



FOR IMMEDIATE RELEASE

Espey Becomes a Member of the Russell Microcap Index and Announces Stock Repurchase ...

Saratoga Springs, NY; July 7, 2008- Espey Mfg. & Electronics Corp. (AMEX: ESP) today announced it has been added to the Russell Microcap Index after the Russell Investment Group reconstituted its comprehensive set of U.S. and global equity indexes on June 27, 2008.

Russell indexes are widely used by investment managers and institutional investors for both index funds and as benchmarks for passive and active investment strategies. The Company will hold its membership until Russell reconstitutes its indexes in June 2009.

Espey also announced today that it has repurchased approximately 2,900 shares of the company's common stock in open market transactions in accordance with applicable regulations of the Securities and Exchange Commission during the period June 25th to June 27th pursuant to previous authorization from the company's Board of Directors. The company's Board of Directors has authorized the expenditure of up to \$2 million for stock repurchases, from time to time. As of June 30, 2008, \$1,230,557.40 remained available in this program.

Howard Pinsley, Chair and Chief Executive Officer of the company commented, "We are pleased with our inclusion in the Russell Microcap Index and the Company's periodic repurchase of its common stock is consistent with our commitment to utilize existing capital resources in order to enhance stockholder value."

Espey's primary business is the development, design, and production of specialized military and industrial power supplies/electronic equipment. The Company's web site can be found on the Internet at www.espey.com.

For further information, contact Mr. Howard Pinsley or Mr. David O'Neil at (518) 245-4400.

Certain statements in this press release are "forward-looking statements" and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent the Company's current expectations or beliefs concerning future events. The matters covered by these statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.