



FOR IMMEDIATE RELEASE

MAGELLAN AEROSPACE AWARDED ENGINE MAINTENANCE CONTRACT FOR CF-188 F404

Toronto, Ontario – Friday, 3 February 2017 -- Magellan Aerospace (“Magellan”) announced today a contract award from Public Services and Procurement Canada (“PSPC”) for engine repair and overhaul (“R&O”) and fleet management services on the F404 engine that powers Canada’s fleet of CF-188 Hornet aircraft. The contract commenced in January 2017 and work will be carried out until the terms expire at the end of March 2021. A preliminary funding amount of CDN\$45M has been approved to launch the multi-year agreement. The contract includes options to extend the duration of the agreement beyond 2021, based on performance. Magellan will service the F404 engines at its facility in Mississauga, Ontario and at Royal Canadian Air Force (“RCAF”) bases located in Bagotville, Quebec and Cold Lake, Alberta.

Under the terms of the contract, Magellan will provide R&O services, engineering and field support services, technical and publication management services, and supply chain management services for the F404-GE-400 engines and CF-18A/B secondary power systems.

“Magellan Aerospace is an approved source for F404 and J85 engine repair and has been the RCAF’s choice for F404 engine R&O service for 35 years. We are pleased to continue this relationship with Canada’s air force, which demonstrates confidence in Magellan’s world class technical experience and value in terms of competitive pricing”, said Mr. Phil Underwood, President and Chief Executive Officer of Magellan Aerospace.

In addition to supporting Canada’s CF-188 F404 fleet, Magellan is a proven supplier and Centre of Excellence, in the worldwide F404 engine R&O support market. There are approximately 4,000 F404 engines currently in service in 15 countries around the world.

About Magellan Aerospace

Magellan Aerospace is a global aerospace company that provides complex assemblies and systems solutions to aircraft and engine manufacturers, and defence and space agencies worldwide. Magellan designs, engineers, and manufactures aeroengine and aerostructure assemblies and components for aerospace markets, advanced products for military and space markets, industrial power generation, and 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, the United Kingdom, India, and Poland.

Forward Looking Statements

Some of the statements in this press release may be forward-looking statements or statements of future expectations based on currently available information. When used herein, words such as "expect",

"anticipate", "estimate", "may", "will", "should", "intend", "believe", and similar expressions, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Corporation in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believes are appropriate in the circumstances. Many factors could cause the Corporation's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including those described in the "Risk Factors" section of the Corporation's Annual Information Form (copies of which filings may be obtained at www.sedar.com). These factors should be considered carefully, and readers should not place undue reliance on the Corporation's forward-looking statements. The Corporation has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

- 30 -

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