



First agreement for Cyclone with the US Navy:

Elbit Systems' Subsidiary to Supply Fuel Tanks to the US Navy's F-18's

Signed initial contract valued at \$2.4 million out of a total estimated at approximately \$60 million

Innovative technology used to manufacture these Fuel Tanks

Haifa, Israel, December 2, 2007 – Elbit Systems Ltd. (NASDAQ: ESLT) announced that its subsidiary, Cyclone Aviation Products Ltd. (Cyclone), was awarded a contract to supply the US Navy 330 gallon Fuel tanks to be installed on its F-18's.

This contract constitutes a pivotal marketing breakthrough for Cyclone and the US Navy. The first phase of this contract amounts to \$2.4 million and the total value is estimated at approximately \$60 million. Deliveries are scheduled to take place between 2009 and 2013.

The 330 gallon Fuel Tanks are manufactured in a special coiling process (Filament Winding) designed to protect the Fuel Tanks from possible damage that may occur during onboard aircraft carrier fires.

Yoram Shmueli, Co-General Manager of Airborne and Helmet Systems at Elbit Systems, said, "The US Navy's decision to select Cyclone's Fuel Tanks for the first time, via tender, reflects the trust and recognition we have established among leading customers worldwide. I believe this contract will pave the way for further business in this fast-growing market characterized by advanced technologies and innovative composite materials."

Cyclone's core business is the development and manufacture of both metal and composite structural assemblies for aircraft, helicopters and UAVs. The company upgrades aircraft and performs maintenance as well as operates aircraft and helicopters such as the Grove G-120A, in IAF's flight school, moreover, Cyclone is also qualified as a testing facility for light aircraft. Recently, the company opened a new product line for 600 gallon Fuel Tanks and pylons allowing fighter jets to significantly increase their flight range. Cyclone's customer base includes the IAF, the U.S. Air Force, the U.S. Army and the U.S. Navy as well as several major aviation companies, such as Boeing, Lockheed Martin and Sikorsky.

For the past two years, Cyclone's CEO has been Mr. Reuven Avraham.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance ("C4ISR"), unmanned air vehicle (UAV) systems, advanced electro-optics, electro-optic space systems, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense, homeland security and commercial aviation applications.

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