



FOR IMMEDIATE RELEASE

**Magellan Aerospace and Kongsberg Defence Team to Produce
Guided 2.75" Weapon System**

Paris, France, June 14, 2006 – Magellan Aerospace announced today at Eurosatory 2006 a Teaming Agreement with Kongsberg Defence & Aerospace AS (KDA), Kongsberg, Norway, to develop and produce a guided 2.75" (70mm) weapon system for air, land, and naval military platforms. The CRV7-Precision Guided (CRV7-PG) combines the outstanding performance of Magellan's CRV7 rocket weapon system with KDA's guidance technology from Penguin and Naval Strike Missile (NSM).

The CRV7-PG is currently in development and has undergone numerous test firings to date.

The system will meet the requirement for a low-cost precision weapon that will fill the gap between unguided rockets and more expensive precision weapons, and will be useful in a direct and indirect role against a variety of targets.

"This Teaming Agreement provides an excellent opportunity for both Magellan and Kongsberg to expand their existing, combat-proven technologies in rocketry and guidance systems to develop a next generation product to meet the requirements of today's battlefield arenas," said Mr. James Butyniec, Executive Vice President and Chief Operating Officer of Magellan Aerospace Corporation. He added, "Kongsberg and Magellan recognize the future customer interest in a guided 2.75" platform and are pleased that we can work together to provide an affordable and technically-sound solution."

"Combining Kongsberg's experience in guidance systems and Magellan's well proven rocket technology, the customer will get an effective and highly accurate rocket system, minimizing chances of collateral damage," stated Mr. Sven Arild Barstad, Executive Vice President and General Manager of the Missiles and Space Division of Kongsberg Defence & Aerospace. "We see the Teaming Agreement as the start of a long and fruitful relationship between our companies, and it represents a strengthening of the ties between Norwegian and Canadian defence industries," Mr. Barstad added.

Kongsberg Defence & Aerospace AS is a wholly owned subsidiary of Kongsberg Gruppen ASA in Kongsberg, Norway and represented in more than 20 countries. KDA is Norway's premier supplier of high-technology defence systems and a niche supplier of missiles, C³I systems and defence communication to international markets. Kongsberg Gruppen has a history which goes back to 1814 and is owned 50 % by the Norwegian Government and is listed on the Oslo Stock Exchange.



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.

- 30 -

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