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FOR IMMEDIATE RELEASE

May 5, 2008

American Electric Technologies Announces Alliance with DRS Power Technology, Inc.

New Power Products to Debut at Offshore Technology Conference

HOUSTON (May 5, 2008) — American Electric Technologies, Inc. (NASDAQ: AETI) announced today that it has reached an agreement with DRS Power Technology, Inc. a subsidiary of DRS Technologies, Inc. (NYSE: DRS), to jointly develop and market DRS permanent magnet motors (PMMs) and generators using AETI variable frequency drives (VFD) to bring a new level of performance, reliability and efficiency to the oil and gas drilling and marine industries with future potential expansion into wind power generation.

AETI e Drives, along with DRS' PA44-450 and PRE34-600 hp PMMs, will be on display at the 2008 Offshore Technology Conference (OTC) on May 5 in AETI's booth (#4063). OTC, the energy industry's largest technical exhibition and conference, will be held in Houston at Reliant Center May 5-8.

AETI and DRS have successfully matched the robust, proven and cost-competitive AETI e-Drive with the power-dense and energy-efficient DRS PA44-450 (450 hp, 3600 rpm). The DRS PA44 is utilized worldwide in oil and gas drilling and top-drive applications. It is known for its durability and power density.

DRS is a leader in the engineering and development of high-powered permanent magnet machines. PMMs are well known for their simplicity, power density and energy efficiency. DRS' latest development, the PRE34-600 motor (600 hp @ 1200 rpm), has been added to a family of products for the oil and gas drill rig market. The new motor leverages DRS' patent-pending embedded magnet rotor technology and is cost-competitive with comparable induction motors. AETI's e Drive variable speed drive utilizes the most advanced G7 technology available in the industry today. With the unique capability of powering PMMs in applications up to 800 hertz, these drives are available in liquid and air cooled configurations up to 4000 hp.

Comprehensive factory and field testing is under way for the motors. DRS and AETI anticipate production shipments within the next twelve months.

"We are extremely excited about collaborating with DRS and are impressed with their extensive experience with permanent magnet motors and generators," said Arthur G. Dauber, chief executive officer and chairman of AETI. "This project embodies both companies' commitment to providing innovative solutions to our customers."

"The credibility and strength that both DRS and AETI bring to the collaborative effort provides a solid foundation on which both companies can quickly and aggressively take advantage of tremendous market opportunities," said Roger Sexauer, president of DRS Power Systems.

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DRS Technologies, Inc., headquartered in Parsippany, New Jersey, is a leading supplier of integrated products, services and support to military forces, intelligence agencies and prime contractors worldwide. The company employs approximately 10,000 people. For more information about DRS Technologies, please visit the company's web site at www.drs.com.

American Electric Technologies, Inc. is the premium supplier of custom-designed power delivery solutions to the traditional and alternative energy industries. AETI offers M&I Electric™ power distribution and control products, electrical services, and E&I construction services, as well as American Access Technologies zone enclosures, and Omega Metals custom fabrication services. South Coast Electric Systems L.L.C., a subsidiary, services Gulf Coast marine and vessel customers.

AETI is headquartered in Houston and has global sales, support and manufacturing operations in Beaumont, Texas, Keystone Heights, Fla. and Bay St. Louis, Miss. In addition, AETI has minority interests in two joint ventures which have facilities located in Xian, China and Singapore. AETI's SEC filings, news and product/service information are available at www.aeti.com.

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Forward Looking Statements

Except for the historical and present factual information contained herein, the matters set forth in this document, including statements regarding the anticipated results of our international joint ventures are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. There are many risks, uncertainties and other factors that can prevent the achievement of our goals or cause results to differ from those expressed or implied by these forward-looking statements including, without limitation, the risks inherent in doing business outside of the U. S. such as political, social and economic instability, currency fluctuations and conversion restrictions. These and other risks which may impact management's expectations are described in greater detail in filings made by the Company with the Securities and Exchange Commission. The Company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future events make it clear that any of the anticipated results expressed or implied herein will not be realized.

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