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U.S. Department of Defense Awards Marine Group Boat Works Boat Services Contracts Valued up to \$197 million

Chula Vista Boatyard to Service, Support Naval Vessels and Crafts for up to Five Years

(Chula Vista, Calif., June 5, 2009): Marine Group Boat Works, a boat and superyacht repair facility located along the San Diego Bay, was one of ten companies awarded a five-year, indefinite-delivery/indefinite-quantity contract (IDIQ) by the U.S. Department of Defense to provide boat repair, refit and maintenance services to Naval vessels and crafts at its Chula Vista facility. Outlined in the contract, Marine Group Boat Works is expected to provide necessary management, material support services, labor, supplies, and equipment for vessels and crafts such as Landing Craft Utility (LCU) boats, SeaArk aluminum boats and barges. Potential scopes of work include general repairs, regularly scheduled maintenance work, specific modifications, upgrades and service life extensions.

“This was an extremely competitive bid,” says Todd Roberts, vice president of Marine Group Boat Works. “We were evaluated on our past performance, capabilities, experience and the list goes on. The fact that we were awarded is a testimony to our great standing reputation in the marine industry, our excellent craftsmanship and ability to meet the rigorous high quality standards that the government sets forth.”

The contract is divided into two lots: Lot 1 for vessels and crafts less than 50 feet and Lot II for vessels and crafts greater than 50 feet. The maximum value for each contract under Lot I is \$58.3 million while the maximum value for each contract under Lot II is \$139 million. Marine Group Boat Works was one of the very few contractors qualified to service both lots.

“The solicitation called for a set of criteria that were inherent, and at times, unique to Marine Group Boat Works,” said Roberts. “As much as I’d like to credit this award to our expansion in 2007 where we made significant facility and equipment upgrades, it comes down to the other set of criteria that we met as well, such as having a quality assurance program, certified skilled workers and a well established program for receiving and managing government projects.”

As released by the U.S. Department of Defense, the contract is further split up into one base year and four subsequent option years for a total of five years. Base year one is effective June 5, 2009 and ends June 4, 2010. Contract funds in the amount of \$27,000 for Lot I and \$18,000 for Lot II and contract funds in the amount of \$3,000, for minimum obligation for each contract, will expire at the end of the current fiscal year. Most of the work will be performed in San Diego. The Southwest Regional Maintenance Center in San Diego is the contracting facility. The contract was competitively procured and advertised via the Federal Business Opportunities website.

About Marine Group Boat Works

Marine Group Boat Works is a full-service boat and superyacht repair facility along the San Diego Bay. Located at 997 G Street in Chula Vista, the facility's services include repair, retrofit, conversion, custom fabrications and painting for boats, superyachts and government and commercial vessels up to 665 tons. Marine Group Boat Works has been featured on The History Channel's "Modern Marvels" for having the largest Travelift in the nation. In 2008, the boatyard was awarded Fastest Growing Company by bizSanDiego Magazine and San Diego Business Journal for its 88% increase in revenues. Marine Group Boat Works has serviced superyachts including MR. TERRIBLE, RONIN, TAMSEN, MORNING GLORY, BOSSY BOOTS, ORION and BANDIDO; commercial vessels for companies including Foss Maritime, Greger Pacific, research vessel WHITE HOLLY, Evans Hotels and San Diego Harbor Excursion; and government vessels for agencies including the U.S. Navy, Port of San Diego, U.S. Coast Guard and San Diego Harbor Police. For more information, visit the new Web site www.marinegroupbw.com or call (800) 281-5565 or (619) 427-6767.