

FOR IMMEDIATE RELEASE

Pemco Aviation Group, Inc. Announces Expansion of its Commercial Division into Tampa, Florida

Birmingham, AL (July 18, 2007) – Pemco Aviation Group, Inc. (NASDAQ: PAGI) announced today that the Board of the Tampa International Airport Authority has granted Pemco World Air Services, Inc, Pemco's commercial division, a 60-day exclusivity period to negotiate an agreement to lease the former US Airways maintenance hangar at the Tampa International Airport in Tampa, Florida.

When finalized, the company plans to perform heavy maintenance, required inspections and aircraft modifications for current and future customers. The 5-bay hangar contains approximately 150,000 square feet and will provide a significant growth opportunity for Pemco's commercial division. . Pemco anticipates the facility will support over 400 jobs in the Tampa area by 2009.

Ron Aramini, President and Chief Executive Officer of Pemco stated, "We are extremely pleased to have been given this opportunity. Tampa International Airport is conveniently located for our customers and provides a solid partnership arrangement with the Tampa International Airport Authority which benefits all involved. We look forward to expanding our business into Tampa and becoming a good corporate partner in the community."

About Pemco Aviation Group, Inc.

PAGI, with executive offices in Birmingham, Alabama, and facilities in Alabama and California, performs maintenance and modification of aircraft for the U.S. Government and for foreign and domestic commercial customers. The Company also provides aircraft parts and support and engineering services, in addition to developing and manufacturing aircraft cargo systems, rocket vehicles and control systems, and precision components. For more information go to www.pemcoaviationgroup.com.

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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" 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: the possibility that the sale of Pemco may not close on the terms described in this release, or at all; 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2006. 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.