



FOR IMMEDIATE RELEASE VIA THE CANADIAN CUSTOM DISCLOSURE NETWORK

NEWS RELEASE

**MAGELLAN AEROSPACE CORPORATION ANNOUNCES CLOSING OF FINANCING
AND REPAYMENT OF CONVERTIBLE DEBENTURES ON MATURITY**

Toronto, Ontario – January 31, 2008 – Magellan Aerospace Corporation ("Magellan" or the "Corporation") announced the closing of the private placement of an aggregate of \$20.95 million principal amount 8.5% convertible unsecured subordinated debentures due January 31, 2010 (the "New Debentures") the proceeds of which were used to fund, in part, the repayment of the approximately \$70 million principal amount of outstanding 8.5% unsecured subordinated debentures (the "Existing Debentures") which matured today.

The New Debentures are redeemable by Magellan for the first six months of the term at 102.5% of principal value and the holders have no conversion rights. After the first six months of the term, the New Debentures are convertible, at the option of the holder, at any time prior to maturity into common shares of Magellan at a conversion price of \$2.00 per share, which is equal to a conversion rate of 500 common shares per \$1,000 principal amount of debentures or the issuance on conversion of approximately 10,475,000 common shares in total. Magellan's principal shareholder, N. Murray Edwards of Calgary, Alberta, acquired \$17.5 million principal amount of the debentures. Mr. Edwards indicated the acquisition of the debentures is for investment purposes and Mr. Edwards may, directly or indirectly acquire additional securities of Magellan depending on market conditions. If the debentures were converted, Mr. Edwards would acquire an additional 8,750,000 common shares representing an additional 8.6% of the issued and outstanding common shares of Magellan after conversion of all of the debentures. Mr. Edwards currently owns, directly or indirectly, 25,284,893 common shares (approximately 27.8% of the issued common shares of Magellan) and 1,005,000 First Preferred Shares which are convertible into common shares of Magellan at \$3.00 per share. Another director of the Corporation acquired \$650,000 principal amount of the New Debentures and the remaining \$2.8 million principal amount of the New Debentures was placed with other investors.

In order to fund the remaining balance of approximately \$50 million on the maturity of the Existing Debentures, Edco Capital Corporation ("ECC"), a corporation controlled by Mr. Edwards, has provided a loan of \$50 million (the "Original Loan") and a \$15 million bridge loan (the "Bridge Loan") to the Corporation. All of the funds from the Bridge Loan and approximately \$35 million of the funds from the Original Loan were used to repay the balance of the Existing Debentures and the \$15 million additional funds from the Original Loan was provided to the Corporation to retire \$15 million of subordinated debt due to a company with a common director, who is also the owner of all of the shares of such lender. Both the Original Loan and the Bridge Loan bear interest at a rate of 10% per annum calculated and payable monthly and are collateralized and subordinated to the Corporation's existing bank credit facility. The Original Loan is repayable on July 1, 2009 and the Bridge Loan is repayable on July 31, 2008. In consideration for the provision of additional security for the Corporation's obligations under its existing secured credit facility, the Corporation has increased the standby guarantee payable to Mr. Edwards from 0.1% per annum to 1% per annum of the principal amount guaranteed.

Magellan Aerospace Corporation is one of the world's 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.

Forward Looking Statements:

This press release contains information and statements of a forward-looking nature concerning the plans of the Corporation in relation to financing the repayment of its existing 8.5% Unsecured Subordinated Convertible Debentures. These statements are based on assumptions and uncertainties, including regulatory approvals and marketing of the securities, as well as on management's reasonable evaluation of future events. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and/or are beyond the Corporation's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements.

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For further information contact:

John B. Dekker

Vice President Finance & Corporate Secretary

(905) 677-1889 ext. 224

E: john.dekker@magellan.aero