



C/O AIRCASTLE ADVISOR LLC
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March 29, 2011

Attention: U.S. Shareholders of Aircastle Limited

IMPORTANT TAX NOTICE

Re: 2010 PFIC Status

This statement is provided for shareholders who are United States persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.

Aircastle Limited (“AYR” or “the Company”) and its wholly-owned subsidiary AYR Bermuda Limited (“AYR Bermuda”) meet the Internal Revenue Code definition of a passive foreign investment company (“PFIC”) for the taxable year ended December 31, 2010. The Company is hereby making available PFIC Annual Information Statements for both AYR and AYR Bermuda for their taxable years beginning on January 1, 2010 and ending on December 31, 2010 pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1). **If you were a shareholder of AYR during 2010 you also are deemed to have indirectly owned shares in AYR Bermuda during 2010.**

The PFIC Annual Information Statements contain information to enable you, should you choose, to elect to treat AYR and AYR Bermuda as a Qualified Electing Fund (“QEF”).

A U.S. shareholder who makes a QEF election for AYR and AYR Bermuda is required annually to include in his or her income his or her pro rata share of the ordinary earnings and net capital gain for both AYR and AYR Bermuda. The QEF election is made by completing and attaching Form 8621 for each PFIC to your federal income tax return filed by the due date of the return, including extensions.

U.S. shareholders are advised to consult with their tax advisors with respect to the 2010 PFIC Annual Information Statement.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website, including the following pages:

Detailed information about PFICs and the QEF election: www.irs.gov/instructions/i8621/ch01.html

Instructions to complete Form 8621: www.irs.gov/pub/irs-pdf/i8621.pdf

Form 8621: www.irs.gov/pub/irs-pdf/f8621.pdf

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF AIRCASTLE LIMITED SHARES ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER THE UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.

IRS Circular 230 Notice

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE; (B) THE ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

**PFIC Annual Information Statement
Aircastle Limited - FEIN 98-0444035**

- (1) This Information Statement applies to the taxable year of Aircastle Limited (“AYR”) beginning on January 1, 2010 and ending on December 31, 2010 (the “Taxable Year”).
- (2) Your pro rata share of AYR’s ordinary earnings and net capital gain for the Taxable Year can be determined as follows:
- (a) If you held the same number of AYR shares for the entire 365 day period January 1, 2010 through December 31, 2010, multiply the number of shares by the “Per Common Share” amount below.
 - (b) If you did not hold the same number of AYR shares for the entire 365 day period beginning January 1, 2010 and ending December 31, 2010, multiply the number of shares you held by the number of days you owned the shares in 2010 and then multiply by the “Per Common Share Per Day” amount below.
 - (c) If you owned different numbers (Groups) of AYR shares at different times during the 365 day period beginning January 1, 2010 and ending December 31, 2010, perform the calculation specified in (b) above separately for each Group of shares owned and use the sum of the amounts yielded from those calculations.

	<u>Total</u>	<u>Per Common Share</u>	<u>Per Common Share Per Day</u>
Ordinary Earnings	US\$10,965,569	US\$0.139643	US\$0.000383
Net Long-Term Capital Gain	US\$3,493,375	US\$0.044486	US\$0.000122

U.S. shareholders are advised to consult with their tax advisors with respect to the calculation of their pro rata share of AYR’s ordinary earnings and net capital gain for the Taxable Year.

- (3) The amount of cash and the fair market value of other property distributed or deemed distributed by AYR during the Taxable Year are as follows:

Cash:		<u>Per Share</u>
	<u>Payment Date</u>	<u>Distributions</u>
	January 15, 2010	US\$0.10
	April 15, 2010	US\$0.10
	July 15, 2010	US\$0.10
	October 15, 2010	US\$0.10

Fair Market Value of Property: U.S.\$0.00

- (4) Any shareholders making a QEF election will be permitted by AYR to inspect and copy its permanent books of account, records, and such other documents as are maintained by AYR that are necessary to establish that AYR’s ordinary earnings and net capital gain, as provided in section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata share thereof.

Aircastle Limited

Date: March 29, 2011

By: 
Authorized Representative

**PFIC Annual Information Statement
AYR Bermuda Limited – FEIN 98-0565732**

- (1) This Information Statement applies to the taxable year of AYR Bermuda Limited (“AYR Bermuda”) beginning on January 1, 2010 and ending on December 31, 2010 (the “Taxable Year”).
- (2) Your pro rata share of AYR Bermuda’s ordinary earnings and net capital gain for the Taxable Year can be determined as follows:
- (a) If you held the same number of AYR shares for the entire 365 day period January 1, 2010 through December 31, 2010, then you are deemed to indirectly own the same number of AYR Bermuda shares for that period and should multiply the number of shares by the “Per Common Share” amount below.
 - (b) If you did not hold the same number of AYR shares for the entire 365 day period beginning January 1, 2010 and ending December 31, 2010, multiply the number of shares you held by the number of days you owned the shares in 2010 and then multiply by the “Per Common Share Per Day” amount below.
 - (c) If you owned different numbers (Groups) of AYR shares at different times during the 365 day period beginning January 1, 2010 and ending December 31, 2010, perform the calculation specified in (b) above separately for each Group of shares owned and use the sum of the amounts yielded from those calculations.

	<u>Total</u>	<u>Per Common Share</u>	<u>Per Common Share Per Day</u>
Ordinary Earnings	US\$266,912	US\$0.003398	US\$0.000009
Net Long-Term Capital Gain	US\$35,287	US\$0.000449	US\$0.000001

U.S. shareholders are advised to consult with their tax advisors with respect to the calculation of their pro rata share of AYR’s ordinary earnings and net capital gain for the Taxable Year.

- (3) Any shareholders making a QEF election will be permitted by AYR Bermuda to inspect and copy its permanent books of account, records, and such other documents as are maintained by AYR Bermuda that are necessary to establish that AYR Bermuda’s ordinary earnings and net capital gain, as provided in section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata share thereof.

AYR Bermuda Limited

Date: March 29, 2011

By: Robert Cus-felli
Authorized Representative