

20 December 2005

**Antonov plc (the “Company”)  
Secures Backup Funding Facility**

The Company announces that it has agreed a Euro 2 million backup funding facility with certain investors (“the investor group”) on terms which are very favourable to the Company. After a detailed review of current and pending customer commitments, the Board decided that securing such a facility was the prudent course of action in the run-up to the first significant sales of the Company’s AMM unit around mid 2006 and other new customer projects which are expected to arise around the same time. In particular, the Company anticipates that it may need such additional capital to cover its working capital position, certain capital equipment purchases, recruitment of a limited number of specialist engineering and sales staff, and unbudgeted travel costs.

The Board is pleased that the facility is now in place although it is hoped that it will not be necessary to drawdown on the facility.

The facility has been arranged in the form of a put and call option with warrants attached. The Company may, at its discretion, “put” up to one million shares in two instalments of 500,000 shares to the investor group in June and July 2006 at a price of Euro 2.00 per share. The investor group has the right to “call” up to one million shares at any time before 31 May 2006, again at a price of Euro 2.00 per share. In the event that either the put or call option is exercised, then and only then will the Company issue to the investors warrants to purchase ordinary shares on the basis of one warrant for each share to be subscribed for. The warrants will be exercisable at the discretion of the holder at a price of Euro 1.80 per share at any time before 31 December 2008.

David Bovell, Finance Director, commented:

“With the pace of the Company’s commercial progress accelerating, the Board decided that it was prudent to secure funding commitments in advance of any customer and new project commitments in order not to slow down the commercialisation of our technology. I am delighted with the confidence and continuing support shown by our investors and believe that the scale of the commercial advances that the Company has made in the last two years will become apparent to shareholders in 2006.”

For further information, please contact:

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