

**In The Circuit Court of The Thirteenth Judicial Circuit,
In and For Hillsborough County, Florida**

MATILDA FRANZITTA, Derivatively on Behalf of Nominal Defendant AEROSONIC CORPORATION, <i>Plaintiff</i>	X	:
vs.		:
DAVID A. BALDINI, THOMAS E. WHYTAS, ROBERT J. MCGILL, P. MARK PERKINS, DAVID M. VOSEN, J. MERVYN NABORS, ERIC J. MCCRAKEN, MICHAEL T. REED, ANDREW J. NORSTRUD, JOSEPH P. SHERMAN, JR., CARMELO RUSSO, MELISSA CLARK DALEY, DAN GARWACKI, A. TODD BEARD, CHARLES M. FOSTER, JR., ANDREW J. MCADAMS, and PRICEWATERHOUSECOOPERS, LLP <i>Defendants,</i>		:
-and-		:
AEROSONIC CORPORATION, a Delaware corporation, <i>Nominal Defendant.</i>		:
	X	

CASE NO.: 05-02547

NOTICE OF SETTLEMENT OF SHAREHOLDER DERIVATIVE ACTION

TO: ALL PERSONS WHO CURRENTLY OWN AEROSONIC COMMON STOCK:

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION.

This Notice has been sent to you pursuant to Florida Statute §607.07401, and an order of the Circuit Court of the Thirteenth Judicial Circuit in and for Hillsborough County, Florida (the “Court”), following the execution of a Stipulation of Settlement signed by the parties on July 1, 2005 (the “Stipulation”). The purpose of this Notice is to inform you of the proposed settlement (the “Settlement”) of the above-captioned shareholder derivative action (the “Action”) and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement. *This Notice is not intended to be and should not be construed as an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Action or the fairness or adequacy of the Settlement.*

A final settlement hearing (the “Settlement Hearing”) will be held on **November 21, 2005 at 2:30 p.m.**, before The Honorable Margaret Honeywell, to determine whether: (1) the Settlement should be approved as fair, adequate and reasonable; and (2) Representative Plaintiff Counsel’s¹ fee award should be approved. *If the Court approves the Settlement, the Action will be dismissed with prejudice.*

I. THE ACTION

On March 21, 2005, Plaintiff commenced the Action when she filed her Verified Derivative Complaint. The Action alleges, among other things, that (i) current and former directors of Aerosonic breached fiduciary duties owed to Aerosonic by (a) perpetrating accounting fraud that damaged Aerosonic, (b) failing to detect or prevent the alleged accounting fraud, or (c) failing to pursue claims against other Defendants related to the alleged accounting fraud, (ii) certain Defendants aided and abetted alleged breaches of fiduciary duty, (iii) Defendant PwC breached an alleged contract with Aerosonic to provide accounting services, and (iv) PwC acted negligently in failing to detect or prevent the alleged account fraud. The Action seeks, among other things, unspecified damages and disgorgement of unspecified alleged ill-gotten gains allegedly received by certain of the Defendants.

By entering into this Settlement, the Settling Parties have agreed that the Action should be compromised on the terms set forth herein and that, in connection with final court approval of the settlement, the Action will be dismissed with prejudice as to all of the Settling Parties.

¹ See section VIII for a listing of the definitions used in this Notice.

II. DISCOVERY, INVESTIGATION AND RESEARCH CONDUCTED BY PLAINTIFF

Plaintiff's Settlement Counsel represents that they have conducted an extensive investigation into the facts and circumstances associated with Aerosonic during the pendency, development and prosecution of the Action. Plaintiff's Settlement Counsel also represents that this discovery and investigation has included, *inter alia*: (i) a review and analysis of Aerosonic's financial filings and related news articles; (ii) a review and analysis of relevant legal authorities; (iii) inspecting, reviewing and analyzing certain documents produced by, or otherwise relating to, Aerosonic; and (iv) participating in numerous telephonic meetings with Aerosonic's counsel.

III. DEFENDANTS' DENIAL OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny each and all of the claims and contentions alleged by Plaintiff in the Action. Defendants also have denied and continue to deny, *inter alia*, the allegations that Plaintiff or Aerosonic have suffered any damages. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Each of the Defendants denies and continues to deny the allegations concerning any alleged breach of fiduciary duty, mismanagement, misappropriation and/or waste of corporate assets or unjust enrichment. The Defendants have further asserted and continue to assert that at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Aerosonic and Aerosonic stockholders.

Nonetheless, Defendants have concluded that further litigation would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex shareholder litigation like the Action. Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation.

IV. BENEFITS CONFERRED BY THE SETTLEMENT

As a result of the filing, prosecution and Settlement of the Action, Aerosonic has agreed to implement or will implement the following corporate governance enhancements upon final approval of the Settlement:

- A. The Company has agreed to appoint a new, independent director to its Board;
- B. The Audit Committee shall have the standing authority to investigate any matters that it deems appropriate. In connection therewith, the Audit Committee shall have the standing authority to retain, at the Company's expense, any expert[s] that it deems necessary to assist it in its investigation.

The Settling Parties agree that the foregoing corporate governance principles have or will materially benefit Aerosonic and its stockholders.

V. REASONS FOR THE SETTLEMENT

Plaintiff believes that the claims asserted in the Action have merit and that the evidence developed to date supports the claims asserted. However, Plaintiff's Settlement Counsel recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and through appeals. Plaintiff's Settlement Counsel has also taken into account the uncertain outcome and the risk of any litigation, especially in complex shareholder litigation such as the Action, as well as the difficulties and delays inherent in such litigation. Plaintiff's Settlement Counsel is also mindful of the inherent problems of proof under, and possible defenses to, the violations asserted in the Action, including, but not limited to, the possibility that a "Special Litigation Committee" could determine that continued prosecution of the Action is not in Aerosonic's best interests, which would result in a dismissal of the Action with no recovery obtained by Aerosonic. Based on these considerations, among others, Plaintiff's Settlement Counsel believes that the Settlement confers substantial benefits upon Aerosonic and Aerosonic Stockholders.

VI. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A Settlement Hearing will be held on **November 21, 2005, at 2:30 p.m.**, before The Honorable Margaret Honeywell at the Circuit Court of the Thirteenth Judicial Circuit in and for Hillsborough County, Florida (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine whether: (1) the Settlement should be approved as fair, reasonable and adequate; and (2) to approve Representative Plaintiff Counsel's fee award. The Court will also rule upon any other matters that are before it. The Court may adjourn the Settlement Hearing by oral announcement at such hearing or at any adjournment without further notice of any kind. The Court may approve the Settlement with or without modifications, enter an Order and Final Judgment, and order the payment of attorneys' fees and expenses without further notice of any kind.

VII. THE RIGHT TO BE HEARD AT THE HEARING

Any Current Aerosonic Stockholder may, but is not required to, enter an appearance in the Action and be represented by counsel of his, her or its choice and expense. Any Current Aerosonic Stockholder who does not enter an appearance will be represented by the attorneys for plaintiff listed below. Any Current Aerosonic Stockholder who objects to any aspect of the Settlement may appear and be heard at the Settlement Hearing. Any such person must submit a written notice of objection, sent via first class mail or hand delivered such that it is received on or before November 14, 2005, by each of the following:

CLERK OF THE COURT
800 East Twiggs Street
Suite 530
Tampa, Florida 33602

Robert B. Weiser, Esq.
The Weiser Law Firm, P.C.
121 North Wayne Avenue
Suite 100
Wayne, Pennsylvania 19087

Stanley H. Wakshlag, Esq.
Akerman Senterfitt
One S.E. 3rd Avenue
Miami, Florida 33131

Geoffrey F. Aronow, Esq.
Heller, Ehrman LLP
1717 Rhode Island Avenue
Washington, D.C. 20036

In order to object to the Settlement, the notice of objection must include the objecting Person's name, address and telephone number, and proof of the objecting Person's standing as a Current Aerosonic Stockholder. In addition, to be heard by the Court, the objecting Person must: (1) include a detailed statement of the basis for the Person's objections to or comments upon the Settlement, Representative Plaintiff Counsel's fee award, or any other matter before the Court; (2) any supporting papers, including all documents and writings that the Person desires the Court to consider; (3) the identities of any witness[es] that the objecting Person plans on calling to testify at the Settlement Hearing; and (4) the substance of any testimony that the witness[es] will provide at the Final Hearing. Only Current Aerosonic Stockholders who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, although attendance at the Settlement Hearing is not necessary in order for an objection to be considered by the Court. *However, unless otherwise ordered by the Court, any Current Aerosonic Stockholder who does not make his, her or its objection or opposition to the Settlement in the manner provided above shall be deemed to have waived all objections and opposition to the fairness, reasonableness and adequacy of the Settlement and the requested attorneys' fees and expenses.*

VIII. DEFINITIONS USED IN THIS NOTICE

As used herein, the following terms have the meanings specified below:

A. "Current Aerosonic Stockholder" or "Current Aerosonic Stockholders" means any record and/or beneficial owner of Aerosonic common stock as of August 16, 2005.

B. "Defendants" means Aerosonic, and any of its subsidiaries and/or affiliates, David A. Baldini, Thomas E. Whytas, Robert J. McGill, P. Mark Perkins, David M. Vosen, J. Mervyn Nabors, Eric J. McCracken, Michael T. Reed, Andrew J. Norstrud, Joseph P. Sherman, Jr., Carmelo Russo, Melissa Clark Daley, Dan Garwacki, A. Todd Beard, Charles M. Foster, Jr., PwC, and Andrew J. McAdams.

C. "Judgment" means the Final Judgment and Order of Dismissal to be rendered by the Court, substantially in the form attached as Exhibit C to the Stipulation.

D. "Person" means an individual, corporation, limited liability company, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

E. "Plaintiff's Settlement Counsel" means The Weiser Law Firm, P.C., Robert B. Weiser, 121 N. Wayne Ave., Suite 100, Wayne, PA 19087, Telephone (610) 225-2677.

F. "Related Parties" means each of a Defendant's past or present directors, officers, managers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, banks or investment banks, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, executors, administrators, affiliates, related or affiliated entities, any entity in which a Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of his or her family.

G. "Released Claims" shall collectively mean all claims (including "Unknown Claims"), demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, asserted or that might have been asserted by Plaintiff directly or Current Aerosonic Stockholders derivatively on behalf of Aerosonic, or any of them, against the Defendants in the Action, that are based upon or related in any way to the facts, circumstances, transactions, events, occurrences, disclosures, statements, omissions, acts or failures to act which: (i) were alleged or could have been alleged in the Action; (ii) relate to the settlement of the Shareholder Class Action; or (iii) relate to the conduct of any of the Defendants in negotiating the settlement of the Shareholder Class Action; including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, constructive fraud, self-dealing, misrepresentation (whether intentional, negligent or innocent), omission (whether intentional, negligent or innocent), suppression (whether intentional, negligent or innocent), mismanagement, gross mismanagement, abuse of control, unjust enrichment, breach of contract, breach of fiduciary duty or violations of any state statute, rules or regulations or any other source of legal or equitable obligation of any kind or description in whatever forum.

H. "Released Persons" means each and all of the Defendants and their respective Related Parties.

I. "Representative Plaintiff's Counsel" means The Weiser Law Firm, P.C., and Lerach Coughlin Stoia Geller Rudman Robbins LLP.

J. "Settling Parties" means, collectively, each of Defendants and the Plaintiff on her own behalf and derivatively on behalf of Aerosonic and Current Aerosonic Stockholders.

K. "Shareholder Class Action" shall mean that certain case styled: In re Aerosonic Corporation Securities Litigation, C.A. No. 8:03-CV-2373-T24 TBM., which is pending in the United States District Court for the Middle District of Florida.

L. "Unknown Claims" means any Released Claims which any Plaintiff, Aerosonic or Current Aerosonic Stockholder does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. The Plaintiff, Aerosonic or Current Aerosonic Stockholders may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but each Plaintiff, Aerosonic or Current Aerosonic Stockholder shall expressly, upon the Effective Date, be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Plaintiff acknowledges, and Current Aerosonic Stockholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a material and essential part and expressly waive: (i) the benefits of the provisions of Section 1542 of the California Civil Code, which provides that "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor" and (ii) the benefits of any comparable law, statute, regulation or legal principle of any other jurisdiction.

IX. DISMISSAL AND RELEASES

If the Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice, pursuant to the terms of the Stipulation ("Judgment"). The Judgment will dismiss the Released Claims against the Released Persons with prejudice as to all Defendants.

X. ATTORNEYS' FEES AND EXPENSES

Aerosonic and PwC, on behalf of all Defendants have agreed, upon approval by the Court, that for Representative Plaintiff Counsel's efforts in filing, prosecuting and settling the Action, Plaintiffs' Settlement Counsel shall be paid attorney's fees and reimbursement of expenses in an amount not to exceed \$75,000.00.

To date, Representative Plaintiff Counsel have not received any payment for their services in prosecuting the Action, nor have they been reimbursed for their out-of-pocket expenses. The fee requested by Representative Plaintiff Counsel would compensate them for their efforts in achieving the benefits described herein and for their risk in undertaking this representation on a contingent basis.

XI. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks and other persons or entities who are Current Aerosonic Stockholders in their capacities as record owners, but not as beneficial owners, are requested to send this Notice promptly to beneficial owners. Additional copies of this Notice for transmittal to beneficial owners are available on request directed to:

Aerosonic Corporation Derivative Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 58249
Philadelphia, PA 19102-8249

XII. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, 800 E. Twiggs Street, Tampa, Florida.

For further information regarding the Settlement you may contact Robert Weiser at The Weiser Law Firm, P.C., toll free at 1-866-934-7372.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: August 16, 2005

Robert B. Weiser, Esq.
The Weiser Law Firm, P.C.
121 North Wayne Avenue
Suite 100
Wayne, Pennsylvania 19087