



FOR IMMEDIATE RELEASE

LISTED: TSX  
SYMBOL: NAS Common Shares

### **Northstar Companies Enter into Settlement Agreement in Cambridge Litigation Claim**

Toronto, Ontario, May 22, 2009 -- Northstar Aerospace, Inc. ("Northstar") and its wholly-owned subsidiary, Northstar Aerospace (Canada) Inc. ("Northstar Canada" and collectively, the "Company"), announced today that they have entered into a settlement agreement with the plaintiffs in the previously announced environmental class proceeding in the Ontario Superior Court of Justice. This settlement will not affect Northstar Canada's ongoing remediation efforts.

The plaintiffs, all property owners in the neighbourhood adjacent to Northstar Canada's facility in Cambridge, Ontario, sought damages for diminution of property values and other losses associated with environmental issues relating to the historical operation of the Cambridge facility. The plaintiffs sought to certify the lawsuit as a class proceeding on behalf of all property owners in the neighbourhood as at August 23, 2005.

Under the settlement agreement, which is subject to Court approval, funds totalling approximately \$5.05 million (all amounts in Canadian dollars) will be established by Northstar Canada to address claims for alleged property damage and legal costs. The payment terms include \$2.05 million to be paid 30 days after the effective date of the settlement and \$3.0 million to be paid by way of a promissory note due within three years following its issuance (also to take place 30 days after the effective date of the settlement). The promissory note can be repaid in cash or, subject to regulatory approval, in Northstar common shares.

The Company does not admit any liability and under the settlement, would receive full and final releases for the claims made in the proceeding and the plaintiffs' lawsuit will be dismissed with prejudice.

In addition to Court approval, the settlement agreement is also subject to early termination provisions dependent upon the level of support for it among the class members and the number of property owners who choose to opt out of the class.

Northstar Aerospace, Inc. ([www.nsaero.com](http://www.nsaero.com)) is North America's leading independent manufacturer of flight critical gears and transmissions. Northstar Aerospace is a public company (TSX:NAS) with operating subsidiaries in the United States and Canada. Its principal products include helicopter gears and transmissions, accessory gearbox assemblies, rotorcraft drive systems and other machined and fabricated parts. It also provides maintenance, repair and overhaul of helicopter engines and transmissions. The Company's executive offices are located in Chicago, Illinois. Its plants are located in Chicago, Illinois; Phoenix, Arizona; Stroud, Oklahoma; Anderson, Indiana; and Milton and Windsor, Ontario.

## Forward Looking Statements

Certain information included in this news release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other similar expressions concerning matters that are not historical facts. Such forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events discussed in the forward-looking information including, without limitation, risks related to early termination provisions, court and regulatory approvals. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under “Risks and Uncertainties” in the Company’s Management’s Discussion and Analysis for the year ended December 31, 2008, which may cause actual events or results to differ materially from any forward looking statement. Although the forward-looking information is based on what the Company considers to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management’s assumptions may prove to be incorrect. This forward-looking information is made as of the date of this news release, and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Undue reliance should not be placed on forward-looking information.

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