

LOCKHEED MARTIN AWARDED \$11 MILLION CONTRACT TO DEVELOP NEW EXPENDABLE MINE NEUTRALIZATION SYSTEM FOR U.S. NAVY MINE HUNTER-KILLER SHIPS

SYRACUSE, NY, November 19th, 2007 -- Lockheed Martin [NYSE: LMT] has been awarded a \$11 million System Development and Demonstration (SD&D) contract by the U.S. Navy to develop and integrate a new Expendable Mine Neutralization System (EMNS) for the Navy's Mine Counter Measures (MCM-1) Avenger-class ships.

The EMNS will be a new surface mine countermeasures system designed to protect carrier and expeditionary strike groups by rapidly reacquiring, targeting and neutralizing moored and sea-bottom mines. The EMNS will deploy the U.S. Navy's chosen common mine neutralizer, BAE Systems' Archerfish mine disposal system, a remotely-operated underwater vehicle that locates mines using sonar; enables the operator to identify the mine using video; and destroys the mine when commanded by the operator.

For the Navy, EMNS will greatly reduce the mine detection-to-neutralization sequence time, improve mine countermeasure mission effectiveness and reduce the amount of time Sailors will have to operate in minefields. EMNS will replace the existing AN/SLQ-48 Mine Neutralization System currently deployed on all 14 MCM-class ships.

Under the terms of the contract, Lockheed Martin will develop hardware, software and interfaces for the EMNS, and integrate the system with the MCM ships. The company will deliver two EMNS Engineering Development Models (EDMs) to the Navy for developmental and operational testing and evaluation. Lockheed Martin's Undersea Systems facility, in Syracuse, NY, will manage the contract.

For the EMNS, Lockheed Martin also will employ a scalable, open architecture capable system for the MCM-1 Avenger-class ships that facilitates rapid technology insertion, increasing warfighting capabilities in a shorter time at a reduced cost. This open architecture approach also will enhance EMNS's interoperability with other mine countermeasures systems.

"The EMNS provides the Navy with an increased mine countermeasures capability while at the same time dramatically reducing the time it takes to neutralize mines," said Denise Saiki, vice president and general manager of Lockheed Martin's Undersea Systems business. "The system also enables an early step for moving mine countermeasures systems towards an open architecture, open business model."

Headquartered in Bethesda, MD, Lockheed Martin employs about 140,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.