

Technical Specification

(Short, informative)

for the feasibility study of the construction of an UTH test ship

The purpose of the present specification is to determine the typical requirements of the construction of the UTH ship having European patent, which are necessary for the design, planning and construction of the test ship to be built. The Applicants must prepare a feasibility study for the construction of a test ship according to the specification, which is based on his/her own workshop, experiences, practise and technology. The feasibility study must be so deep that the Applicant can prepare the plans and prototype of the test ship from it in case of awarding the order and the estimation of the expected working phases and costs can be determined and later kept with the necessary accuracy.

The Applicant must give an estimation of the proposed theoretical consideration, the feasibility, the proposed solutions, materials, the schedule of manufacturing and all related costs, which the Client must pay. The purpose of the feasibility study is to make the Applicant adapt the theoretical considerations determined in the Client's specification to his/her own manufacturing possibilities, experiences and technology. The Applicant must review the feasibility on the basis of the determined aspects, the available conditions of construction and the feasibility until the given deadline. From the feasibility study the Client must get an insight into the solution, design and schedule undertaken by the Manufacturer and the relating costs. The fee applied when concluding the contract cannot exceed the costs estimated in the feasibility study.

In the feasibility study the Applicant must introduce a *draft of contract* for design and manufacturing with the deadlines fixed in the specification and the scheduled design and manufacturing costs. The Applicant must schedule the partial deadlines in a way that they must be in accordance with the financial plan of the Client; and they must provide a possibility to collate and cooperate before the main manufacturing milestones.

The contract must include the execution and accounting schedules (as attachments) in a way that the technical content of the financial schedule can be identified. The technologically separable parts shall be quoted separately to avoid the endangering of the successfulness of the present tender. The possibility must be ensured to balance the delayed execution of some not too important parts.

The contract must include provisions for default execution, which can be vindicated in the invoice issued for the (partial) execution in an amount of 0,3 % / day, but maximally the 10 % of the amount of the invoice. In case of a default exceeding the 30 days the Client is entitled to immediately annul the contract. Its all consequences will be born by the Contractor.

The expiry of the invoices issued for the executions confirmed in the contract must be 15 days after receipt.

The contract must include provision of default payment, which can be vindicated in the invoice issued for the (partial) execution in an amount of 0,3 % / day, but maximally the 10 % of the amount of the invoice. In case of a default exceeding the 30 days the Contractor is

entitled to immediately annul the contract and to stop the manufacturing works. Its all consequences will be born by the Client.

The draft of contract must include provisions regarding the privacy in connection with the communicated patents and other industrial law-protection rights, know-how-s besides undertaking a compensation obligation.

The draft of contract must include that it is the task of the Contractor to design the test ship according to the feasibility study approved by the Client, to acquire the necessary licenses and approvals, to manufacture the test ship until the specified deadline at the contracted degree of completeness. Client specifies a probative operability of minimum 10 years (intensive load).

The draft of contract must include that it is the task of the Contractor to schedule the design and construction works to be approved by the Client. The designer – manufacturer decides at which milestones he/she wants to collate with the Client about the decisions, which considerably affect the execution. The Contractor is obliged to consider these decisions at his own expense, if they are in accordance with the main direction of the execution. If the Client requires an option being out of accordance with the approved feasibility study, then the Client must bear all relating costs. If the designer/manufacturer – owing to failing to collate with the Client – falls into error or default, which considerably affects the execution, then the Contractor is obliged to fulfil the demands of the Client at his own expense, even besides the disassembling of the finish components.

The draft of contract must include the undertaken details and manufacturing program sections broken into main units and the costs paired with the relating technical content. The schedule of the accounting of the costs must be in accordance with the planned financial schedule of the Client.

The draft of contract must include the declaration of the Contractor about the support of the actualization of the project, his/her intent to place an own advertising surface and the undertaken costs on the basis of the specified rates. The offer must be valid for 30 days, including the possibility to award a contract for a part of the offer.

Availability of the tender documentation:

The specification is available against a fee of EUR 2.000,- say two-thousand Euro. When ordering the banking transfer to the banking account of the Client, the postal address of the Applicant and the “UTH Specification” title must be indicated in the “Comments” heading. The Client pays back the fee of the specification in case of unsuccessful application within 15 days after publishing the results of the tender.

Deadlines:

The deadline for ordering the specification is 31 August 2006; its pre-condition is to pay or transfer the application fee to the banking account of ANDREAS Ltd.

The deadline for submission of the feasibility study and offer documentation on the basis of the specification is 30 September 2006.

The examiners might ask question in 5 days and require supplying deficiencies or further complements, for which the applicants have 10 days to submit these documents.

The selection of the winning Applicant on the basis of the submitted feasibility studies can be finished on 15 October 2006 the earliest; and in case of deficiencies and questions on 31

October 2006. The Client concludes a contract with the winning Applicant until 15 September 2006 for the preparation of the design documentation and the manufacturing of the test ship. Finishing date of design: 15 December 2006. Starting date of manufacturing: 1 January 2007. About the progress of design and manufacturing works the Applicant must send reports in writing at least once a fortnight; and once a month the results of the construction of the test ship.

Finishing date of manufacturing: 30 September 2007 at the latest.

Protection of rights:

During the execution of the project the Client ensures the internal use of the following legally protected procedures, designs and know-how-s to the Applicant – once free of charge (besides prohibiting their transfer to third persons):

European Patent Office (Brussels):

EP 1.230.121 “Ultra Thin Boat Body Supported by Hidrofoils”

Know-how entries in the Hungarian Copyright Protection Office (Budapest):

051108004T “Increment of rate of travel of ships with froth water formed by air-intake”

051216003T “Application of travelling pressure curve to optimise the form of ship bodies”

060207001T “Inflatable safety life-saving cabin to buoy the small ships”

Y0600056 “Forming and application of gill brakes to increase the efficiency and brake the large-surface ships”

Financing of the project:

The project will be financed from the available subsidies of the European Union and Hungarian Economic Competition Office Research and Development tender stated in contract and from the support from International Rubik Fund and the R+D fund of Andreas Ltd. separated for researches. The 60-70 % of the available financing resources can be spent for the construction of the test ship. The Client provides and is responsible for the availability and separation of the costs of construction of the test ship before starting the contractual works.

General expectations and comments:

The specification of the feasibility study to be prepared by the Applicants covers only the special expectations. During the design and construction works all measures and decrees must be met, which are valid for the design and construction of ships at the time of preparing the offer in the given country. The Client ensures the possibility to ask question by the Applicant in connection with the design and construction of the ship or ask preliminary consultation about his conceptions. This option is continuously available in the time period between buying the documentation and submitting the offer.

The submitted feasibility studies will be evaluated on the basis of the estimation of the examiners, which will be established by the Client from persons having owner, financial, legal, technical-professional and operator experiences.

Content of the offer documentation:

The offer documentation to be submitted must include the followings:

- Introduction of the applicant company, experiences in ship construction, references, especially in the construction of aluminium ship bodies;
- List of construction references in the last 10 years;
- Study about the feasibility of the specification prepared by the Client;
- Declaration about that the company is not affected by any liquidation or bankruptcy proceedings;

- Excerpt from the Company Registry not older than 30 days;
- Declaration about the membership in chambers and other organization;
- Balance-sheet and profit and loss statement and their attachments of the last 3 years;
- Draft of contract for the design and construction of the UTH test ship.

The costs should be calculated for the test ship determined in the specification with a take-over in Portoroz, Slovenia. The ship must be examined for minimum 8 persons and prepared and examined for “C”-type sea examination.

Aspects of technical design of the UTH test ship:

The specification to be sent after receiving the application fee includes it in details.

General data (preliminary, approximate data):

Length (LOA):	12,5 m (13,2m)
Water-line (LWA):	11,5 m (12,2m)
Width (Beam):	6,6 m
Draught of the body (Draught):	1,4 m
Displacement:	9,6 t
Planned speed:	25-45 km/h

The followings are controlled in details:

Bodies:

Longitudinal trim

Connection and bracing of the three bodies

Conditions to be ensured for the case of average

Craning

Engine

Bow jet rudder

Gill brake

Rudder

Torsion-spring lifting wings

Upward and downward moving of centreboards

Foaming devices

Other equipments

“Auxiliary” rigging

Cost items, main cost groups

The Client requires calculating the costs for a test ship constructed on the basis of the present specification with a take-over in Portoroz, Slovenia. The ship must be examined for minimum 8 persons with a “C” class sea exam. The test ship to be constructed must be quoted on the basis of the present Specification. The Client determines what ***must not*** be included in the costs.

This is an informative, short version of the specification.

Budapest 31 July 2006