. Avation remains with a further 27 options for ATR72-600 aircraft. The reopening tap issuance was priced at a premium at 101.25 with DBS Bank Ltd as sole bookrunner for the transaction."

Enquiries:

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

Note to Editors:

Avation PLC is a passenger aircraft leasing company, owning a fleet commercial aircraft which it leases to airlines across the world. The Company's customers include Air France, Air Berlin, Air India, Condor, Flybe, Fiji Airways, Thomas Cook, Virgin Australia, UNI Air and Vietjet Air.

Full text of the tap pricing announcement:

*** AVATION US\$20m TAP OF US\$100m 7.5% Notes due 2020: PRICED ***

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO U.S PERSONS (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT")), OR IN ANY JURISDICTION IN WHICH SUCH DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW.

ISSUER: Avation Capital S.A., a wholly owned subsidiary of Avation PLC.
GUARANTOR: Avation PLC
Series: 001
Tranche: 002
EXISTING NOTES: US\$100,000,000 7.50 per cent. senior notes due 2020
STATUS: Senior, unsecured.
GUARANTOR'S RATINGS: BB (Egan Jones); B+ (Fitch); B+ (Standard & Poor's); BB (Japan Credit Ratings Agency)
RATING OF NOTES: B+ (Fitch); B (Standard & Poor's)
REOPENING ISSUE SIZE: US\$ 20m
COUPON: 7.5% semi-annual
MATURITY DATE: 27 May 2020
SETTLEMENT DATE: 7 Jun 2017
REOFFER PRICE: 101.25 plus an amount corresponding to accrued interest from, and including 27 May 2017 to, but excluding 7 June 2017

ACCRUED INTEREST: Accrued interest from and including 27 May 2017 to but excluding 7 Jun 2017

INTEREST COMMENCEMENT DATE: 27 May 2017

FINANCIAL COVENANTS: As prescribed in the Offering Circular

CHANGE OF CONTROL PUT: Putable at 101% of principal plus accrued and unpaid interest

OPTIONAL REDEMPTION: Prior to 27 May 2018 - No call

On or after 27 May 2018 at Par
in each case above, plus accrued and unpaid interest

USE OF PROCEEDS: The net proceeds of issuance of Notes under the Programme will be used by the Group for the purchase one new aircraft in June 2017, with the balance of funds to refinance other aircraft

PAYMENT: Semi-annual, 30/360 (fixed)

DETAILS: US\$200K x 1K / English Law / Euroclear/Clearstream clearing

LISTING: SGX-ST

SOLE BOOKRUNNER: DBS Bank Ltd.

ISIN CODE: Rule 144A Notes: US05351QAA40

Regulation S Notes: USL5647NAA20

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The securities described herein have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Notes under this reopening issue may only be offered and sold outside the United States to non-U.S. persons (as defined in Regulation S) in offshore transactions in compliance with Regulation S.