

TODD SHIPYARDS CORPORATION ANNOUNCES DIVIDEND

VIA FACSIMILE

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SEATTLE, WASHINGTON...August 24, 2009...Todd Shipyards Corporation (“Company”) (NYSE:TOD) announced that its Board of Directors, at its August meeting, declared a dividend of five cents (\$0.05) per share to be paid December 21, 2009 to all shareholders of record as of December 4, 2009.

The Company’s wholly owned subsidiary, Todd Pacific, performs a substantial amount of repair and maintenance work on commercial and federal government vessels engaged in various seagoing trade activities in the Pacific Northwest and provides new construction and industrial fabrication services for a wide variety of customers. Its customers include the U.S. Navy, the U.S. Coast Guard, NOAA, the Washington State Ferry system, the Alaska Marine Highway System, and various other commercial and governmental customers. Todd has operated a shipyard in Seattle since 1916.