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VSE Receives Contract to Modernize Route Clearance Vehicles

\$194 million to Strengthen Defense against Roadside Mines and IEDs

ALEXANDRIA, Va.--

VSE Corporation (Nasdaq:VSEC) will support Letterkenny Army Depot as its prime contractor on an award of approximately \$194 million on the modernization program for Route Clearance Vehicles (RCVs) to improve the U.S. military's defense against roadside mines and Improvised Explosive Devices (IEDs). IEDs are the number-one source of casualties for U.S. forces in Iraq and Afghanistan, and the Route Clearance Vehicles are one of several tools that the warfighter is using to offset this threat. The effort will be managed by a Letterkenny Army Depot team and the facility will be operated by VSE Corporation. VSE's Team includes: The Boeing Company (Boeing), McLane Advanced Technologies, LLC (MAT), ManTech Telecommunications and Information Systems Corporation (MTISC); PWC Logistics Services Company, KSC(c) (Agility); and Quality Enterprise Solutions Trading and Contracting Company (QUEST). The operation is completely funded by the Program Manager - Assured Mobility System (PM-AMS) and supports the Army Central Command (ARCENT) efforts to modernize all Route Clearance Vehicles being used in Iraq and Afghanistan.

"Route Clearance Vehicles are the work horses in assisting route clearance teams to detect and neutralize potentially deadly IED, protecting warfighters from Explosively Formed Penetrator (EFPs) and other explosive hazards encountered on vital supply routes in Iraq and Afghanistan. Ensuring their readiness is critical to the war effort", COL Shapiro, Commander, Letterkenny Army Depot. Letterkenny Army Depot and VSE Corporation will give the Army the opportunity to repair and modernize the RCVs in theater, eliminating the need to ship the vehicles out of theater and minimizing the mission operational readiness impact. All repairs and modernization will be conducted in a new facility in Kuwait that will be operational in early 2009 for assets currently being utilized by the Army and Marine Corps warfighter in Iraq and Afghanistan. The program is also designed to support the modernization of U.S. Air Force and Navy MRAP-type vehicles.

VSE Federal Group President Thomas G. Dacus said, "This award builds on our capabilities in vehicle engineering, technology insertion, repair, and RESET, and on our experience in providing these services under very difficult circumstances in Southwest Asia, principally under the highly successful in-theater Route Clearance Vehicle maintenance program as well as VSE's Tanker Ballistic Protection System program." VSE CEO Maurice ("Mo") A.

Gauthier added, "We are pleased and humbled by the confidence our TACOM customer has placed in us. All our resources will continue to be focused on meeting the urgent and challenging vehicle requirements facing allied and American forces in the region."

Safe Harbor

This news release contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements" under federal securities laws. All such statements are intended to be subject to the safe harbor protection provided by applicable securities laws. For discussions identifying some important factors that could cause actual VSE results to differ materially from those anticipated in the forward looking statements in this news release, see VSE's public filings with the Securities and Exchange Commission.

VSE provides engineering and consulting services, systems integration, infrastructure support, and information technology management and solutions, principally to agencies of the United States Government and other government prime contractors at locations across the United States and around the world. For additional information on VSE services and products, please see our web site at www.vsecorp.com or contact Randy Hollstein, Director of Business Development, at (703) 329-3206.

Source: VSE Corporation