



February 5, 2007

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT

Attention: John Tracey

Dear Sir:

Attached is a signed copy of the Magellan Letter of Engagement, as discussed.

There are some matters that we wish to clarify.

The context of the terms of reference for your engagement is that Mr. Little has brought a claim for unfair dismissal and that proceedings are underway before the Employment Tribunal and that additional proceedings have been threatened by Mr. Little and his legal counsel ("Legal Proceedings"). We understand that one of the principal positions of Mr. Little is that his dismissal from Magellan, which is the principal matter being considered in the Legal Proceedings, is directly related to his having threatened to and or utilized the procedures under the Whistleblower Policy to make certain disclosures.

Accordingly the report and the engagement of PricewaterhouseCoopers LLP ("PWC"), while being conducted by the Audit Committee in accordance with the Whistleblower Policy, should be completed on the basis that it is confidential and privileged to the Audit Committee and all communications from you should be through me, as the Chairman of the Audit Committee. PWC should recognize that its engagement and the resulting report is prepared for the purposes of findings of fact related to existing, contemplated and pending litigation, including the Legal Proceedings.

In substance the investigation is as to whether there is any substance to the "whistle blowing" allegations made by Mr. Little for potential use in the existing Legal Proceedings, or potential subsequent proceedings arising out of the whistle blowing disclosures, or any future shareholder claims and/or regulatory investigations and not an investigation of the dismissal, which is the subject of the current Legal Proceedings.



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In view of the deadlines we are facing with respect to the release of Magellan Aerospace Corporation information before the end of March, we would appreciate some indication of anticipated timelines for completion of the stages of your work.

We look forward to your initial report on interviews that are currently underway in order that we can establish an appropriate scope for your investigation.

Yours truly,

William A. Dimma
Chairman of the Audit Committee
Magellan Aerospace Corporation