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FOR IMMEDIATE RELEASE

### **AEROCENTURY CORP. MOVES TO REMEDY LESSEE DEFAULT**

(BURLINGAME, CA), July 7, 2003 -- AeroCentury Corp., (ASE:ACY), an independent aircraft leasing company, reported today that it has declared a default under its lease for two deHavilland Dash-7 aircraft with a Haitian regional air carrier. The Company intends to immediately commence repossession of the aircraft and prepare them for re-lease or re-sale. The default and repossession of the aircraft are likely to negatively affect the Company's second quarter results. The net negative effect will depend on such factors as the costs incurred in repossessing the aircraft, condition of the repossessed aircraft when recovered, the cost of repairs necessary to make the aircraft ready for re-lease or re-sale, and how quickly a lessee or buyer for the aircraft can be located. The default will also trigger acceleration of a receivable relating to deferred rental and maintenance reserve obligations owed by the lessee, and all or a substantial portion of this amount will likely be written off. This, in turn, is expected to cause the Company to fall out of compliance with a financial ratio covenant under its revolving credit line facility. The Company has commenced discussions with the agent bank for the credit line regarding a possible waiver of that covenant.

“Though very disappointing, this default was the result of circumstances unique to this regional carrier,” explained Neal Crispin, President of AeroCentury. “We remain committed to the regional air carrier market and believe that attractive opportunities with such carriers will continue to be available. While lessee credit risk cannot be completely eliminated, our management team will continue to work to mitigate the possibility of a lessee default.”

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AeroCentury is an aircraft operating lessor and finance company specializing in leasing regional aircraft and engines utilizing triple net leases. The Company's aircraft and engines are on lease to regional airlines and commercial users worldwide.

*This release includes forward-looking statements including statements regarding efforts to secure from the Company's lenders a waiver of a financial ratio covenant, the Company's commitment to the regional air carrier market, the availability of attractive opportunities with regional air carriers, and the Company's ability mitigate the possibility of a lessee default. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statement. These risks include, but are not limited to, the effect of worsening economic conditions internationally or in regions where the Company's lessees are located, events or circumstances, including terrorist attacks or other geopolitical events, that may negatively affect the regional air carrier market, the condition of the aircraft and/or airline industry, and changes in the valuation of the Company's collateral. Further, there is no assurance that the Company will secure a waiver of the financial ratio covenant at issue. The forward-looking statements and reasons why results may differ reflect the management's point of view only as of the date hereof. The Company undertakes no obligation to publicly revise these statements to reflect subsequent events or circumstances. Readers should also carefully review the risk factors described in documents the Company files from time to time with the Securities and Exchange Commission including the Company's Form 10-QSB for the quarter ended March 31, 2003.*

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