Boeing and Orion Propulsion Sign NASA Mentor-Protégé Agreement

ST. LOUIS, March 31, 2008 -- The Boeing Company [NYSE: BA] and Orion Propulsion Inc. (OPI) have signed a government-sponsored Mentor-Protégé agreement to work together on NASA's Ares I rocket, which will transport astronauts into space after the space shuttle retires. The one-year agreement was signed today at NASA's Marshall Space Flight Center in Alabama and marks the first Mentor-Protégé agreement in 2008 in support of a major NASA contract.

The NASA-sponsored Mentor-Protégé Program pairs large companies with eligible small businesses to enhance the protégés' capabilities and enable them to successfully compete for larger, more complex prime contract and subcontract awards. Boeing has a long history of helping small and diverse businesses. The company subcontracted more than $5 billion of work to small and diverse businesses in 2007.

OPI is a small, woman-owned aerospace company located near Marshall Space Flight Center in northern Alabama. It provides propulsion engineering, test, verification, qualification and production expertise to NASA as well as to several civil, defense and commercial partners. OPI currently supports Boeing on Ares I reaction control system (RCS) development. Potential future activities include integration of flight hardware, production of test equipment, tooling and provision of technical-support services. The RCS includes multiple small rocket engines and their supporting subsystems to provide control over the orientation of the Ares I (first stage and upper stage) during its ascent to orbit.

Boeing is under contract to NASA to produce the Ares I upper stage and instrument unit avionics. It will build the upper stage at NASA's Michoud Assembly Facility in New Orleans in late 2009.

"Boeing will help Orion with much of their internal training to deal with propulsion system processes and items needed in producing the RCS for Ares I," said Ray Robin, a supplier management official in Boeing's Exploration Launch Systems group. "We will also share some of our best Lean manufacturing practices with them to ensure they have efficient production processes." Boeing will also provide support with business development, human resources and supply chain management.

"The benefit to Boeing is that we get a partner who meets our schedule and cost requirements and provides technical expertise in reaction control systems -- it's a win-win for everyone," said Robin.

"We are very excited to be chosen as NASA's first Mentor-Protégé this year and are grateful to have the opportunity to grow our business with the support of Boeing," said OPI Chief Executive Officer Tim Pickens. "This agreement will help us become a more cost-effective and viable subcontractor to NASA, Boeing and other customers. We look forward to making the most of this historic opportunity to contribute to our nation's new launch vehicle."

Boeing is the largest aerospace company in Alabama. The company's more than 3,000 Alabama employees work on the leading edge of key space and defense programs, including Ground-based Midcourse Defense, International Space Station, Ares I upper stage, Avenger and the PAC-3 missile.

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32.1 billion business with 71,000 employees worldwide.
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