



CLIENT ADVISORY LETTER 2010-04

June 25, 2010

GULF OF MEXICO DEEPWATER HORIZON RESPONSE

Dear Client,

We write to update you on National Response Corporation's (NRC) involvement in the DEEPWATER HORIZON (DWH) response in the Gulf of Mexico (GOM). We also take this opportunity to provide you with new information regarding anticipated changes in plan holder's federal and state compliance requirements due to the designation of the DWH event as a Spill of National Significance (SONS) and the unprecedented need for spill response resources in the GOM.

To date, NRC, with the assistance of its sister companies SEACOR Marine, Seabulk Towing, Era Helicopters, and its marine resource and ICN network has been able to rely on its extensive resource capability located within the GOM to meet the needs of the DWH event without stripping our assets from other regions. We have continued to maintain strong capabilities in other areas to ensure that our vessel and facility customers can meet their response plan requirements. When NRC resources from outside the GOM were requested by the DWH Unified Command, NRC has worked closely with the USCG to ensure that appropriate backup plans were in place to temporarily replace our deployed assets. For example, when two additional 110' (OSRV) were recently deployed from their ports in Cape May, New Jersey and New York Harbor, NRC arranged to backfill for those assets with either OSRVs or Vessels of Opportunity Skimming System Vessels (VOSS) in the Delaware Bay and New York Harbor. We do not anticipate any further reductions of our significant assets in regions outside of the GOM.

NRC is currently providing offshore skimming, shoreline protection and vessel decontamination services. NRC operations include 6 Oil Spill Response Vessels (OSRVs), 2 Oil Spill Response Barges (OSRBs), 8 SEACOR Marine vessels including AHTSs, OSVs, crew boats, 4 Seabulk tugs and approximately 110 additional vessels of opportunity for skimming and support. Over 250,000 feet of NRC boom and approximately 1,000 personnel are involved in the NRC response. NRC is also assisting with in situ burn and chemical dispersant efforts. We are providing dispersant services via Independent Contractor Network (ICN) members Airborne Support Inc (ASI) and Lane Aviation. Their resources currently include ASI's new BT-67 and two DC-3 planes, and Lane's two AT-802 aircraft. Supporting spotter planes are also being used.

Because of the urgency to meet the additional critical resource needs in the GOM, the USCG is expected to lower the Oil Pollution Act of 1990 (OPA 90) planning standards from WCD (Worst Case Discharge) to AMPD (Average Most Probably Discharge). This action will relieve plan holders of their regulatory obligation to maintain response capability for spills greater than an AMPD. It will also allow OSROs to move assets from other regions that would ordinarily be dedicated to each COTP zone, subject to



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approval by those states that have requirements above the OPA 90 planning standards (e.g. California and Washington). We understand that the states are cooperating with the USCG to reach the delicate balance that will allow additional resources, especially from the West Coast, to respond but still leave sufficient capability to initiate a response to another event. NRC will continue to maintain more than sufficient resources in all operating areas to meet the new expected AMPD requirement.

With particular focus now on the US West Coast, NRC will maintain its four West Coast based OSRVs and OSRB in their steady state locations. We are also investigating, with SEACOR Marine and our other commercial relationships, the possibility of relocating additional vessels to the US West Coast. We welcome feedback from both our clients and other plan holders as to their specific needs so we can implement the best overall plan, given our customers' needs as well as the needs of those in the GOM impacted by the spill.

NRC will continue its vigilance to maintain response readiness in all of our operating areas and we will continue to keep you informed about any changes in regulation or resource capabilities during this SONS event.

Should you have any questions, I can be reached at 631 224-9141.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Candito". The signature is fluid and cursive, with the first name being more prominent.

Steven A. Candito
President