



Quarterly News

Q4- Dec. 09

Introduction

Welcome to the Quarter 4 edition of our CUT Quarterly newsletter.

"The pages where we seek to provide information on matters that concern our People".

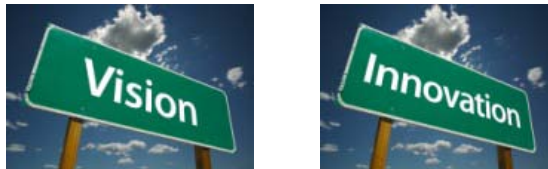
Thank you again, to all who have supplied information for this edition.

Tecnospamec Logo Change:



CUT Group's parent company, Tecnospamec, have launched their new company Logos, which are to be phased in as of the 1st January 2010. As well as the updating of the traditional TS logo, the launch also sees the unique branding of its Research and Development Division based in Italy.

Breaking the Barrier



CUT are pleased to announce that, as a group, we have broken through the 500 barrier in successfully completed projects.

This significant milestone reflects great credit on all bases and TS/CUT Group personnel from around the world who have contributed to this achievement.

The Commitment of our people, Investment in the continuous Developments of our Technologies and an excellent track record are just some of the key qualities that have created an admirable foundation for the TS/CUT Group to further increase market share and to move to the forefront of the Nuclear and Subsea Abandonment and Decommissioning Industries.

News from our

Cut Group of Companies

Cut Norway:

Content Provider: Giuseppe Ummarino

**Cutting Underwater Technologies AS
Presented with the Gazelle Enterprise award**



The Norwegian Financial newspaper, Dagens Naeringsliv, in cooperation with DnB NOR and Pricewaterhouse Coopers, each year nominate companies from each county in Norway for the prestigious "Gazelle" Enterprise award.

The Gazelle award recognizes that a Company has:

- Turnover of more than one million Norwegian Kroner
- Submitted certified/approved financial Statements
- At least doubled turnover
- A Positive accrued operating result
- Growth in turnover each successive year

In 2009, only 2% of active private Companies based in Norway were in the position to qualify for the award, which again underlines the success of this achievement.

Congratulations to all who have contributed to the success of CUT AS.



Quarterly News

Q4- Dec. 09

Cut Brazil:

Content Provider: Achille Zaoner

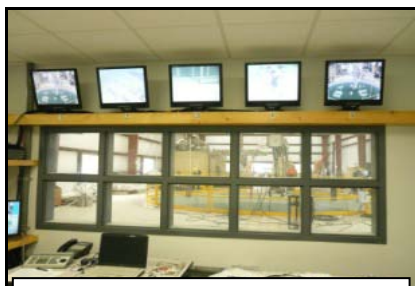
In recent months the concept of a Hybrid Diamond Wire Cutting Machine have come a step closer, with the CUT Brazil team developing the core components required to control and supply power to the machine. The next stage of this project will be the trials which are to be performed at CUT UK's facility in Aberdeen.



Hybrids' Monitoring and Control Panel

This exciting new development will add to the already impressive list of equipment and options, designed to achieve our Clients requirements.

In the latter part of 2009, the Cut Brazil team were also instrumental in the development and installation of the Video Monitoring system at the new CUT Nuclear test facility at Houma, USA.



Cut Nuclear's Video Monitoring Room

The monitoring system, complete with purpose built underwater cameras, complements what is an already very impressive and versatile test facility.

Cut Asia Pacific:

Content Provider: Antonio Bottiani

Project updates and information from CUT AP will be included in future editions. Meantime, we offer our best wishes to all at CUT AP, as they prepare for the soon to be commencing decommissioning season.

Cut USA:

Content Provider: Philippe Bernard

As a testament of the "can-do" attitude of their Project Engineers, DWCM Operators and Technicians; CUT-USA recently responded in modifying and mobilising two of its DWCM's to accommodate the very specific and unique Client requirements at very short notice.

ATP Oil & Gas, through their dual subcontractors, Hornbeck Offshore & Mako Technologies, informed the CUT-USA Engineering team of the special parameters that would govern the work related in the removal of a subsea guide-base, located in 5,400 feet of water in the Gulf of Mexico.

Working in close co-operation and co-ordination, Gianfranco Marchini assisted by CUT UK's Aaron DePalmas and TS Tecnospace's engineers led by Franco Matteucci, were able to design the modifications necessary for the 20" DWCM and support-frame to accommodate the Client's requirements.



Modified 20" DWCM



Guide Base Trials

A sample of the Guide-Base was received from the Client, at our Houma facility, and trials conducted, witnessed by the Client's representatives.

All equipment was then mobilized and the project successfully completed, within the agreed timescales.

Feedback received from the Client included, how impressed they were with response of CUT-USA and their ability to successfully achieve the tight timescales imposed by the client.

At about the same time as the preparations were being made for the ATP project, Superior Energy Services contacted Mike Hargrave, CUT-USA's Houston Marketing Representative, requesting if they could assist them in recovering the leg-components of a large lift-boat that had capsized during Hurricane Katrina.

Continued....



Quarterly News

Q4- Dec. 09

Again the project had to mobilize quickly and had to accommodate the unique configuration of the legs, which had opposing spur-gear racks installed on each side, extending across their respective lengths. In order to achieve Client requirements, a 150" Diamond Wire Cutting Machine was redesigned and modified to cut the 96" diameter Jacking-legs of the sunken lift-boat.



150" DWCM being modified

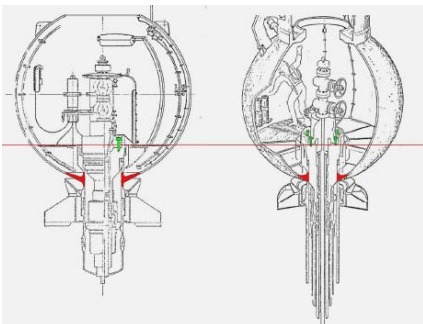
Although at time of writing the project is ongoing, all cuts performed to date have been successful. The Project is due to be completed by 15-January-2010.

CUT UK

CUT UK have been in the process of planning an unusual cutting operation in the Irish Sea for Hallin Marine UK Ltd. The project involves the cutting of a multi-string casing comprising of string sizes:

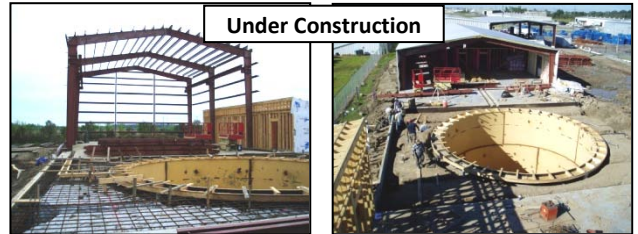
- 30" OD x 3/4" w/t
- 20" OD x 1/2" w/t
- 13 3/8" OD x 1/2" w/t
- 9 5/8" OD x 1/2" w/t
- 2 7/8" OD x 1/4" w/t

What has made this project unusual is the requirement for the cut to be performed at a subsea observation well.



Following detailed discussions, it has been decided that the most efficient method would be, to sever the wellhead just below the observation chamber itself. 3D modelling has suggested that the 36inch DWCM could be located between the bottom of the chamber and the seabed, allowing the single cut to be performed. Following effective planning and co-ordination between CUT UK and the Client, the project is due to be mobilised in December, with project completion due in January 2010.

CUT Nuclear Inc.



Under Construction

In our last edition of the Quarterly News, we reported on the progress of the new CUT Nuclear facility in Houma, USA.

The excellent new facility complete with 2 Cranes, Test Tank, Video Control Room and Office/ Conference room facilities was handed over in December 2009 and is now being prepared ready for commissioning.



Completed Building

Test Tank Facility



Workshop Area

Video Control Room



Conference Room Facilities

It is planned for the first of many tests of the DWCS to be completed in CUT Nuclear's Test Tank in the early part of 2010.

We wish all at CUT-Nuclear all the very best for the future and look forward to hearing of the exciting developments that they are currently working on.

and finally....

If you would like to include an article or suggest recommendations to future editions of the news letter, please forward them to your manager, or to steven.sangster@cut-uk.com.

We will be delighted, to hear from you, and will gratefully receive your comments.