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GLOUCESTER ENGINEERING COMPANY ANNOUNCES INDIA'S KABRA EXTRUSIONTECHNICK BECOMES MAJOR NEW STAKEHOLDER

Kabra Extrusiontechnik Ltd will Acquire a 15% Stake and Provide Additional Capital Resources to GEC

Gloucester, MA, March 8, 2011 -- Gloucester Engineering Company (GEC) announced today that Kabra Extrusiontechnik Ltd (KET), has acquired a 15% stake in the company. KET, part of the 49 year-old Kolsite Group of Companies, is a publicly-traded company on the Bombay Stock Exchange and the National Stock Exchange in India. KET will acquire a stake in the company's equity and debt and provide additional capital resources to GEC. Additional terms were not disclosed.

GEC and the Kolsite Group established a joint venture, Kabra Gloucester Engineering Ltd. (KGE), in Daman India in 2009. The joint venture recently received an order for a 5-Layer Blown Film Line from Propyl Pack India and is actively developing new products to address international markets.

Mark Steele, CEO of Gloucester Engineering Company, said, "We are extremely pleased to expand our relationship with Kabra, which has been an excellent partner throughout our joint venture. As a new stakeholder, Kabra will help GEC develop opportunities in Southeast Asia, ensuring the company and its pipeline remain robust. We consider Kabra's investment another significant vote of confidence in GEC and we look forward to collaborating with them as we continue to grow the company."

S. V. Kabra, Chairman & Managing Director of Kabra Extrusiontechnik Ltd said, "KET has taken a leap forward, being the first plastic machinery company from India to invest in an overseas plastic machinery company. GEC is a highly technology-focused company and has consistently ranked among the world's top five high-end extrusion machinery manufacturers for the packaging industry. KET, through its minority investment in GEC, will gain exposure to customers in the North American, European and other western world markets."

"This is great news for GEC," said Michael Ranson, Partner at private equity firm Blue Wolf, the majority owner of GEC. "GEC now has two long-term capital partners that are committed to funding its growth. The fact that KET, a sophisticated international company in the plastic extrusion industry, would choose to invest in GEC underscores the fact that the company's turnaround is complete, it has a stable capital base and its future is bright."

About Gloucester Engineering Co. Inc.

Since its inception in 1961, Gloucester Engineering Company has been a global leader in advancing quality and production limits in the plastics extrusion and converting market. GEC offers a range of innovative

system and component solutions, for both new lines and retrofits, that provide customers a competitive edge in applications that include bag making, foam and sheet extrusion, blown and cast film extrusion, and extrusion coating. GEC manufactures its equipment from its headquarters in Gloucester, MA, USA and through its joint-venture company in Daman, India, Kabra Gloucester Engineering.

About Kabra Extrusiontechnik Ltd

Kabra Extrusiontechnik Ltd, part of the \$120 million Kolsite Group of Companies, is India's largest manufacturer and largest exporter of plastic extrusion equipment. KET is the leader in the production of pipe, profile & blown film machinery. KET commands about 40% market share in its product range in India and has over 8,000 installations in 65 countries worldwide.

About Blue Wolf Capital Partners

Blue Wolf Capital Partners LLC is a private equity firm that seeks to create and increase value in middle market companies. We often invest when we can address financial or operational distress, or constructively resolve issues arising from corporate governance or relations with government entities or labor unions. For additional information, please visit www.blue-wolf.com.

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