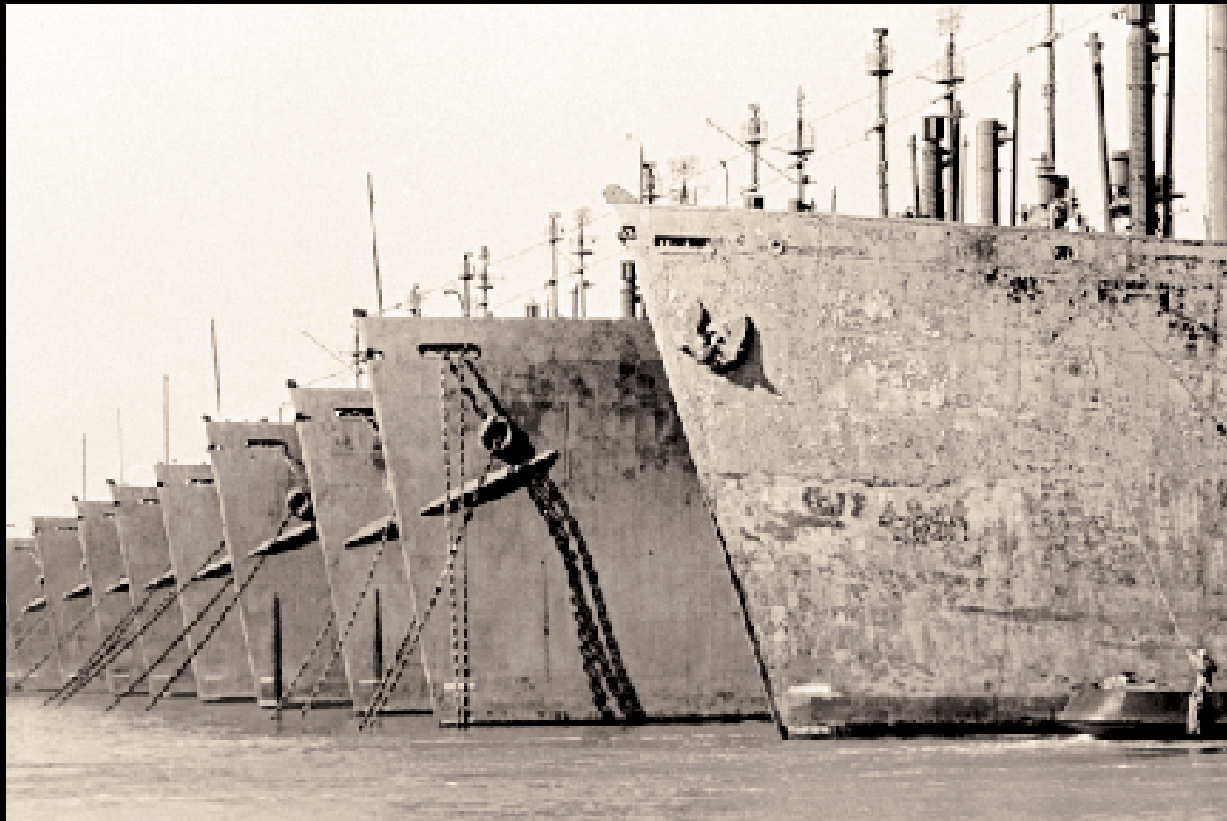


# International Shipbreaking Limited

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*Providing the Solution to an Environmental Threat*

# The Challenge of a Nationwide Environmental Risk

## The Inactive Fleet of the U.S. Navy and Maritime Administration

Oceangoing ships have played a vital role in our history from national defense to global trade. However, ships of all types have a limited useful life and must ultimately be dismantled with wastes properly disposed of and metals recycled.

At present, the U.S. Navy and the Maritime Administration have hundreds of inactive ships that are in need of dismantling. This inactive fleet is spread throughout the country including the Chesapeake Bay, San Francisco Bay and the Gulf Coast.

Their deteriorating hull conditions, combined with on-board hazardous materials, create an urgent need for disposal due to the risks of leaking and sinking. In its current condition, the government's inactive fleet poses a serious threat to our marine environment nationwide.

*Congress has begun to address this critical issue through the funding of two ship disposal programs.*

*Dismantling of non-combatant ships is administered by the Maritime Administration while the U.S. Navy is managing the disposal of its own combatant vessels.*

*Both programs set as their priority worker safety, strict compliance with all environmental regulations and "best value" pricing.*

*Together, these two programs provide a well thought out plan to reduce the risk of environmental damage through timely disposal of the inactive fleet.*

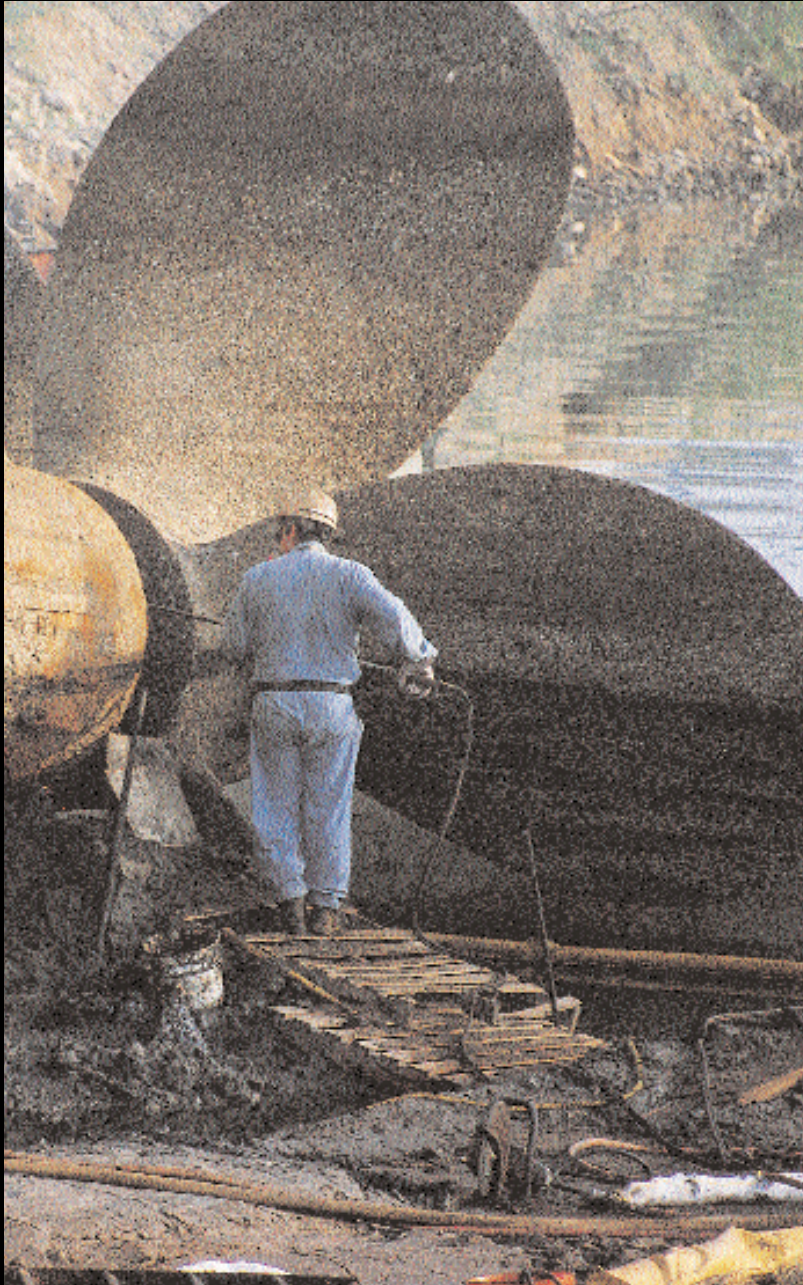


*“The situation at hand is literally a race against time... the level of government funding will make the difference between pollution and a disaster avoided.”*



# International Shipbreaking Limited, L.L.C.

## The Nation's Leading Ship Recycler Providing a "Best Value" Solution



Located in Brownsville, Texas, International Shipbreaking Limited is the nation's leading ship recycler in terms of capacity, number of ships dismantled, quality of service and cost to the government.

International Shipbreaking is presently the only contractor participating in both the Navy and the Maritime Administration ship disposal programs, and has been distinguished by receiving the highest ranking for its environmental, safety and health programs from the U.S. Navy.

*The company's accomplishments reflect strength found in the four pillars of its foundation:*

- *the Rio Grande Valley community which offers human resources that are uniquely qualified to meet our nation's ship disposal challenge;*
- *the Port of Brownsville where a combination of engineering, location and administration makes possible the safe, clean and cost effective disposal of government ships;*
- *the International Shipbreaking management team that includes the most experienced professionals in the industry;*
- *the company's ongoing commitment to make the appropriate investment in equipment, facilities and human resources.*

This foundation has enabled the company to provide a "best value" solution for both of the government's ship disposal programs.



# The Optimal Infrastructure and Cost Effectiveness

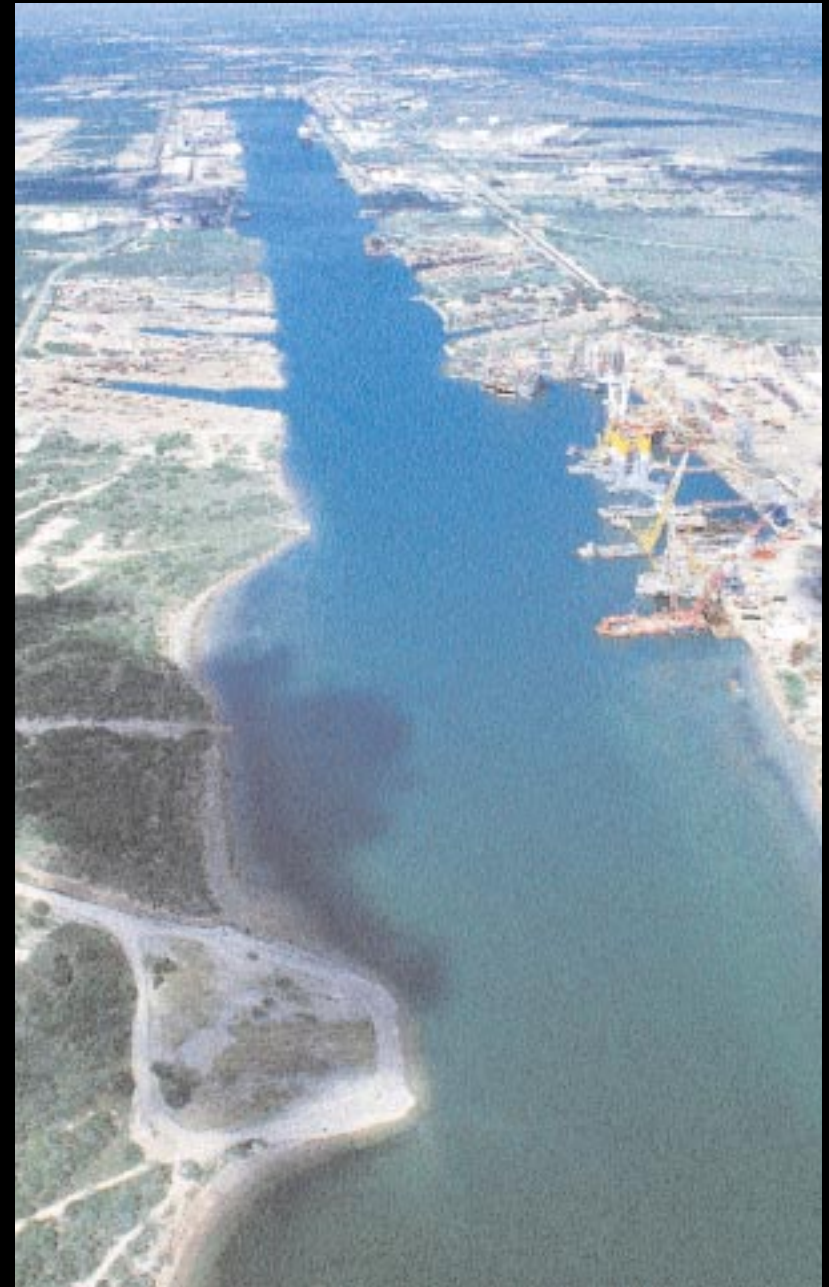
## The Texas Rio Grande Valley & the Port of Brownsville

The Texas Rio Grande Valley is home to a skilled labor force well-known for its strong work ethic, family values and over 40 years of experience in ship disposal. For ship recycling, the valley's human resources offer a level of cost effective productivity that is unmatched throughout the U.S.

Brownsville, situated at the southern end of the Rio Grande Valley, has a well-developed infrastructure that includes an international airport, rail lines, truck routes and a deep-water seaport that has been in operation for more than 50 years. The Port of Brownsville is a man-made facility designed for industrial activity and minimal impact on local ecosystems.

***The International Shipbreaking facility is located in the Port of Brownsville approximately 12 miles up the ship channel from the Gulf of Mexico. This location offers excellent protection from storm damage and a highly controlled marine environment that greatly reduces any risk of pollution during dismantling. The port is a clean, well-managed and secure facility where a strong emphasis is placed on spill prevention that serves the larger community and other local industries.***

For example, the shrimp harvest places Brownsville fifth highest in the domestic shrimping industry, contributing millions of dollars to the Rio Grande Valley economy. Yet the vitality of this industry is at risk in the event of water pollution. Brownsville is also a prime area for tourism, centering on the beautiful beaches of nearby South Padre Island that have been rated as one of the top 10 beaches in the country by the Travel Channel. Clean water is essential to the Rio Grande Valley's tourist industry.



# Taking Ship Recycling to the Next Level

## A Turnkey Ship Disposal Facility and Industry Leader



The International Shipbreaking management team operates a complete turnkey ship disposal facility that has been engineered to support the logistics of dismantling multiple ships simultaneously.

In order to do so in a responsible manner, considerable investment has been made in equipment and facilities to further reduce environmental risk and enhance worker safety.

*The company has installed on-site its own water treatment system to clean ballast water and also has access to the services of maritime equipment such as tugboats, a heavy lift crane barge and dry dock.*

*In addition to its fleet of cranes, loaders and trucks, International Shipbreaking operates the only 1,200 ton gravity fed shear in the industry, enabling the company to process 250 tons of ferrous metal per day.*

*International Shipbreaking is also fully capable of processing all non-ferrous metals recycled from ships, including scrap aluminum refined into ingots through a special purpose furnace.*

Once the processing of recycled metals is complete, sales are contracted with the highest bidder among the company's extensive customer base, and the most cost effective transportation is then arranged via rail, truck or barge.

By taking ship recycling to the next level of value-added metals processing, International Shipbreaking has become the industry leader. The company generates the highest sales revenue which allows it to offer the lowest net cost to the government.



# Congressional Support and Responsible Legislation

## Continued Funding of the Ship Disposal Programs is Essential

The company's management team has been praised by the U.S. Navy and Maritime Administration for its safety and environmental programs and innovative practices. Both ship disposal programs have been carefully observed by other government agencies, such as OSHA and the EPA, and the company remains in good standing with all regulators.

International Shipbreaking's management continues to share a positive working relationship with government personnel as its handling, disposal and documentation of hazardous materials prove to be safe, environmentally sound and cost effective.

Reflecting the quality of the management team and facilities, International Shipbreaking has dismantled more inactive ships and offers a greater capacity than any other company in the U.S. A recycling contract has been awarded to the company for every technical plan submitted and all ships awarded have been fully dismantled or are on schedule for completion.

*The Texas Rio Grande community and the Port of Brownsville have made it possible for International Shipbreaking to create a world-class ship disposal facility that is capable of providing a "best value" solution to the environmental threat presented by the inactive fleet.*

*After a ship has reached the end of its useful life, owners continue to have a responsibility to dismantle their vessel.*

*Our government should be applauded for its leadership role in demonstrating the proper disposal of hazardous materials and recycling of metals from its inactive fleet.*



*“Our government has been the world leader in the environmentally responsible disposal of its inactive fleet...it is essential that funding be continued.”*



For more information on “International Shipbreaking Limited:  
Providing the Solution to an Environmental Threat”  
visit our web site [www.shiprecycling.com](http://www.shiprecycling.com)

# International Shipbreaking Limited

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*“It is essential that funding be continued for the Navy and Maritime Administration’s ship disposal programs, at levels that can expeditiously reduce the size of the nation’s inactive fleet.*”

*However, the situation at hand is literally a race against time and the level of funding appropriated may make the difference between pollution and a disaster avoided.”*



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