

GENERAL ATOMICS AERONAUTICAL SYSTEMS AND GENERAL DYNAMICS CANADA SIGN AGREEMENT TO MEET CANADIAN SURVEILLANCE NEEDS

Collaboration Offers Unique Solution to Strengthen Canada's Security and Sovereignty

SAN DIEGO 22 FEB 2006 General Atomics Aeronautical Systems, Inc. (GA-ASI), a leading manufacturer of unmanned aircraft and high-resolution surveillance and radar imaging systems, today announced that it has signed a Memorandum of Understanding (MOU) with General Dynamics Canada, Canada's largest defence systems integrator, to offer the Predator® B unmanned aircraft system (UAS) and integrated communications systems to meet the Canadian government's surveillance needs.

³GA-ASI's establishment of a working relationship with General Dynamics Canada represents a strategic commitment by both companies to help Canada strengthen its domestic security and sovereignty, as well as its defence operations overseas,² said Thomas J. Cassidy, Jr., president, Aircraft Systems Group, General Atomics Aeronautical Systems, Inc. ³General Dynamics Canada's proven expertise in the collection, fusion and delivery of data in complex operational environments complements the multi-mission Predator B system's well-established, long-endurance reconnaissance and surveillance capabilities.²

³The introduction of GA-ASI's Predator B aircraft system will play a key role in the Canadian Forces¹ transformation and add to the new ISR [Intelligence, Surveillance and Reconnaissance] capabilities that we are providing to the CP-140 Aurora and CH-148 Cyclone maritime air platforms,² said John Watts, president, General Dynamics Canada.

By combining the complementary expertise, experience and technologies of two companies that are leaders in their fields, GA-ASI and General Dynamics Canada are uniquely positioned to respond to Canada's increasingly complex security environment. Their advanced technologies offer support for priority missions in the areas of national security, domestic and interoperable continental maritime surveillance, northern sovereignty, natural disaster response, critical asset protection, border surveillance and management of offshore fishery resources.

Predator and Lynx are registered trademarks of General Atomics Aeronautical Systems, Inc.

About the Companies

General Atomics Aeronautical Systems, Inc. (GA-ASI), an affiliate of privately held General Atomics, provides comprehensive solutions for military and commercial applications worldwide. The company's Aircraft Systems Group is a leading designer and manufacturer of proven, reliable unmanned aircraft systems, including the Predator UAS series, and provides pilot training and support services for UAS field operations. The Reconnaissance Systems Group designs, manufactures and integrates the Magnum (Raptor View) high-resolution EO/IR and Lynx® SAR/GMTI sensor systems for both manned and unmanned aircraft. Leading the industry to new levels of performance,

reliability and operational capability since its establishment in 1993, the company has expanded the acceptance and application of unmanned aircraft systems within the United States and among allied forces around the globe. GA-ASI is committed to providing immediately deployable transformational technology for military operations and weapons systems, as well as civil missions. For more information, please visit <http://www.uav.com>.

General Dynamics Canada, a wholly owned subsidiary of General Dynamics (NYSE:GD), is Canada's largest defence systems integrator. The company specializes in complex communications, surveillance and reconnaissance systems for land, airborne and maritime applications and has facilities in Ottawa, Calgary, Halifax and Canberra, Australia. General Dynamics, headquartered in Falls Church, Virginia, employs approximately 72,200 people worldwide (approximately 3,500 in Canada) and 2005 revenues of US\$21.2 billion. The company is a market leader in mission-critical information systems and technologies; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and business aviation. For more information please visit <http://www.generaldynamics.com>.