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FOR IMMEDIATE RELEASE

AEROCENTURY CORP. REPORTS FIRST QUARTER RESULTS

(BURLINGAME, CA), May 3, 2006 — AeroCentury Corp. (ASE:ACY), an independent aircraft leasing company, today reported its operating results for the first quarter ended March 31, 2006.

The Company reported net income of \$104,990 or \$0.07 per share for the first quarter of 2006 compared to net income of \$39,840 or \$0.03 per share for the first quarter of 2005.

For the quarter, the Company reported total revenues of \$6.1 million compared with revenues of \$2.5 million for the same period a year ago.

Operating lease revenue was approximately \$1,179,000 higher in the first quarter of 2006 versus 2005 primarily because of increased operating lease revenue from aircraft purchased beginning in April 2005 and a net increase in rent as a result of aircraft re-leased after March 31, 2005. These increases were partially offset by decreased operating lease revenue due to aircraft which were on lease for all of the first quarter of 2005, but off lease for a portion of the first quarter of 2006.

There were no aircraft or aircraft engine sales during the first quarter of 2006. Revenues for the first quarter of 2005 included a loss on sale of aircraft and aircraft engines of approximately \$60,000 as a result of the sale of a deHavilland DHC-7 aircraft.

During the first quarter of 2006, two aircraft were returned at lease end. In connection with these returns and under the Company's policy regarding maintenance accruals at lease end, the Company recognized lessee-reimbursed maintenance revenues of approximately \$2,396,000 in other income and concurrently recognized estimated maintenance expense for the returned aircraft, for which the Company is responsible, of approximately \$2,392,000. The Company also accrued approximately \$162,000 of maintenance expense to prepare several aircraft for re-lease. In the first quarter of 2005, the Company accrued approximately \$17,000 for the storage of several aircraft.

(more)

Depreciation was approximately \$305,000 higher in the first quarter of 2006 versus 2005, and management fees were approximately \$154,000 higher in the first quarter of 2006 versus 2005, primarily because of purchases of aircraft beginning in April 2005, the effect of which was partially offset by the sale of an aircraft in the fourth quarter of 2005.

Interest expense was approximately \$402,000 higher in the first quarter of 2006 versus 2005 primarily as a result of increases in the index upon which the Company's interest rates are based and a higher average principal balance in 2006 compared to 2005, the effect of which was partially offset by a lower margin in 2006 than in 2005.

Professional fees and general and administrative expenses were approximately \$28,000 higher in the first quarter of 2006 versus 2005, primarily because of legal expenses associated with the early return of an aircraft, the effect of which was partially offset by lower accounting fees.

The Company's insurance expense consists primarily of insurance for off-lease aircraft and aircraft engines which varies depending on the type of aircraft and engines insured during each period and the length of time each asset is insured. As a result of the combination of assets insured during each period and the length of time each was insured, insurance expense was approximately \$15,000 lower in the first quarter of 2006 versus 2005.

During the first quarter of 2006, the Company recorded bad debt expense of approximately \$49,000 for rent receivable which was written off in connection with a lessee's early return of an aircraft. The Company did not record any bad debt expense during the first quarter of 2005.

The Company did not record any impairment charges in the first quarter of 2006. In the first quarter of 2005, the Company recorded an impairment charge of approximately \$12,000 for one of its aircraft, based on the estimated net sales proceeds pursuant to an agreement to sell the aircraft.

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.

(See tables following.)

AeroCentury Corp.
Selected Financial Information
(Unaudited)

	For the Quarter Ended March 31, <u>2006</u>	For the Quarter Ended March 31, <u>2005</u>
Summary of Operations:		
Operating lease revenue	\$ 3,701,000	\$ 2,521,610
Loss on sale of aircraft and aircraft engines	-	(59,550)
Other income	<u>2,387,380</u>	<u>78,090</u>
Total revenues	<u>6,088,380</u>	<u>2,540,150</u>
Maintenance	2,553,830	16,610
Depreciation	1,230,190	925,130
Interest	1,164,260	762,720
Management fees	698,150	544,350
Professional fees and general and administrative	166,080	138,460
Insurance expense	78,040	92,610
Bad debt expense	48,820	-
Provision for impairment	-	12,180
	<u>5,939,370</u>	<u>2,492,060</u>
Income before taxes	149,010	48,090
Tax provision	44,020	8,250
Net income	<u>\$ 104,990</u>	<u>\$ 39,840</u>
Weighted average common shares outstanding	<u>1,543,257</u>	<u>1,543,257</u>
Earnings per share	<u>\$ 0.07</u>	<u>\$ 0.03</u>

	March 31, <u>2006</u>	December 31, <u>2005</u>	March 31, <u>2005</u>
Summary Balance Sheet:			
Total assets	\$ 97,010,390	\$ 96,546,700	\$ 76,106,010
Total liabilities	\$ 77,915,310	\$ 77,556,610	\$ 57,268,990
Shareholders' equity	\$ 19,095,080	\$ 18,990,090	\$ 18,837,020

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