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NEWS RELEASE

MAGELLAN AEROSPACE CORPORATION – RIGHTS OFFERING

Toronto, Ontario – August 20, 2004 - Magellan Aerospace Corporation (TSX-MAL) is pleased to announce that it has finalized the terms of a rights offering, which is expected to result in gross proceeds of approximately \$31 million.

Magellan will be issuing, to holders of its outstanding common shares of record at the close of business on August 27, 2004, transferable rights certificates to subscribe for common shares before 4:00 p.m. (Toronto time) on September 21, 2004 on the terms set out in the rights offering circular to be mailed by Magellan to its shareholders. The rights offering circular will also be available on the SEDAR website at www.sedar.com. Each shareholder will receive one right for each common share held on the record date. The holders of rights will be entitled to acquire one common share for every seven rights held upon payment of the subscription price of \$2.75 per share. The rights have been conditionally approved for listing on the Toronto Stock Exchange until 12:00 noon (Toronto time) on September 21, 2004. Shareholders who exercise all of their rights will also be entitled to acquire additional common shares, if available, pursuant to an addition subscription privilege as described in the rights offering circular. The net proceeds will be applied as to one-half as a permanent reduction of Magellan's term loans with its bankers and as one-half to pay down Magellan's revolving lines of credit but not as a permanent reduction.

N. Murray Edwards, the Chairman of Magellan and a principal shareholder of Magellan, has indicated to Magellan that, Mr. Edwards will, directly or indirectly, if there are available additional common shares, purchase such number of additional common shares under the additional subscription privilege, which together with the common shares purchased by him, directly or indirectly, under the basic subscription privilege will, when multiplied by the subscription price, be equal to at least \$15,000,000.

The rights offering is subject to the completion of all applicable regulatory approvals including of the Toronto Stock Exchange.

Magellan Aerospace Corporation is one of the worlds most integrated and comprehensive aerospace industry suppliers. Magellan designs, engineers, and manufactures aeroengine and aerostructure assemblies and components for aerospace markets, advanced products for military and space markets, and complementary specialty products. Magellan is a public company whose shares trade on the Toronto Stock Exchange (TSX: MAL), with operating units throughout Canada, the United States and the United Kingdom.

This press release contains certain forward-looking statements that reflect the current views and/or expectations of Magellan with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions which may cause actual results to be materially different from those expressed or implied. Magellan assumes no future obligation to update these forward-looking statements.

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