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**Graham Corporation** 20 Florence Avenue Batavia, NY 14020

IMMEDIATE RELEASE

## **Graham Corporation Wins Record \$9.5 Million Vacuum System Order for U.S. Refinery Expansion Project**

BATAVIA, NY, July 9, 2007 – Graham Corporation (AMEX: GHM) announced today that it has been awarded a \$9.5 million purchase order for an ejector/liquid ring pump combination vacuum system for a major U.S. refinery expansion project located in the U.S. Gulf Coast region. Planned delivery is September 2008, and revenue will be recognized on percentage of completion basis. At this time, it is not anticipated that this order will contribute to current fiscal year 2008 sales.

The refinery, which produces gasoline, diesel and aviation fuel, will add over 300,000 barrels per day in additional capacity. This increase, which is equivalent to building a new refinery, will make this site the largest refinery in the U.S. and among the largest in the world. The refinery already had several pieces of Graham's equipment in its existing operations.

James R. Lines, President of Graham Corporation, noted, "Our engineering excellence, quality product and strong reputation enabled us to win this record order. We have had a long relationship with this customer, and they are already using our equipment in their operations."

He continued, "This expansion is representative of the significant investment being made by the oil industry in U.S. refinery operations. We believe that market fundamentals continue to support refinery expansion in the U.S. and around the world, and we intend to capitalize on this growth while focusing on the projects and customers that have the highest degree of likely success."

Graham engineers have been working with the refiner and the engineering, procurement and construction contractor over the last 18 months to develop design options and solutions to best meet the operating objectives of the refinery. The refinery will include the latest in design and technology that will minimize emissions associated with the refining process and produce lower emission fuels.

### **ABOUT GRAHAM CORPORATION**

With world-renowned engineering expertise in vacuum and heat transfer technology, Graham Corporation is a designer, manufacturer and global supplier of ejectors, pumps, condensers, vacuum systems and heat exchangers. Over the past 71 years, Graham Corporation 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 the petrochemical, oil refining and electric power generation industries, including cogeneration and geothermal plants. Graham equipment can be found in diverse applications, such as metal refining, pulp and paper processing, ship-building, water heating, refrigeration, desalination, food processing, drugs, heating, ventilating and air conditioning.

Graham's reach spans the globe. Its equipment is installed in facilities from North and South America to Europe, Asia, Africa and the Middle East. More information regarding Graham can be found at its website:

[www.graham-mfg.com](http://www.graham-mfg.com)

### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are subject to certain risks, uncertainties and assumptions. These risks and uncertainties, which are more fully described in Graham's Annual and Quarterly Reports filed with the Securities and Exchange Commission, include Graham's ability to successfully execute the contract, that the estimated value of the production contract will be realized, customer preferences and changes in market conditions in the industries in which Graham operates. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary in material aspects from those currently anticipated.

### **For more information contact:**

J. Ronald Hansen, Vice President Finance and CFO  
Phone: (585) 343-2216  
Email: [rhansen@graham-mfg.com](mailto:rhansen@graham-mfg.com)

Deborah K. Pawlowski, Kei Advisors LLC  
Phone: (716) 843-3908  
Email: [dpawlowski@keiadvisors.com](mailto:dpawlowski@keiadvisors.com)