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Quotation to MBARI

For the supply of Flexlok™ buoyant bend-restriction system

Flotation Technologies Ref 5553-0

October 31, 2003

This document is Flotation Technologies Inc, quotation to MBARI for the supply of Flexlok™ buoyant bend restrictors.

Flotation Technologies Reference: 5553-0

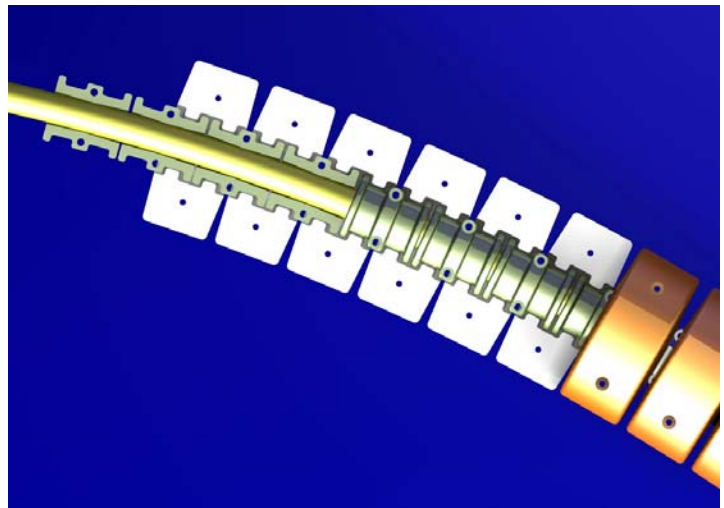
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1.0 COMMERCIAL SECTION

1.1 Contract Prices / Rates

Please note that all prices are quoted in U.S. Dollars and are based upon quantities stated. Prices Are ExWorks, Biddeford, Maine, USA

Prices for the Flexlok™ are based on current assumptions and could vary based on the results of the dynamic analysis.

Item	Description	Quantity	Buoyancy Per Each	Price/Each
1	15 Meters of 4000m rated Flexlok™ Buoyant Bend Restriction System (155 modules per mooring)	2 Total	400 ±20Lbs. (182±9Kg.)	\$35,950
2	Dynamic Analysis and Product Design	1 Each	N/A	\$7,885
3	Associated one-time Tooling Charges including casting molds, fixtures, and NRE	1 Each	N/A	\$6,750
4	Fore and Aft Bend Stiffeners if required	4 Each	N/A	\$TBD

1.2 Delivery

We can offer the following delivery schedule for Flexlok™:

Bid award	Week 1
Design Analysis Complete. Start Manufacture.	Week 3
Manufacture complete of all required items = 8 weeks	Week 12

Delivery is dependent upon receipt of purchase order and any other customer-supplied documents and/or specifications needed for the design analysis.

Engineering Change Orders: Specification changes that follow customer acceptance of the originally quoted product may affect delivery and may require an additional charge. Charges are determined on an individual basis. Changes (and cost of those changes) must be approved by the customer in writing prior to resuming production.

1.3 Terms of Payment

We require the following payment schedule in connection with this offer:

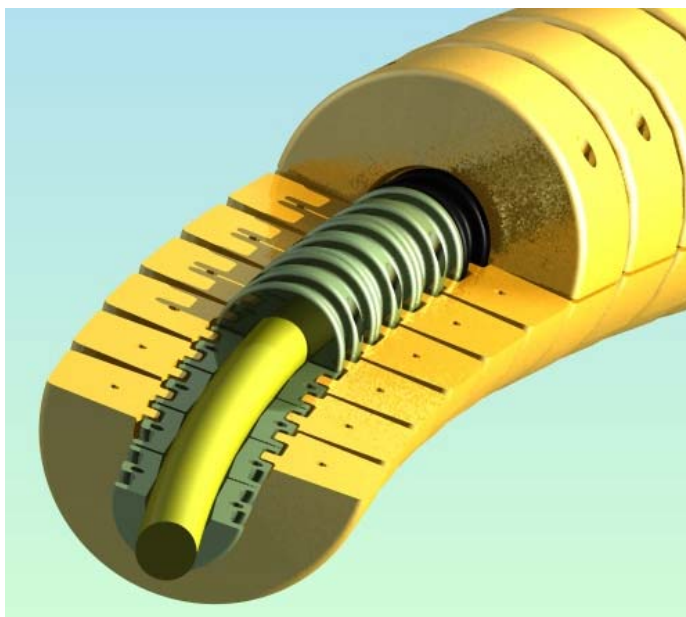
25% due at time of order with the balance due Net 30days and upon submission of certification documentation and all outstanding paperwork.

2.0 TECHNICAL SECTION

2.1 Scope of Work

Product Description:

Flexlok™ Buoyant outer shells are manufactured from an impact resistant grade of 4000msw rated Flotec™ syntactic foam. These are linked together by a tough, resilient solid Polyurethane inner core. The number of modules can be added or subtracted to give flexible buoyancy content. These elements are cast in half-shell form to allow the product to be fitted at any stage of the mooring assembly. Additional elements are then added which interlock with those already in place. The design of the elements allows each one to move a small angular distance. When this distance is projected over the length of the restrictor, the lock up radius is formed.



2.2 Project Execution Proposal

2.2.1 Introduction

Flotation Technologies is a company which provides design, manufacture and testing of syntactic foam products for the Oceanographic community and the Offshore Oil & Gas Industry

The Flexlok™ offered will be manufactured at our Corporate Headquarters in Biddeford, Maine, USA and will utilize a material (**Flotec-4000**) that has a track record of years of reliable, failure-free service.

In the event of order placement, a Project Manager will be appointed who will be responsible for the execution of the project in all respects.

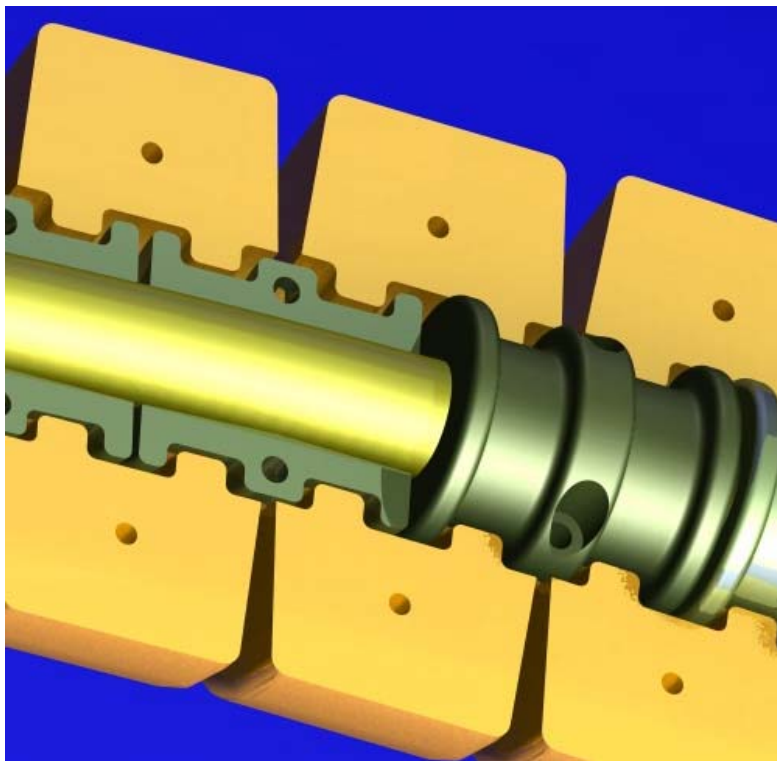
2.2.2 Design of Modules

The Outer Modules will be made from high strength Flotec-4000™ syntactic foam that is suitable for a maximum water depth of 4000 meters. For this application we would utilize a 38.5 pcf (615/m³) density material. Material specified is Flotation Technologies' solid, epoxy/glass microsphere syntactic foam. Solid Flotec foam does not contain macro/minispheres, which can pose the risk of implosion and buoyancy loss. To avoid compromising reliability we would not recommend macro/minisphere filled modules for this application.

The Inner Modules would be cast from 60 Shore D, polyether based polyurethane elastomer. This material has a long history of subsurface use and is suitable for long-term immersion at 4000msw. Two sizes of inner modules would be provided-one for each specified cable size.

These modules would bolt around your cable using 2ea. Type 316 stainless steel bolt assemblies.

The Outer Modules are then bolted over the Inner Modules also utilizing 2ea. Type 316 stainless steel bolt assemblies. All hardware is recessed into the parent material to eliminate snagging. We are estimating that 155 outer and 156 inner modules would be required per 15-meter section.





2.2.3 Manufacture & Test

All documentation will be provided as specified and will include:

- Quality Plan
- Design Procedure
- Design Report and Models
- Manufacturing Specification
- Fabrication Drawings

2.2.4 Documentation

After completion, the following documentation will be supplied:

- Weight and Buoyancy Records
- Certificate of Conformity
- Test Report if Applicable

2.3 Quality Assurance

Flotation Technologies is a ISO 9001: 2000 certified company

A quality plan will be produced within 20 days of contract award, showing a detailed step by step procedure of all work to be performed. All work will be carried out according this plan. The contractor and/or representative will be given free access at all times.

2.4 Company Profile

Flotation Technologies was founded in 1979 and has been designing and manufacturing Flotec syntactic foam products since its inception to the world wide Offshore, Oceanographic, Seismic and Survey markets. More information is available at www.flotec.com