



NEWS RELEASE

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STELLEX AEROSTRUCTURES, INC. ANNOUNCES THAT ITS STELLEX PRECISION MACHINING SUBSIDIARY HAS BEEN AWARDED A CONTRACT FROM LOCKHEED MARTIN CORPORATION FOR F/A-22 WORK.

Lebanon, New Jersey, February 2, 2004. Stellex Aerostructures Inc. announced that its Stellex Precision Machining subsidiary has been awarded a long term \$20 million contract to manufacture complex titanium and aluminum parts used on the Lockheed Martin F/A-22 Fighter program. This critical award represents a key competitive victory for the company.

Raynard D. Benvenuti, President and CEO of Stellex Aerostructures, Inc. commented, "The F/A-22 is an important program to Stellex. This contract is one in a series of recent awards for critical components and sub assemblies for fighter aircraft, reaffirming Stellex's leadership role in the machining and production of complex assemblies."

Stellex Aerostructures is a leading provider of highly engineered subsystems and components for the aerospace and defense industries. Stellex Aerostructures operates four divisions: Stellex Monitor Aerospace, Inc., Stellex Precision Machining, Inc., Stellex Bandy Machining, Inc., and General Inspection Laboratories, Inc. Monitor and Precision Machining are leaders in the manufacturing of large complex machined parts and structural sub-assemblies for the aerospace industry. Bandy Machining provides precision aircraft hinges and other structural components for the aerospace and space industries. General Inspection Laboratories provides non-destructive testing services to aerospace component manufactures in the Southern California region.

Readers should be aware that the foregoing paragraphs may contain forward-looking statements regarding Stellex management's expectations for future operations and related results, which forward-looking statements may not be realized. Furthermore, readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speaks only as of the date made. Several important factors could cause Stellex's actual results of operations to differ materially from those expressed in the foregoing forward-looking statements, including fluctuations in worldwide prices and demand for its products, fluctuations in the demand for its services and the existence of competitors, technological changes and developments in the aerostructures industry. Moreover, Stellex is directly affected by national and international economic and political conditions in the aerospace and defense industries and believes that changes in any of the following areas could have a material adverse effect on its future financial position or results of operations: unanticipated impact on aircraft build rates from potential further reductions in air travel or from the effects of potential military or terrorist activities; competitive pressures resulting in price reductions on current products or the inability to invest reasonable levels of capital for new machining technology and equipment; changes in certain customer relationships; financial difficulties being experienced by some of Stellex's customers in the commercial aviation business which may not be temporary in nature; the successful execution of internal performance plans, acquisitions and other productivity improvement efforts; the timing and extent of any commercial aviation recovery and its effect on overall production, as well as the impact on production or production rates for specific commercial aircraft; changing priorities or reductions in domestic or foreign government defense budgets; and termination of certain production contracts for convenience of the customer.