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Graham Corporation 20 Florence Avenue Batavia, NY 14020

## **Graham Corporation Awarded Three Orders Valued at \$4.8 Million**

### ***Includes first major upstream order for oil sands production***

BATAVIA, NY, December 1, 2010 – Graham Corporation (NYSE Amex: GHM), a designer and manufacturer of critical equipment for the oil refining, petrochemical and power industries, today announced that it has been awarded three orders totaling approximately \$4.8 million for specialized condensers, liquid ring pump packages and ejector systems to be installed at facilities in North America and Asia.

The first order is for a custom-engineered surface condenser and liquid ring pump package which will be installed at an oil sands processing facility in the province of Alberta, Canada, and will serve as a vapor recovery unit for bitumen storage tanks. The second order is also for a surface condenser and liquid ring pump package destined for a U.S. refinery revamp intended to reduce the sulfur content in transportation fuel produced at the refinery. The third order is for ejector systems to be installed in India at a new ammonia/urea fertilizer producing facility, which when completed, will be one of the largest in the world.

Production and shipment for the three orders is expected to begin during Graham's second quarter of fiscal 2012, ending March 31, 2012. As a result, revenue will be recognized in the second through fourth quarters of fiscal 2012.

James R. Lines, Graham's President and Chief Executive Officer, commented, "We were encouraged to see several large orders break loose during the quarter, particularly our win for the oil sands project. I believe that the oil sands order is important because it is Graham's first in the extraction/production process. Investment in new oil sands production is expected to ultimately lead to increases in capacity for the upgrade process where Graham has historically had a strong presence. Moreover, the Indian fertilizer order is representative of Graham's strong market presence in this growing industry. Graham also continues to benefit from sulfur reduction initiatives in North America."

"The large projects in our pipeline, like the ones announced today, continue to progress slowly, while a number of smaller projects appear to be advancing more quickly toward the procurement phase. We remain optimistic about the overall outlook for the energy and petrochemical markets we serve, although our customers remain cautious given the continued global economic uncertainty," Mr. Lines concluded.

### **ABOUT GRAHAM CORPORATION**

With world-renowned engineering expertise in vacuum and heat transfer technology, Graham Corporation is a global designer, manufacturer and supplier of custom-engineered ejectors, pumps, condensers, vacuum systems and heat exchangers. For over 70 years, Graham has built a reputation for top quality, reliable products and high-standards of customer service. Sold either as components or complete system solutions, the principal markets for Graham's equipment are energy, including oil and gas refining and electrical power generation, chemical/petrochemical and other process industries. In addition, Graham's equipment can be found in diverse applications, such as metal refining, pulp and paper processing, shipbuilding, water heating, refrigeration, desalination, food processing, pharmaceutical, heating, ventilating and air conditioning.

Graham Corporation's reach spans the globe. Its equipment is installed in facilities from North and South

America to Europe, Asia, Africa and the Middle East. Graham routinely posts news and other important information on its website, [www.graham-mfg.com](http://www.graham-mfg.com), where additional comprehensive information on Graham Corporation can be found.

**Safe Harbor Regarding Forward Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as “expects,” “estimates,” “projects,” “anticipates,” “believes,” “could,” and other similar words. All statements addressing operating performance, events, or developments that Graham Corporation expects or anticipates will occur in the future, including but not limited to, statements relating to anticipated revenue, the timing of conversion of backlog to sales, market presence, profit margins, foreign sales operations, its ability to improve cost competitiveness, customer preferences, changes in market conditions in the industries in which it operates, changes in general economic conditions and customer behavior, forecasts regarding the timing and scope of the economic recovery in its markets, and its acquisition strategy are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Graham Corporation's most recent Annual and Quarterly Reports filed with the Securities and Exchange Commission, including under the heading entitled “Risk Factors.”

Should one or more of these risks or uncertainties materialize, or should any of Graham Corporation's underlying assumptions prove incorrect, actual results may vary materially from those currently anticipated. In addition, undue reliance should not be placed on Graham Corporation's forward-looking statements. Except as required by law, Graham Corporation disclaims any obligation to update or publicly announce any revisions to any of the forward-looking statements contained in this press release.

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