



NEWS RELEASE

Stellex Aerostructures, Inc.
3 Werner Way
Lebanon, NJ 08833

Contact: Michael D. Schenker
Sr. Vice President, General Counsel
(908) 437- 4189

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STELLEX AEROSTRUCTURES, INC. ANNOUNCES THAT IT IS UPGRADING A GANTRY-STYLE HENRI LINE PROFILER WITH A 16,000 RPM FISCHER SPINDLE.

New York, New York, July 16, 2002. Stellex Aerostructures, Inc. announced that its Stellex Precision Machining subsidiary is presently completing a high-speed upgrade on its Henri Line gantry style single spindle machine. The upgrade will be performed by Henri Line, and includes a 16,000 RPM Fischer spindle.

Doug Whitlock, President of Stellex Precision Machining, and Stellex Monitor Aerospace commented, "This upgrade represents an important step in our strategy to lead the market in high-speed production of large aluminum aerospace components". In addition to this upgrade, Stellex Aerostructures now has (4) high-speed gantries ranging in spindle speed from 10,000 to 12,000 RPM, and spindle distance of up to 80" between centers.

Stellex Aerostructures is a leading provider of highly engineered subsystems and components for the aerospace and defense industries. Stellex Aerostructures operates through Stellex Monitor Aerospace, Inc., Stellex Precision Machining, Inc. and the Stellex Aerospace Division. Stellex Monitor and Stellex Precision are leaders in the manufacturing of large complex machined parts and structural sub-assemblies for the aerospace industry. The Stellex Aerospace Division includes Stellex Bandy Machining, Inc., Stellex Paragon Precision, Inc., Scanning Electron Analysis Laboratories, Inc. (SEAL Labs) and General Inspection Laboratories, Inc. and is involved primarily in the precision machining of turbomachinery components, aircraft hinges and other structural components for the aerospace and space industries.

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Readers should be aware that the foregoing paragraphs contain forward-looking statements regarding 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 speak 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 our products, fluctuations in the demand for our services and the existence of competitors, technological changes and developments in the aerostructures industry.