



**STATEMENT OF QUALIFICATIONS
FOR THE MANUFACTURE OF COMMERCIAL
MARINE PROPULSION EQUIPMENT**

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MESSAGE FROM THE PRESIDENT OF THRUSTMASTER OF TEXAS, INC.



Joe R. Bekker, President & CEO

Thank you for considering Thrustmaster of Texas, Inc. for your marine propulsion project. Since the founding of the company, we have consistently provided quality products and service to the commercial marine industry at a reasonable cost.

What sets us apart in the marine propulsion industry is our dedication to quality and the commitment to treating our customers as our business partners. Not only do we know the marine market, we actively listen to our customer's requirements and apply that knowledge to product development and improvement.

With more than 1,000 thruster units in operation around the world, many of them of an exclusive design to suit a particular unique application, we have proven our dedication to design engineering excellence as well as comprehensive service after installation. We hold patents for many of those special design configurations.

At Thrustmaster, we constantly strive for the continuous improvement in the quality and value of our products. While many of the traditional thruster designs available on the market are more than 30 years old, we have taken every advantage of new technology for product improvement. Our thruster designs incorporate the latest state-of-the-art U.S. naval technology.

The assurance of quality is reflected in our dedication to the ISO-9001:2008 standards and classification society type approvals of our thrusters.

We pledge to operate our company in an environmentally responsible manner. We therefore maintain a broad reaching health, safety and environmental management plan in support of our operations wherever we work.

The dedicated employees of Thrustmaster of Texas share a common passion for building quality products that are known throughout the industry. We welcome the opportunity to serve you for all of your marine propulsion requirements.

Happy Sailing!

Joe R. Bekker, President



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EXECUTIVE SUMMARY

Thrustmaster of Texas, Inc. is a for-profit, closely-held IRS Subchapter S corporation domiciled in the State of Texas. Founded in 1984, by its president, Joe R. Bekker, the company has grown to a world leading manufacturer of heavy duty commercial marine propulsion systems. Products comprise all types of main and auxiliary marine propulsion equipment including deck-mounted propulsion equipment, thru-hull azimuthing thrusters, retractable thrusters, tunnel thrusters, and portable dynamic positioning systems.

Thrustmaster has a complete and experienced engineering staff which designs all of the thruster and control systems. Most of the key personnel have doctorate or advanced level engineering degrees. State of the art computer aided drafting and manufacturing as well as solid modeling and finite element analysis systems are used in the design of the products.

Reliability of the Thrustmaster marine equipment is proven by the more than 1,000 propulsion units and thrusters in service around the world. Thrustmaster propulsion equipment has been type-certificated and approved by every major classification society as well as the U.S. Navy, U.S. Coast Guard, and numerous foreign navies. Thrustmaster is ISO-9001:2008 certified by the American Bureau of Shipping (ABS).

Current annual revenues are in excess of USD \$100-million with a current production backlog of well over USD \$150-million.

Production facilities include a new 200,000 square foot (18,580 m²) state-of-the art thruster manufacturing facility and 40,000 square feet of (3,700 m²) design and administrative space located on a 60 acre (242,800 m²) tract northwest Houston, Texas. In the last quarter of 2010, Thrustmaster will start construction of its new, large outdoor in-water test facility for testing of large thrusters including the testing of thruster underwater mount and dismount integrity.

Thrustmaster is a medium sized business by U.S. employment standards and employs an average workforce of more than 250.

Thrustmaster's Service Department comprises a complete staff of highly experienced field service engineers operating from the Houston facility, as well as several forward-based service engineers in strategic locations around the world such as Dubai, China, Singapore, and The Netherlands. The Service Department can be reached by telephone at any time day or night regardless of local time. Service engineers can be dispatched within 24 hours to any destination in the world. All service engineers are qualified to supervise installation, perform start-up and commissioning procedures, and attend dock and sea trials. A dedicated Training Manager is available for customer training at the Houston facility or anywhere in the world.

Thrustmaster maintains a large inventory of spare parts at its Houston manufacturing facility as well as in strategic locations such as England, Dubai, China, Singapore, and The Netherlands. Spare parts can be shipped within 24 hours to any location in the world.



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SECTION 1 GENERAL HISTORY

Established in 1984 by its current president, Joe R. Bekker, Thrustmaster of Texas, Inc. has grown from a small manufacturer of outboard, deck-mounted propulsion units to a worldwide leading manufacturer of marine propulsion systems. From the first order for 13 deck-mounted propulsion units for the U.S. Army Corps of Engineers and a follow-up order for the U.S. Navy, Thrustmaster has continually grown and expanded its propulsion systems designs as well as its engineering and manufacturing capabilities. In ten years, the company had more than quadrupled its size and was rapidly growing into a new second facility.



In 1995, Thrustmaster moved to a new facility and expanded its workforce to accommodate the growing demand for Thrustmaster's thrusters designed for both main propulsion and propulsion assist. In the following years, the engineering department was upgraded with hiring a new chief engineer who specialized in rotating equipment manufacture, the installation of customized mixed-mode manufacturing software specifically detailed for Thrustmaster's products, and the addition of state of the art CAD/CAM and FEA engineering software.

Thrusters for dynamic positioning became one of Thrustmaster's prime examples of excellence in both engineering design and manufacturing.

In 2001, a new General Manager significantly improved both the manufacturing efficiency and quality of field service. In 2002, Thrustmaster received certification as an ISO-9001 qualified marine equipment manufacturer from the American Bureau of Shipping (ABS) Quality Systems division. In 2008, Thrustmaster upgraded its ISO quality system to the ISO-9001:2008 standard. ABS issued a Certificate of Manufacturing Assessment Certificate and type approval certificates for Thrustmaster's standard tunnel thrusters.

In 2009, Thrustmaster moved to its new expanded facility to support the increase in sales which now exceed USD \$100-million annually. Orders for main propulsion and dynamic positioning thrusters for the commercial marine and offshore energy sectors as well as military fleet improvement programs continue to make Thrustmaster a world leader in marine propulsion.

In 2010 Thrustmaster increased offerings of Z and L drives and diesel tunnel thrusters to include up to 10,750hp (8.0MW).



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SECTION 2 BUSINESS MODEL

A. MISSION STATEMENT

Thrustmaster of Texas, Inc. aims to be a leading manufacturer of marine thrusters all over the world. We believe we can achieve this by:

- Optimizing product configuration for each individual customer application;
- Producing high quality products on time and at a fair price and profit level;
- Providing comprehensive after-sales service;
- Continuous product improvement based on customer feedback; and
- New product development to address changing market needs.

B. GENERAL BUSINESS MODEL

The closely controlled structure of Thrustmaster of Texas, Inc. ensures the superior quality of its products and services, each of which is tailored to meet the individual customer's specific requirements. Its corporate framework also guarantees prompt, continuing maintenance and support services of each product to ensure the repeated satisfaction of its customers.

Thrustmaster's established reputation as a leader in the technically complex marine propulsion industry, combined with its comprehensive quality management program, enables Thrustmaster to achieve project objectives efficiently, consistently and without unnecessary engineering changes, delays or cost overruns. The following are just a few of the ways Thrustmaster ensures that its customer's project will meet their expectations:

- Know the Industry

Thrustmaster is actively involved in all aspects of the marine industry including the offshore service and supply, oil and gas exploration and production (OGE&P), cargo, ferry and passenger vessel sectors as well as the military deepwater and littoral operations. Moreover, it is involved with many marine, engineering and manufacturing professional societies to keep current on the latest technology and industry requirements.

- Know the Regulations

Thrustmaster's experienced staff has expert knowledge of the complete spectrum of marine regulatory issues with respect to marine propulsion, including IMO, USCG, SOLAS, IMCA, ADC, etc.



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- Know the Classification Societies

Thrustmaster works very closely with all major marine classification societies to ensure that its propulsion products meet the most exacting standards in accordance with best marine engineering practices. ABS, DNV, BV, LRS, GL, and CCS have all approved Thrustmaster propulsion products for commercial vessel and offshore applications.

- Have a Passion for Quality

Thrustmaster understands that its products are the backbone of many ships, crews and businesses worldwide. Thrustmaster's extreme attention to product quality is crucial to the success of its customers and deeply ingrained into its corporate culture. Thrustmaster employees share a common passion for building quality products that are known throughout the industry.

- Senior Management Involvement

Senior managers review all designs, production schedules, and quality plans to ensure the best possible project management. Thrustmaster measures its success on how consistently it meets project deadlines, control costs, and maintain customer satisfaction.

- Customers are Business Partners

Thrustmaster looks at its customers not merely clients but as and as an integral part of the team. Instead of merely taking the customer's specification and designing a product, Thrustmaster involves the customer at every step of the project, explaining the various engineering options available and compliance issues, thus allowing the customer to make sound technical and business decisions. By viewing the customer as a partner in each project, Thrustmaster ensures that the customer's expectations are well met.

C. CONTINUITY OF OPERATION PLAN (COOP)

Thrustmaster maintains an industry standard Continuity of Operation Plan (COOP) as part of its overall risk management strategy. Business units and manufacturing capacity are segregated or duplicated where necessary to ensure that a plant casualty will not result in a catastrophic interruption of business operations.

Memoranda of understanding with suppliers as well as machining and manufacturing subcontractors allow for the shifting of logistical requirements to off-site facilities in the event of an interruption.

More than sufficient builder, property, and liability insurance coverage is in place to ensure that risk is adequately financed.



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SECTION 3

ORGANIZATION & CAPABILITIES

A. ORGANIZATION

Thrustmaster of Texas, Inc. is organized in accordance with the chart which may be found in Appendix A. Generally, the organization consists of the President which operates as the Chief Executive Officer (CEO) of the company. Because the organization is a closely-held private Subchapter S company, there is no board of directors and all executive decisions manifest in the President/CEO.

A General Manager functions as the Chief Operating Officer (COO) and oversees the day to day manufacturing and engineering operations as well as the administrative departments.

Engineering is overseen by the Vice President of Engineering who supervises all engineering personnel and reports to the General Manager. The VP of Engineering manages the design of thrusters and components as well as the assessment and specification of processes required to manufacture the thruster and formulate the quality plan for each project. The VP of Engineering is assisted by a number of Engineering Managers and Lead Design Engineers.

B. TECHNICAL CAPABILITIES

1. Project Management

Thrustmaster of Texas, Inc. has assembled a well-qualified and experienced project management team of marine propulsion professionals which is a highly-skilled and diverse group. From the first enquiry to the finish of dock and sea trials, each project has a hand-picked team assigned to ensure complete customer satisfaction with design, installation, performance, and service from its products.

The engineering project management team ensures that a project is designed, assembled, tested, and delivered in exact accordance with the customer's technical requirements and specifications. Moreover, the management team ensures optimized allocation of company resources to ensure on-time delivery without cost overruns or unnecessary delays. The custom mixed-mode manufacturing software allows Thrustmaster to continuously monitor the exact milestone of each project and alerts the project team to any anticipated difficulties allowing for intervention and correction before any manufacturing problem can mature.



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Thrustmaster uses the Program Evaluation and Review Technique (PERT). The PERT method is incorporated with the Critical Path method and the project is tracked on a GANTT chart backed up by custom designed project management software.

Since its inception, Thrustmaster has been continuously involved in large commercial and military marine equipment deliveries which require precise and dedicated project management skills. Examples of large scale projects include the U.S. Army's Logistical Support Vessel (LSV) program, the U.S. Navy's Littoral Combat Ship (LCS) program, numerous Dynamic Positioning (DP) installations and conversions, and OSV/PSV fleet improvement programs.

In 2007, Thrustmaster of Texas, Inc. received the prestigious Subcontractor of the Year award on behalf of the Small Business Administration for its project management of the U.S. Navy LCS thruster program at General Dynamics Bath Iron Works (GDBIW) shipyard.



U.S. Army Logistical Support Vessel (LSV)



U.S. Navy Littoral Combat Ship (LCS)

Thrustmaster's dedicated engineers, project managers, engineering support staff, and field service engineers have proven themselves over and over again as highly capable, skilled, and professional marine propulsion team. No matter how large or small the project, Thrustmaster's project management experience is ready to serve the customer to ensure quality design and timely delivery.

2. Integrated Supply, Engineering and Support

Through its state-of-the art engineering and manufacturing capabilities, Thrustmaster can offer complete integrated dynamic positioning, vessel automation, propulsion, and electrical power generation and distribution system as well as project engineering and management services.

The dynamic positioning and automation systems, propulsion, electrical power generation, distribution package, including interface engineering during vessel design and construction, technical support for installation and commissioning, is provided by a very experienced team of engineers.



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We have a central design team coordinating the systems design and integration before the system is constructed and placed into service. Difficulties with regard to systems integration that are typical to shipyard construction of semi-submersible and ship-type drilling vessels are effectively mitigated on the front end and not during startup and sea trials.

The single purpose is to provide and support a fully integrated DP equipment package for mobile offshore drilling units so as to reduce and simplify the shipyard engineering and procurement efforts, thereby reducing cost and time required for building and commissioning the vessels.

Thrustmaster may have single-point responsibility for integration of all supplied subsystems and interface between the shipyard, marine classification society, vessel designer, and all third-party equipment within the scope of supply.

3. Systems Design, Manufacture, Assembly & Testing

General

Thrustmaster has extensive experience in the turnkey development of complete propulsion systems for specialty applications. This includes the definition of operational requirements, translation into design parameters, selection of a suitable concept and configuration, equipment design, manufacturing, purchasing of commercially available system components, packaging, testing, and assistance in installation, commissioning, dock trials, sea trials and ongoing logistical support for the system.

One of Thrustmaster's greatest strengths lies in systems analysis. The company has the experience, ability and technology necessary to apply its propulsion systems creatively to a multitude of challenging applications. Thrustmaster engineers routinely design new thrusters to achieve a perfect match between thruster features, vessel geometry and operational parameters.

Engineering Design

Thrustmaster's state-of-the art thruster designs are developed using the latest Computer-Aided Design (AutoCAD®) software, ANSYS® and COSMOS® Finite Element Analysis (FEA), Magmasoft® casting simulation, STAR-CMM+® computational fluid dynamics, and HydroComp NavCad® software.

Fabrication & Machining

Fabrication facilities use computer controlled high pressure waterjet, plasma and flame cutting machines as well as modern flux-core welding equipment for both aluminum and steel construction. Machining tools include large horizontal boring mills, vertical turret lathes, manual and CNC engine lathes, as well as both vertical and horizontal CNC machining centers. Welders are certified to meet all shipbuilding classification society and regulatory authority standards including ABS, DNV, BV, LRS, CCS, and GL.



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Assembly

Every Thrustmaster product is assembled by experienced production personnel and subjected to rigorous testing prior to shipment. A highly educated and well trained workforce has been developed at Thrustmaster. The company devotes a great deal of time and resources to upgrading personnel through ongoing educational programs. Dedication to the goal of constant improvement has greatly increased the professionalism and efficiency of the people who run the company's manufacturing operations.

Factory Acceptance Testing

The robust design of Thrustmaster's marine propulsion equipment incorporates fabricated housings that are subjected to ultrasonic, liquid penetrant and hydrostatic testing. Full load and torque are applied to verify gear contact patterns of assembled units. Each thruster is subjected to extensive running and functional testing prior to shipment in accordance with the project quality plan and the company's quality management system.

Subcontracting

With its location in Houston, Texas, the heart of the offshore industry, the nation's fourth largest city and with the largest tonnage port in the USA, an excellent support infrastructure exists within the city. Houston has an abundance of job shops available for subcontracting of fabrication, machining and special processes.

Thrustmaster has established many long-term relationships with its local subcontractors who are thoroughly familiar with Thrustmaster's products and manufacturing practices. Because of these long-standing relationships, the volume of work and quality control, Thrustmaster will not have to submit subcontracted fabrication, machining or finishing work to unproven or unknown vendors.

4. Quality Assurance & Control (QA/QC)

Thrustmaster is certified to ISO-9001:2008 standards by ABS Quality Evaluations. All products are subjected to rigorous inspection in accordance with a quality and engineering review plan developed specifically for each project. All quality records are maintained and assembled in a Manufacturing Data Record Book for each project.

A dedicated Quality Manager, Quality Assurance Manager, and a Quality Control Manager and a highly experienced team of quality control line inspectors ensures that the procedures promulgated by the Quality Assurance Manual (QAM) are strictly followed during the manufacture of each thruster in accordance with the project quality and engineering review plan.



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Non-Destructive Testing (NDT) is a routine quality control procedure and includes liquid penetrant, magnetic particle, eddy current, and ultrasonic inspections as well as radiographic examination.

A dedicated staff of test engineers conducts Factory Acceptance Tests (FAT) on all systems, subsystems, hardware and software to ensure that the thruster conforms to its design specifications and meets all requirements for functionality.

5. Health, Safety & Environmental (HSE)

Thrustmaster maintains a strict Health, Safety and Environmental (HSE) policy at its facility and on-site facilities of the customer. The purpose of the HSE policy is to integrate a safe, healthy, and environmentally responsible culture into all company operations in accordance with ISO-18001 and ISO-14001.

Thrustmaster strives to send every employee home healthy at the end of each day. To accomplish this goal, Thrustmaster has instituted a safety management system built on comprehensive and structured programs designed to reduce accidents and eliminate injuries at the Houston facility and at the customer's facilities or while embarked on board ship.

Environmental management includes programs that provide oversight of hazardous waste management, chemical conservation and pollution prevention, emergency preparedness and planning.

A dedicated HSE Manager is employed to administrate the Safety Management System (SMS) and provide employee training. The HSE Manager is assisted by an HSE Coordinator and number of departmental safety inspectors as well as an organized HSE committee.

6. Information Technology (IT) System

Thrustmaster's Information Technology (IT) system is state of the art and incorporates both local and wide area networks and VPN capabilities within the company. For its mixed-mode manufacturing method of operation, Thrustmaster uses a state of the art custom ERP software application that manages each project from inception through fabrication, assembly, and factory acceptance testing and is capable of detailed fiscal, operational, and maintenance reporting.

A comprehensive Critical Application Disaster Recovery Process is part of the company's Continuity of Operations Plan (COOP). All critical data is stored on mirrored hot-swappable drives on Thrustmaster servers. The server's automatically backup critical data daily to removable backup tapes and the daily backup tapes are stored off-site to ensure continuous availability of all project critical data and records.



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7. Human Resources (HR)

Thrustmaster maintains a diverse and productive workforce. A particularly effective means for reducing labor-relations problems before they arise is to hire committed workers with positive attitudes. By developing a reputation as great places to work, Thrustmaster attracts many potentially productive workers who take pride in their work, in their company and in what they produce.

In addition to excellent competitive health and retirement benefits, Thrustmaster has in place a variety of programs that have resulted in employees knowing that they work for a great company and this has resulting in very stable labor relations within the company. There has never been a strike, work stoppage, work slowdown, or act of intentional sabotage at the company.

8. Field Service Engineers and Spares

Thrustmaster's Service Department comprises a complete staff of highly experienced field service engineers operating from its Houston facility, as well as several forward-based service engineers in Dubai and China. The Service Department can be reached by telephone at any time day or night regardless of local time. Service engineers can be dispatched within 24 hours to any destination in the world. All service engineers are qualified to supervise installation, perform start-up and commissioning procedures, and attend dock and sea trials. Each engineer is specially trained in diagnosis, troubleshooting and repair and can train shipyard personnel and vessel crews.

A dedicated Training Manager is available for customer training at its facility or anywhere in the world.

Thrustmaster maintains a large inventory of spare parts at its Houston manufacturing facility as well as in strategic areas such as England, Dubai and China. Spare parts can be shipped within 24 hours to any location in the world.

C. CURRENT FACILITIES

1. Plant Description

Production facilities include a new 200,000 square foot (18,580 m²) state-of-the-art thruster manufacturing facility and 40,000 square feet (3,700 m²) of design and administrative space located on a 60 acre (242,800 m²) tract northwest Houston, Texas.

The facility is divided into bays for fabrication, machining, and assembly and incorporates a 12,800 square foot (1,200 m²) multi-level stacked spare parts warehouse. The plant layout incorporates Lean and cell manufacturing techniques. The facility is completely climate controlled by a chill-water plant to ensure optimum productivity and reduce component degradation due to environmental exposure.



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6900 Thrustmaster Drive, Houston, Texas 77041 U.S.A.

Overhead handling includes a 100 ton bridge crane, two 50 ton bridge cranes, and several 30 and 15 ton bridge cranes as well as jib cranes installed throughout the facility to maneuver the large size of the thrusters.

In the last quarter of 2010, Thrustmaster will start construction of its new, large outdoor in-water test facility for testing of large thrusters including the testing of thruster underwater mount and dismount integrity.



Thruster Assembly Bay A



Machining Bay A



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Thrustmaster Assembly Bay A-1



Thrustmaster Assembly Bay B-2



Stacked Parts Warehouse



Thrustmaster Assembly Bay A-1

2. Design and Engineering



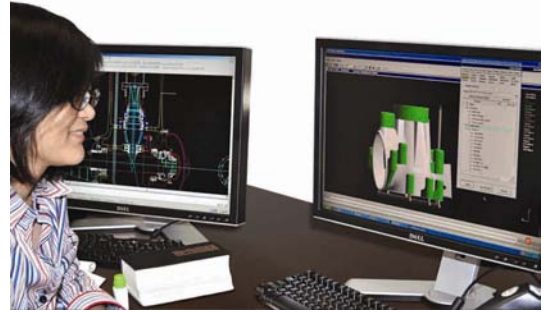
Fukada Salvage, Damen Shipyards, Austal Ships, Cheoy Lee Shipyards, Wuchang Shipbuilding, General Dynamics' Bath Iron Works, Vosper-Thornycraft, as well as the Venezuelan (PDVSA) and Brazilian (Petrobras) offshore oil exploration and production concerns.

Thrustmaster has a complete and experienced engineering staff which designs all of its thruster and control systems. More than 1,000 of the Thrustmaster propulsion thrusters are in operation all over the world. Its customers include just about every major commercial marine operator and shipbuilder including the U.S., British, Pakistani, Portuguese, Egyptian, and Columbian navies. Commercial customers include Shell Oil, Exxon-Mobil, Tidewater Marine, Seacor Marine, Baker Marine, Rigdon Marine, Keppel Marine, Global Industries, Nippon Salvage,



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State-of-the-art design tools including AutoCAD, SolidWorks, ANSYS Finite Element Analysis (FEA), HydroComp, and many other engineering, computational Computer-Aided Manufacturing (CAM) systems are in use at Thrustmaster's headquarters in Houston, including CD-ADAPCO Computational Fluid Dynamics (CFD). Much of the engineering staff possesses advanced engineering degrees including several doctorates (Ph.D.) and Master level (M.Sc.) engineers. Thrustmaster's engineers come from the U.S., China, Korea, India and the Netherlands, facilitating excellent communications with customers worldwide.



2. Fabrication, Machining, Assembly & Testing

All Thrustmaster welders and weld procedures are certified under the guidelines set forth in the current ASME or AWS D1.1/D1.1M Structural Welding Code as well as the requirements of the classification societies rules for building and classing both steel and aluminum vessels. The company has an extensive volume of its own certified weld procedures and is capable of writing and qualifying any procedure that may be required to properly fabricate any materials the project may require. GTAW, GMAW, SMAW, and Flux Core (FCAW) procedures are fully qualified.

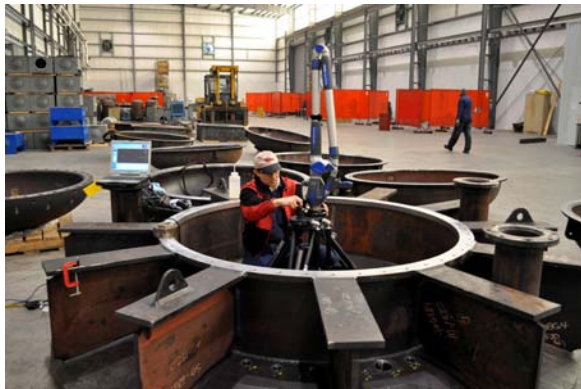


Machining tools include large horizontal boring mills, vertical turret lathes, manual and CNC engine lathes, as well as both vertical and horizontal CNC machining centers.





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Thrustmaster's staff of experienced assembly technicians carefully assembles all components of the thruster in accordance with a written procedure as part of the project quality plan.

During the assembly procedure, quality inspection hold points are inserted to ensure that the assembled product complies with the required procedure and the quality plan. A staff of line inspectors routinely spots checks all assemblies to ensure quality compliance.





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A complete control shop designs, fabricates, and tests thruster control systems. Controls include Full-Follow-Up (FFU), Non-Follow-Up (NFU), and complete interfacing with electrical, pneumatic, or digital controls including all classes of dynamic positioning computer systems.





SECTION 4
PRODUCT LINE

A. TUNNEL THRUSTERS

Tunnel thrusters and bow thrusters are primarily used for docking, slow speed maneuvering, emergency steering and station keeping at zero or slow forward speed. Tunnel thrusters are installed transversely in the bow or the stern of a vessel.

Electric drive tunnel thrusters with fixed pitch propeller are available from 250 to 10,750 horsepower (180 kW – 8.0 MW). They are designed for variable speed electric motor input, either DC with SCR or variable speed drive control systems or AC with variable frequency drives. Most of them are used in dynamic positioning applications. Thrusters can be supplied complete with electric motors and drives or they can be made to fit flange and shaft end of a customer supplied or shipyard supplied electric motor.

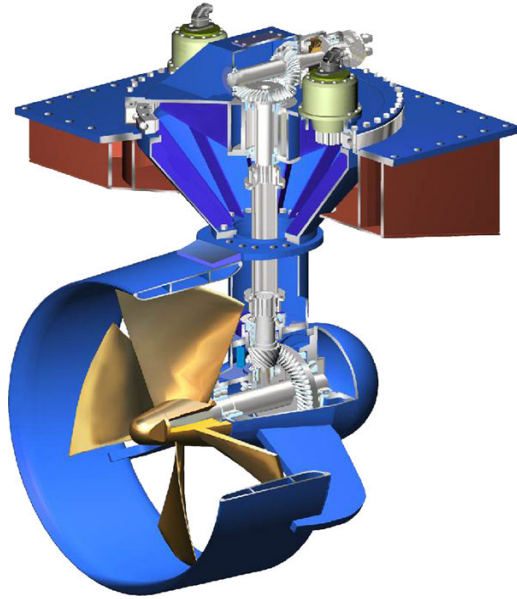


Tunnel thrusters for direct engine drive are available in the range of 250 to 10,750 horsepower (180 kW – 8.0 MW). The engine must be provided with a marine gear with a reduction ratio to match the input speed of the thruster. A cardan shaft connects between the output shaft of the marine gear and the input shaft of the thruster.

Thrustmaster offers a great line of hydraulic tunnel thrusters from 35 to 2,000 horsepower (26 – 1,500 kW). They are used all over the world and many of them in dynamic positioning applications. Many models have ABS Type Approval.



B. AZIMUTHING THRUSTERS



Azimuth thrusters are for main propulsion and dynamic positioning of displacement vessels and offshore facilities. They are available in a wide range of input power and speeds. They replace conventional propulsion and rudder steering systems to perform both the propulsion and steering functions. Azimuth thrusters are used when enhanced maneuverability is required in applications such as dynamic positioning, ship escort and ship docking services.

Thrustmaster azimuthing thrusters are available for vertical (L) or horizontal (Z) prime mover input and use fixed pitch propellers in open wheel configuration or with nozzles. They may be optimized for vessel speed or for maximum bollard thrust. Azimuthing thrusters are available from 250 to 10,750 horsepower (180 kW – 8.0 MW) with a wide selection of reduction ratios and propeller/nozzle diameters to suit the application requirements. They are available with integral wet hydraulic or dry air actuated clutch, in top pull-out, underwater bottom-mount or weld-in configuration.

Hydraulic L-Drive thrusters are thru-hull azimuth thrusters using Thrustmaster's hydraulic podded propeller drives. These thrusters are available in a range from 75 to 2,000 horsepower (56 – 1,500 kW) with either open propeller or with nozzle. The hydraulic power system is normally supplied by Thrustmaster and may be configured for the hydraulic pump driven by a customer furnished diesel engine, which may be placed at any convenient location in the vessel. Hydraulic piping or hoses connect between the hydraulic pump and the thruster. The hydraulic drive provides fully proportional propeller speed control and is very forgiving when hitting obstacles in brown water applications.



6,000 SHP (4.5 MW) Thruster



C. RETRACTABLE THRUSTERS

Thrustmaster retractable thrusters are thru-hull azimuthing thrusters using fixed pitch propellers at variable speed. Most commonly, they use ducted propellers and are used for dynamic positioning or slow speed course tracking applications. They are available with electric drive from 250 to 10,750 horsepower (180 kW – 8.0 MW) or with hydraulic drive from 75 to 2,000 horsepower (56 – 1,500 kW).

Thrustmaster electric retractable thrusters are fixed pitch propeller thru-hull azimuth thrusters capable of retracting completely into the hull. They are configured for vertical variable speed electric motor input. Sizes range from 250 to 10,750 horsepower (180 kW – 8.0 MW) with a wide selection of reduction ratios and propeller/nozzle diameters to suit the application requirements. These thrusters are normally supplied complete with electric motors and variable frequency drives, but they can also be made to fit flange and shaft end of a customer supplied or shipyard supplied electric motor. The motor travels up and down with the thruster, so the drive line is never disconnected.



Thrustmaster hydraulic retractable thrusters are thru-hull azimuth thrusters using Thrustmaster's exclusive hydraulic podded propeller drives. They are available in a range from 75 to 2,000 horsepower (56 – 1,500 kW) with either open propeller or with nozzle. Thrusters can be supplied in aluminum or in steel construction, depending on vessel hull material. The hydraulic power system is normally supplied by Thrustmaster and may be configured for the hydraulic pump driven by customer furnished diesel engine or other prime mover, which may be placed at any convenient location in the vessel. Hydraulic piping or hoses connect between the hydraulic pump and the thruster. The hydraulic drive provides fully proportional propeller speed control while the engine is running at constant speed.



Thrustmaster's retractable thrusters are also available as combination thrusters, functioning as tunnel thruster in the retracted position and freely azimuthing in the lowered position. Compact units are available for vessels with limited hull depth. A hull fairing piece is normally attached to the bottom of the thruster to reduce drag when the thruster is stowed.



C. DECK-MOUNTED PROPULSION UNITS



Propulsion units are self-contained thruster packages for main propulsion and positioning of barges, platforms and river craft. They are available either with direct engine drive, using geared power transmissions or with hydraulic drive. The hydraulic drive is especially suited for shallow, brown water applications while the geared units are primarily used in deeper, blue water.

Direct engine driven propulsion units are available from 150 to 3,000 horsepower (112 – 2,300 kW) either with open propeller or with nozzle. They are engineered on application and are available with a wide variety of engine, gear reduction ratio, propeller diameter and stem length. These propulsion units are usually installed on deck, often in slots or notches in the transom.

Hydraulic Propulsion Units are available from 35 to 2,000 horsepower (26 – 1,500 kW) either with open propeller or with nozzle. The hydraulic drive provides fully proportional propeller speed control in forward and reverse while the engine runs at constant speed. Many options are available, including hydraulic kick-up of the outdrive, hydraulic propeller depth adjustment, remote control panels, choice of engines, etc. The WORKMASTER™ style provides for 180 degrees steering and is for general propulsion applications. The THRUSTMASTER™ style is freely azimuthing with endless 360 degrees steering and is used for double-ended river ferries, dynamic positioning and similar applications.



All units can be configured as deck-mounted packaged units, deck-mounted mini-skid units or transom-mounted units. The mini-skid and transom-mount styles allow remote mounting of the engine, either above or below deck at any convenient space, while the packaged units include the engine on the skid.

Transom-mounted units are ideal for applications where sufficient freeboard is available. They can be welded to the transom or sides of vessels, barges or platforms. Frequent immersion from wave action is no problem. The engine and hydraulic power unit may be installed on deck or in an engine room at any convenient location. A single engine may power multiple transom-mounted thrusters.



STATEMENT OF QUALIFICATIONS

G. PORTABLE DYNAMIC POSITIONING (PDPS)

Thrustmaster of Texas has developed a portable dynamic positioning system consisting of modular, deck mounted, azimuthing thrusters with separate hydraulic power units and a DP control console. The whole system can be installed dockside, takes a minimum of deck space and does not require any permanent vessel modifications. Installation can be completed within days.



The system normally consists of four or more thrusters, four or more hydraulic power units, one (1) central DP console and the interconnecting hydraulic hoses between thrusters and power units, and electrical control cables between power units and console. Standard thruster sizes are 250, 500, 1,000, 1,500, and 2,000 horsepower (180 – 1,500 kW). Using multiple units, systems ranging from 500 horsepower (2 x 250 HP) up to 24,000 horsepower (12 x 2,000 HP) may be configured.



The portable thrusters are mounted on deck using a minimum amount of deck space. They use direct hydraulic drive to the propeller. The variable speed hydrostatic drive motor is in the lower foot of the thruster directly in line with the propeller shaft. This direct hydraulic drive eliminates the need for right angle gear transmissions and drive shafts used on other thrusters. Hydraulic hoses run from the deck mounted upper thruster assembly down to the propulsion motor in the lower foot of the thruster. It allows mounting on deck without intermediate stem support.

Each thruster is powered by its own hydraulic power unit. These power units are enclosed marine type hydrostatic transmission units using a radiator cooled Caterpillar diesel engine as prime mover. Some of these units use a standard 20 foot or 40 foot ISO container as enclosure. They may be installed at any location based on deck space availability or optimum weight distribution. The units are complete with fuel day tank, independent battery powered electric start and control system with automatic alarms and shutdown and are provided with critical grade muffler and noise attenuating equipment. These power packs produce the hydraulic power for the propeller drive system as well as hydraulics for steering and auxiliary functions.



STATEMENT OF QUALIFICATIONS

SECTION 5 FINANCIAL PERFORMANCE

A. FINANCIAL PERFORMANCE

Thrustmaster of Texas, Inc. is a for-profit, closely-held IRS Subchapter S corporation domiciled in the State of Texas.

Over the last five years, Thrustmaster has grown from USD \$15-million to almost USD \$100-million in annual revenue with an order backlog well in excess of USD \$150-million.

Current financial performance projections predict that annual revenues will exceed USD \$200-million by 2012.

B. FINANCING & INSURANCE

Thrustmaster has adequate cash reserves and in-place lines of credit adequate to handle any anticipated or unanticipated cash flow demands for large projects.

Thrustmaster maintains comprehensive package of risk insurance including general liability, product liability, business personal property, and Longshoreman's and Harborworker's marine coverage.

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STATEMENT OF QUALIFICATIONS

SECTION 6 QUALITY MANAGEMENT

A. QUALITY POLICY STATEMENT

Thrustmaster of Texas, Inc. is committed to producing products and services at a level of quality and reliability equal to or better than its major competitors.

OBJECTIVES

- Maintain a quality system in full compliance with ANSI/ISO/ASQC Q9001.
- Provide products and services that meet the needs of our customers.
- Reduce the occurrence of warranty claims.
- Improve on-time delivery of new unit orders.

Management will continually assess progress towards these objectives and pursue opportunities for improvement. Customer satisfaction is achieved by providing quality products, on time, and backed up by exceptional service.

B. QUALITY MANAGEMENT SYSTEM (QMS)

Thrustmaster has developed and implemented a Quality Management System (QMS) to enable the company to operate with increased effectiveness, consistency and customer satisfaction. The system is certified by the American Bureau of Shipping (ABS) Quality Evaluations branch to be in compliance with ISO-9001:2008 and covers the design and manufacture of all company products and operations at its Houston, Texas, facility.



Thrustmaster company management continues to demonstrate its commitment to the quality management system through daily active participation, communication, management reviews, enforcement of the quality policy and by ensuring the availability of required resources. Management ensures that the quality policy is understood, implemented, and maintained at all levels of the organization through an employee continuous training program as well as quantified improvement and operational objectives.

Thrustmaster utilizes a team approach with its customers through routine visits, joint planning and implementation meetings, industry trade show and professional society participation, and customer audits of the company's facilities.



STATEMENT OF QUALIFICATIONS

SECTION 7

HEALTH, SAFETY & ENVIRONMENTAL (HSE)

A. HSE POLICY STATEMENT

The management philosophy for Thrustmaster of Texas, Inc. incorporates health, safety and environmental (HSE) excellence as a core corporate value. Along with its customers, contractors and suppliers, Thrustmaster shares the vision that it can perform its operations in such a way that no one gets hurt and nothing gets harmed or adversely impacted. Therefore, it is the policy of Thrustmaster to:

- Comply with all relevant HSE legislation, regulations and other requirements;
- Ensure that systems are developed and implemented to identify, assess, monitor, periodically review and control HSE impacts related to all operations and business activities in accordance with ISO-18001 and ISO-14001;
- Set HSE objectives and targets, and achieve superior performance (i.e., pollution prevention, hazard elimination, no accidents or mishaps) through the utilization of a continuous improvement process incorporating Six Sigma methodology;
- Provide necessary training and education to enable employees to understand and perform their roles and responsibilities involved with their job functions; and
- Implement mechanisms to communicate with and obtain input from employees, customers, contractors and other interested parties to the HSE Management System.

This statement of policy is the foundation that supports the entire HSE Management System. It establishes Thrustmaster's management philosophy with regard to the HSE values, as well as a shared vision between its customers, contractors and suppliers.

B. HSE MANAGEMENT SYSTEM

The HSE Policy Manual describes the HSE Management System responsibilities of the Thrustmaster organization, and control features necessary for achieving its HSE vision. Compliance with this manual is consistently applied at all Thrustmaster facilities and operations, installations, dock and sea trials. Each employee identified with responsibilities in the HSE Management System is responsible for implementing the requirements specifically assigned, and visibly demonstrating their commitment to the HSE process through their actions while performing their work duties.

Thrustmaster has invested heavily in educating and promoting effective HSE practices among its employees. Courses in safety management and leadership, first aid, cardio pulmonary resuscitation (CPR) and automated external defibrillator (AED) certification, fire prevention, hazardous material and waste handling, HSE workshops, emergency preparedness drills and educational literature are just a few examples.



STATEMENT OF QUALIFICATIONS

Planning is an integral component within the HSE Management System, and allows Thrustmaster to assess needs, set targets and lay the groundwork toward compliance with its HSE Policy Statement and objectives. Planning is an ongoing activity, which requires the identification of hazards, risks, controls and legal requirements, as well as establishing long-term goals.

HSE Hazard Identification, Risk Management & Control

This process involves a cross-functional HSE Committee made up of representatives from various levels of the organization, including management, operations and other support and staff functions, utilizing established management system tools to identify the hazards and risks associated with the various activities performed at each location. Each activity or operation is carefully examined using a risk matrix and ranked to establish risk priorities. This process ensures accurate identification and implementation of necessary control measures before any work begins.

Identification of Regulatory Requirements

Relevant regulatory or legal aspects and other requirements (customer requests, for example) are considered during the HSE planning process. This ensures that each project has access to, and evaluates, any laws, regulations and other requirements that affect HSE issues relating to Thrustmaster's activities, products and services.

HSE Objectives and Goals

Objectives and goals are initiatives designed to minimize hazards and risks within specific activities that have been identified through the assessment process. An objective is a general goal and may carry with it any number of measurable specific goals. Objectives and goals may be initiated at business unit level and are managed by the HSE Committee.

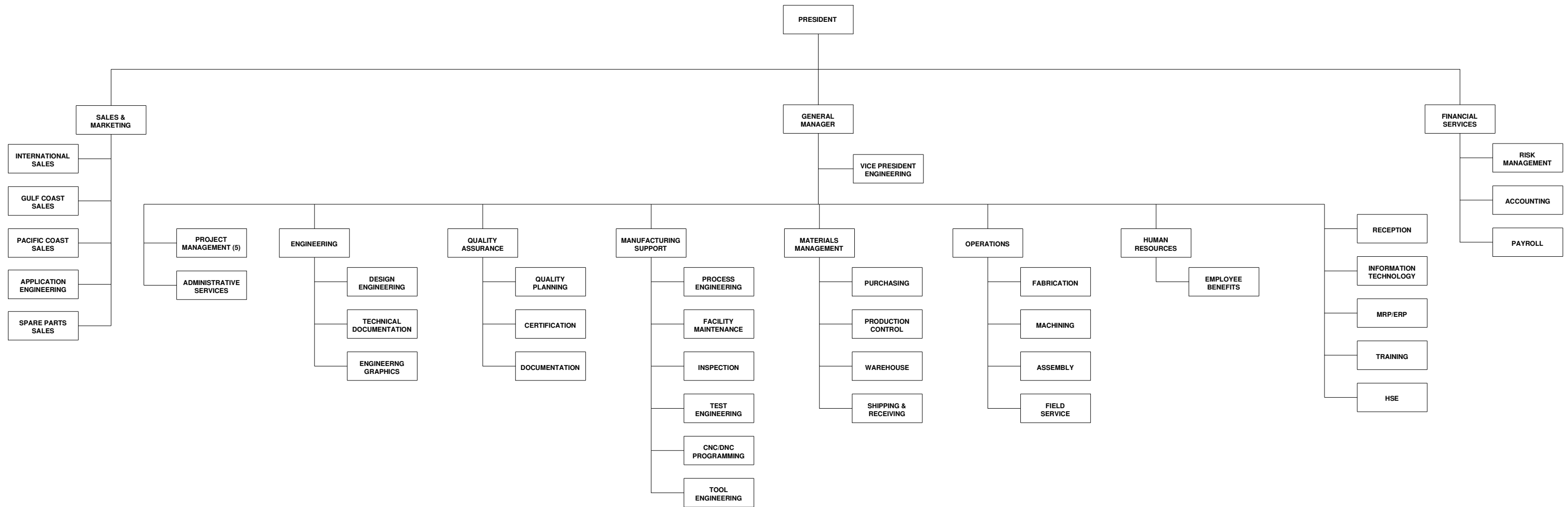
Management Review

Effectiveness is evaluated at least annually at the management review and is intended to provide a forum for open discussion and improvement of the Thrustmaster HSE Management System.

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STATEMENT OF QUALIFICATIONS





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ABS Quality Evaluations

CERTIFICATE OF CONFORMANCE

This is to certify that the Quality Management System of:

Thrustmaster of Texas, Inc.

12227 FM 529
Houston, TX
U.S.A.

has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by:


ISO 9001:2000

The Quality Management System is applicable to:

DESIGN AND MANUFACTURE OF MARINE PROPULSION EQUIPMENT

Further clarifications regarding the scope of the certificate and the applicability of ISO 9001:2000 requirements may be obtained by consulting the organization.

Certificate No:	35756
Original Certification Date:	01 April 2002
Effective Date:	07 April 2008
Expiration Date:	28 March 2011
Issue Date:	07 April 2008


Charles D. Russo, President



Validity of this certificate is based on periodic audits of the management system defined by the above scope and is contingent upon prompt, written notification to ABS Quality Evaluations, Inc. of significant changes to the management system or components thereof.

ABS Quality Evaluations, Inc. 16855 Northchase Drive, Houston, TX 77060, U.S.A.

Validity of this certificate may be confirmed at www.abs-qe.com/cert_validation.

Printed on:2008-04-14 13:38 GMT

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STATEMENT OF QUALIFICATIONS

MAJOR EQUIPMENT LIST		
CNC Machining		
Quantity	Nomenclature	Capacity
1	Turnmaster HNC-M Turning Center	75-In x 14-Ft
1	MAG Giddings and Lewis FT-3500 Horizontal Boring Mill – Floor Unit	13-Ft x 10-Ft
1	MAG Giddings and Lewis VTC-3500 Vertical Turning Center	11-Ft x 12-Ft
1	Kuraki KBT-13AE CNC Horizontal Boring Mill	5-Ft x 6 Ft
1	Daewoo Puma 700L CNC Horizontal Machining Center	36-Inch
1	Daewoo DHM-800 CNC Vertical Machining Center	30-Inch
1	Daewoo Puma 12L-C CNC Horizontal Machining Center	20-Inch
1	Daewoo Mynx-500 CNC Vertical Machining Center	15-Inch
Manual Machining		
1	Vanguard TXP6113/2 Horizontal Boring Mill	36-Inch
1	Vanguard CW6280C Horizontal Engine Lathe	30-Inch
1	Vanguard CA6250C Horizontal Engine Lathe	20-Inch
1	Bullard 'Cut-Master' Vertical Turret Lathe	64-Inch
1	Niles HD-6 Heavy Duty Horizontal Boring Mill	66-Inch
1	H.E.S. 24 Horizontal Engine Lathe	24-Inch
1	Lodge & Shipley Horizontal Engine Lathe	5-Inch
1	SuperMill Model J Horizontal Boring Mill	4-Inch
1	Kuraki KBT-1003 Horizontal Boring Mill	4-Inch
1	American 'Hole-Master' Vertical Drill Press	7-Inch
1	Wells-Index Manual Vertical Boring Mill	2-Inch
Fabrication		
1	Vanguard H-460HA CNC Band Saw	20-Inch
1	Flow Mach 3 Dynamic CNC Waterjet Cutting System	78 x 120-Inch
1	Linatrol Optical Tracing Plasma Plate Burner Table	96 x 240-Inch
1	Kioke-Anderson PLP-2500 CNC Plasma Plate Burner Table	120 x 240-Inch
15	Miller AC Welding Machines (GTAW, GMAW, SMAC, FCAW, SubArc)	
1	Two-Axis Welding Manipulator	30 Ton
2	Two-Axis Welding Manipulator	5.0 Ton
1	Two-Axis Welding Manipulator	2.5 Ton
Overhead Handling		
1	Overhead Bridge Crane	100 Ton
2	Overhead Bridge Crane	50 Ton
2	Overhead Bridge Crane	30 Ton
3	Overhead Bridge Crane	15 Ton
1	Overhead Bridge Crane	10 Ton
Material Handling Equipment		
1	Mobile Jib Crane	30-Ton
1	Mobile Forklift	40,000 lbm
1	Mobile Forklift	25,000 lbm
1	Mobile Forklift	8,000 lbm
5	Mobile Forklift	5,000 lbm
Assembly		
1	SKF TIH 1000E Induction Heater	6,100 lbm
2	SKF TIH 220m Induction Heater	660 lbm