



PHOENIX AWARDED FIVE YEAR NAVY CONTRACT

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Washington, DC -- Phoenix International, Inc., (Phoenix) announced today the award of a five year contract to provide worldwide underwater search, recovery, and submarine rescue services to the US Navy. Phoenix is the prime contractor, and will be assisted by team members Hard Suits, Inc., ADI Technologies, Inc., Resource Consultants, Inc., and Nauticos Corporation.

Under this contract, Phoenix will operate and maintain US Navy sonar search systems and Remotely Operated Vehicles (ROVs) for the Supervisor of Salvage and Diving (SUPSALV). Phoenix will also provide a wide range of engineering services to support operations and for modification and upgrade of these systems. Phoenix will provide operations personnel, as well as its commercial sonar and ROV systems, to support underwater search and recovery operations in water depths to 20,000 feet. Typical missions include location and recovery of lost aircraft to assist crash investigation teams. Phoenix will also operate and maintain the Navy's new submarine rescue system, which is currently being built by several contractors.

Mike Kutzleb, President of Phoenix, stated "Phoenix is proud to be selected as the winner of this important contract. We attribute this success to the quality, expertise, and dedication of the people we have assigned to this contract, as well as our team commitment to supporting the mission of SUPSALV." Phoenix also holds the Navy's Diving Services contract, under which the company provides diving and related engineering services on a worldwide basis.

Phoenix has recently participated in several successful deep ocean search and recovery projects using its 6000 meter ROV system, *Remora*. In May 1999, Phoenix was part of the international team that located and identified the Israeli submarine DAKAR in almost 3,000 msw in the Mediterranean Sea. In January 2000, Phoenix successfully recovered pieces of a Japanese H-II missile from a depth of almost 3,000 msw in the Pacific Ocean. The Phoenix team returned to the DAKAR site in October 2000 to conduct a further investigation of the wreck and to recover several items of interest for a memorial to DAKAR's 69 crewmen. The largest piece recovered was a 19' by 15' section of the conning tower from the submarine weighing almost 4 tons.

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