

STURGIS Project Update, September 28, 2018

Dear STURGIS Stakeholders,

The STURGIS arrived safely in the Port of Brownsville yesterday at the International Shipbreaking Limited facility where she will be dismantled for recycling. Despite the stormy weather Tuesday, the trip out of Galveston and down to the Port of Brownsville went smoothly and without any incidents. I've attached an aerial from her arrival provided by ISL.

STURGIS will undergo additional radiological surveys as part of ISL's standard operating procedures to reconfirm that all of the radiological contamination has been safely removed, which will likely take a few days.

Once all of the standard procedures for the inspecting the vessel are complete, the shipbreaking will get underway. We anticipate about two months of environmental abatement (removal of asbestos, lead based paint, PCBs, etc), then the ship dismantlement will take another 4-6 months. Based on current estimates, we anticipate that we will be recycling approximately 5,500 tons of steel and other assorted metals from the ship.

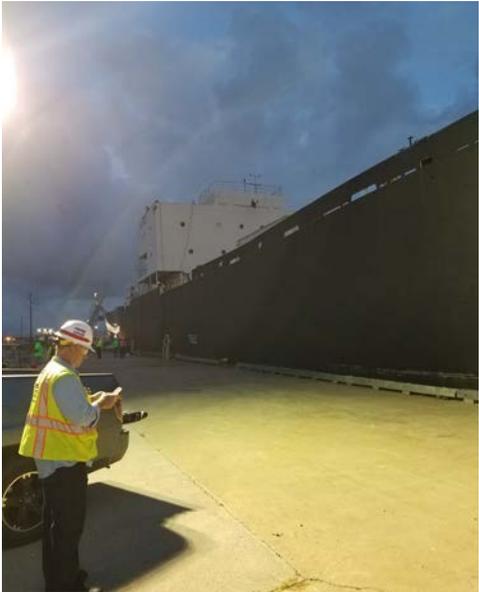
We are anticipating completion of shipbreaking work in the Port of Brownsville by May 2019.

As a reminder, the U.S. Army Corps of Engineers and contractors will remain on site in Galveston for approximately four (4) weeks for site demobilization and final surveys of the facility to ensure no contamination is left on the dock from the project. At this time, the site in Galveston is almost fully demobilized. The radiological surveying of the dock and slip was completed already and results are pending. All of the project fencing has been removed and we anticipate removal of the final project trailers by early next week.

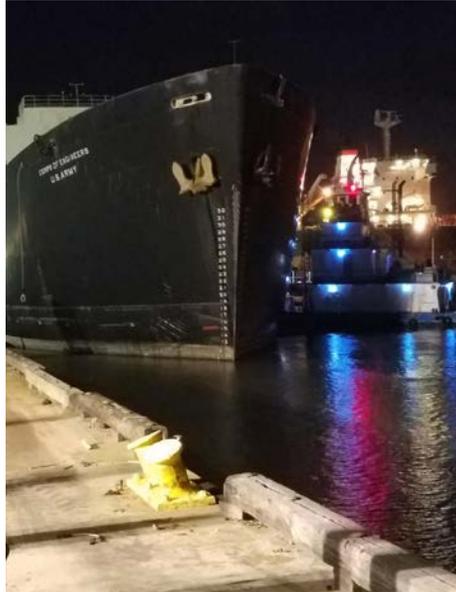
We again want to take this opportunity to thank the local Galveston community and our local partners and stakeholders for their support as we implemented this complex project in Galveston. The local support our team received greatly contributed to the success of this project.

We look forward to continuing to work with our partners in the Port of Brownsville and the surrounding community as we finish the last phase of the STURGIS project, her dismantling and recycling.

STURGIS DEPARTING GALVESTON - 25 SEP 2018



Leaving the Slip



At the T-Head



Installing the Tow Bridle



Attaching to the Tugboat



STURGIS in the Port of Galveston channel



STURGIS DEPARTING GALVESTON - 25 SEP 2018



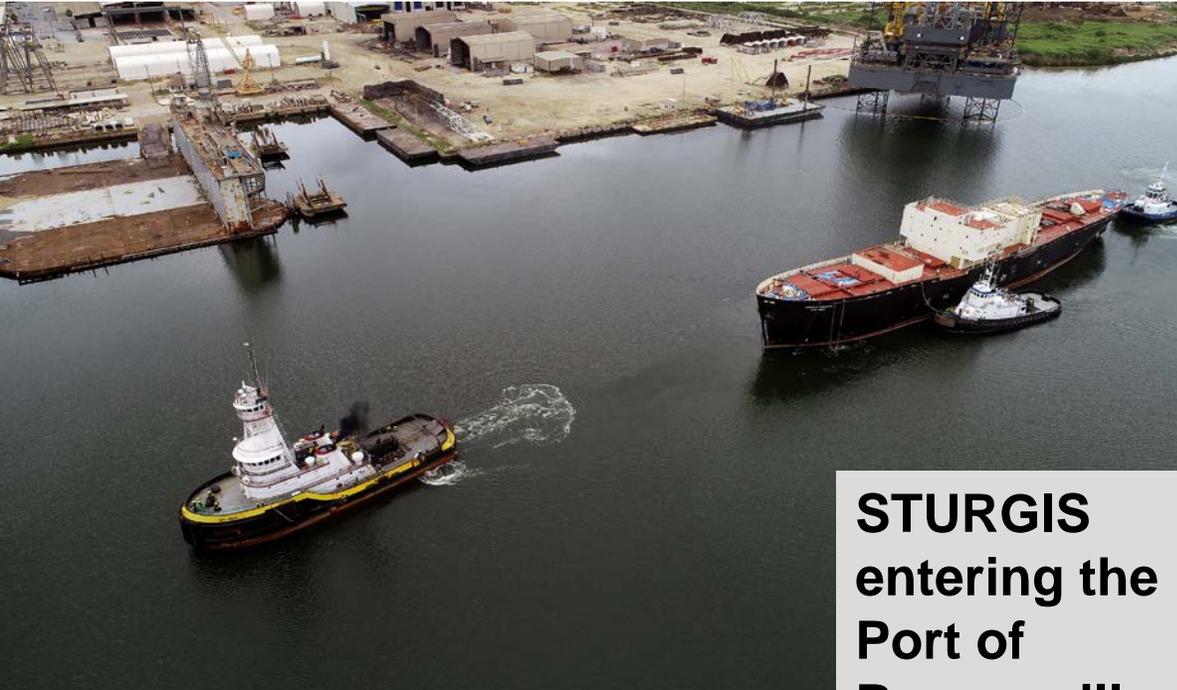
**STURGIS
exiting the
Port of
Galveston
channel**



**STURGIS in the Gulf of Mexico en route
the Port of Brownsville**



STURGIS ARRIVING IN BROWNSVILLE – 27 SEP 2018



STURGIS
entering the
Port of
Brownsville
channel



STURGIS moored at the International
Shipbreaking Limited facility in
Brownsville