

ALABAMA AIRCRAFT INDUSTRIES ANNOUNCES C-130 DEPAINT CONTRACT AWARD

Birmingham, AL (February 24, 2009) – Alabama Aircraft Industries, Inc. (NASDAQ: AAIL) announced today that its Birmingham, Alabama subsidiary, Alabama Aircraft Industries, Inc. – Birmingham has been awarded a contract from the United States Air Force to perform depaint and safety of flight repairs on Air Force and Navy / Marine C-130 aircraft. The contract carries a term of one base period of six months and one option period of six months. It is expected that a minimum of 22 aircraft will be inducted during the first 6 months of the program.

Ronald Aramini, President and Chief Executive Officer of Alabama Aircraft stated, “We are very pleased to win this important contract. Our paint and depaint work is recognized throughout the military for its high quality and this award is affirmation of the excellence in workmanship produced at AAIL.”

Alabama Aircraft Industries, Inc. (AAIL), with executive offices in Birmingham, Alabama, and facilities in Alabama, and California, performs maintenance and modification of aircraft for the U.S. Government. The company also provides aircraft parts and support and engineering services and full service overhaul and repair for a wide range of aircraft. AAIL also develops and manufactures rocket vehicles and control systems, and precision components for the aviation industry.

This press release contains forward-looking statements made in reliance on the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be identified by their use of words, such as “believe,” “expect,” “intend,” “anticipate,” “estimate” and other words and terms of similar meaning, in connection with any discussion of the Company's prospects, financial statements, business, financial condition, revenues, results of operations or liquidity. Factors that could affect the Company's forward-looking statements include, among other things: changes in global or domestic economic conditions; the loss of one or more of the Company's major customers; the Company's ability to obtain additional contracts and perform under existing contracts; the outcome of pending and future litigation and the costs of defending such litigation; financial difficulties experienced by the Company's customers; potential environmental and other liabilities; the inability of the Company to obtain

additional financing; material weaknesses in the Company's internal control over financial reporting; regulatory changes that adversely affect the Company's business; loss of key personnel; and other risks detailed from time to time in the Company's SEC reports, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. The Company does not undertake any obligation to update or revise any forward-looking statements and is not responsible for changes made to this release by wire services or Internet services.

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