



NCSSM SubScribe

Volume 3, Issue 2

December, 2010

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View From The Top

It has been a very challenging year for NCS, with the effects of the global recession being felt significantly, throughout the company. We had to reduce staff, and reduce other fixed costs, in order to maintain financial and operational stability as we pushed through the last effects of the global economic recession. Every person in this company has sacrificed greatly in order that we could return to profitability and begin to grow again. You should all be proud of yourselves, as that is exactly what we have achieved. We saw the second half of this year become more profitable than what was first forecast, and there is a definite increase in the level of activity in the industry. Things are still tough out there, but we have made some sound advances toward increasing our client base and moving into exciting new technologies that hold immense promise for increased business.

So what's coming? We have been very active in defining and refining Navigation & Positioning requirements for the new 3D High Resolution Seismic frontier. This technology uses multiple (18 or more) short streamers, spaced

very close together (6.25 mtrs), with a high frequency energy source. It is the first true 3D seismic for high resolution, shallow penetration seismic imaging. NCS SubSea has taken the lead in providing a complete Navigation & Positioning solution to the commercial level. No one else has been able to provide a consistent, workable, cost effective solution. We are on the true leading edge of a technology that should provide enormous opportunity. Indeed, we have already put Phase 1 of the Nav solution to work, and the project has been a resounding success. Beginning in mid-October, it will finish up during the 3rd week of December. There is more work planned for next summer, when we will unveil our expanded Nav solution. We have agreements in place with several different companies that allow us to bid directly for work and to partner on R&D projects. The Caspian Sea area looks to be very active for 2011, and we have been asked to be a part of several projects that will be bid for the season. Alaska will also be quite active, and we have multiple bids in for site clearance work beginning in Q2 2011. Our pursuit of domestic Diving & Construction

contractors continues, and we have recently signed a Master Service Agreement with one and expect more to follow. We have interest from one of the major Seismic companies to provide different services and have already dollarized some of that activity.

There is cause for optimism as we look to 2011. While no one can predict the economics of the future, the current indications all point to a significantly increased volume of business in the coming year. As always, Q1 will be slow and revenues will be down; however, we will recover very quickly as we move further into Q2. Be proud of your accomplishments here at NCS for this year; together we literally created the opportunities that we now have before us.

I am always available to every person in this company, so do not hesitate to contact me to discuss any concerns or ideas that you may have. I thank everyone again for their dedication and sacrifice during 2010; I am truly fortunate to work with such a committed and talented group.

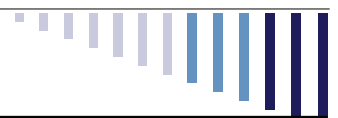
Al Hise

Words to Ponder:

The pessimist sees difficulty in every opportunity.

The optimist sees opportunity in every difficulty.

Winston Churchill



Office Roundup

Houston

I told Abby not to drink the water the last time I visited. An exciting time there for our employees who are expecting or have just had babies.

The Christmas event in Houston was a small one this year with most of our employees out on assignment or home on long overdue breaks.

Houma

Business as usual in this busy support hub with a number of employees rotating through the office.

Perth

The office is now operating from a smaller premises. The nature of the business in the region is primarily focused on Data processing and QC

services, and the warehouse style of facility was inappropriate for the current operation, but with renewed activity we may soon find ourselves looking for another premises.

Christmas was celebrated with a reunion of employees and hosted by our very personal Travel Manager Andrea Beck.

Wayne Anderson



Houston Christmas Gathering

Announcements and Congratulations

Births

Eric Keith Joseph Born: 17 Sept 2010 weight: 7lbs 2 oz.

Mauricio Gaytan Born: 1 Nov 2010 weight: 9lbs 11oz

Kaylee Jimenez Born: 1 Dec 2010 weight 7lbs 8oz

At the time of publication Elizabeth was on the way to the delivery room for the birth of her first child.

Weddings

Keith and Amanda - 13 Nov

Josh and Amanda - 31 Dec



Mauricio Gaytan

Events

Establishing, maintaining, and developing new relationships is a core component to the success of our business.

Statistically it takes 18 months from the point of initial contact to secure that elusive PO, and the hours spent pounding the floors at shows, and the familiar faces we are now seeing at them, are paying off.

One great example of this networking transpired from a game of golf in Perth in December last year followed by an email introduction, a meeting in February, some sharing of information during the year, and finally a 4 month Nav QC contract

commencing at the end of December.Keep your networks alive and the rewards will come.

APPEA

A brief trip to the event yielded some promising prospects for NAV QC Rep work. Watch this space...

EAGE

NCS and FGPS shared a booth at the EAGE furthering the close ties between the companies.

This was the first time we exhibited at the event and we generated a great deal of interest from new visitors to the booth.

SEG

Al and Wayne attended this year after deciding not to exhibit. We have exhibited the past 3 years. There was an expectation we would be there by our previous contacts; they tracked us down and the business was conducted in a less formal manner.

We should see the fruits of this event transpire early in the New Year with some innovative new work.

As we move into 2011 we will be continuing to build our network and expansion into new areas of business.

Wayne Anderson



EAGE Paul and Wayne

Coworkers Spotlight

Every quarter three employees are randomly selected to tell a bit about themselves. You may be pleasantly surprised by the talents and history of the coworker sitting next to you. Enjoy!

Daniel Boone

Job Title and Responsibilities.

Product Line Manager

Operations Management of the DSV and Construction product lines.

Where are you from?

Born and raised in Biloxi, MS. Lived in Destin, FL for about 5 years. Moved to Houston in January 2009.

Married? 5 years this November to Heather.

Children?

Pierre – Tuxedo Cat 4 yrs old.

Henry – Golden Retriever 10 months old.

What were you doing before you came to NCS SubSea?

Before coming to NCS I was working in Land Surveying and development in Destin, FL.

Hobbies: Fishing, Boating, Outdoors, Brewing Beer, drinking beer, playing softball.

What type of music do you listen to? Every type.

Something interesting about yourself that your coworkers may not know?

I have 6 fingers on my left hand...j/k!

What do you like about working at NCS SubSea?

The people. Everyone here really enjoys and cares about what they are doing.

Jennifer Jimenez

Job Title and Responsibilities.

Human Resource Manager

Responsibilities include:

Dealing with all company benefits/ Reviews//Manage the Hire and Fire process//Manage Communication between Employee and Management//Keep information on every employee//Schedule Medical/ Sea Survival//Manage day to day

operations of the office.

Currently- also answering phones, ordering office supplies and kitchen supplies, and helping with any other duties that I can.

Where are you from?

I was born in Columbus, Ohio, Moved to Houston, Texas when I was 9 months old.

Married? I have been married 10 years to my wonderful husband Ricky.

Children? I have one son named Ricky (go figure). He is 7 years old. He is full of energy and all boy. He is a real delight.

I have just had beautiful girl, Kaylee.

What were you doing before you came to NCS SubSea?

Before I came to NCS SubSea I worked for GHPM as their Safety Director. I hired and trained 750 lifeguards.

Hobbies: My son Ricky and I love to hunt bugs. I like going to parks and reading. We have a big family, so many of my weekends are spent helping my mom do yard work or spending time with Ricky's family when they come down to visit.

I spend much of my time at church. I sing for the Lakewood Choir here in Houston.

What type of music do you listen to? I like all types.

Something interesting about yourself that your coworkers may not know?

I am an only child. I have two half sisters who are 20 years older than I am. Bonnie is a blackjack dealer at Harvey's casino in Reno, Nevada. Becky, my second half sister, is a 3rd grade teacher in Brea, California.

I just recently broke my habit of biting my nails. It has been a real obstacle since I was 3 years old.

I love to clean.

I plan to ride in the MS 150 once the baby is born. Can't wait!!

I am learning how to play golf.

What do you like about working at NCS SubSea?

I love the employees. I like working with people and getting to know who they are on a personal and business level.

Luis Rivero

Job Title and Responsibilities.

Project Supervisor primarily in the DSV & Construction product line.

Where are you from?

Born in Entre Ríos, Argentina; Raised in Argentina, United States, and Mexico.

Married? Eight years to my wonderful wife Berenice Velazquez.

Children? None, but that might change soon.

What were you doing before you came to NCS SubSea?

I worked for other survey companies. Before working on this industry I used to work for an Oceanographic Research Institution and my primary roles were to detect metal concentrations in mussels and the environment.

Hobbies: I like to travel, read, watch soccer games, watch movies, take long walks, and love to go to the circus whenever possible.

What type of music do you listen to? Instrumental, New Age, Salsa, Bossa Nova, and Bolero.

Something interesting about yourself that your coworkers may not know?

I have a big collection of Hotwheels and Matchbox cars; I also like to collect coins and bills from all over the world. I love cats but cannot have them because my wife is allergic to them.

What do you like about working at NCS SubSea?

It is a good company to grow professionally. I also like the relaxed management style of the guys that I have to report to. The time off to enjoy the family is a plus.



Daniel Boone



Jennifer Jimenez



Luis Rivero

Data Quality and QC

The name for our group has been changed from Data Processing & QC to Data Quality & QC.

Training of personnel in onboard 2D and 3D navigation data processing using Seispos has progressed steadily. As the onboard processors gained more experience, we have seen a shift in our role from processing to one which deals more with QC and support.

Data on the first 3D job was not easy to process - often noisy & intermittent d/t weather - and it was a steep learning curve for the onboard processors. They have done a remarkable job, and we have proven that being trained remotely can be done.

We continue to provide processing and QC support to Nordic Maritime.

There has also been sporadic FLQC work for FGPS.

The Bangladesh Nav QC Rep work finished up at the end of April. The job was an outstanding success for NCS with the opportunity to demonstrate the full extent of our data processing and QC capabilities. It was so successful, in fact, that I left Bangladesh with a portable hard drive of Navigation from another survey to reprocess.

The reprocessing effort involved picking first breaks from SEG Y data sets, processing the first breaks, and then merging this with reprocessed acoustic data and existing positioning information to generate final SPS data sets for our client.

With an extremely tight deadline it was a global effort with NCS and support personnel based in the US, Australia, and the UK

working around the clock to complete the project.

There were many challenges with the data, all of which were met with the enthusiasm and dedication we have all come to expect at NCS. Congratulations go to all who were involved, it was one of my finest moments in this industry.

We have also been very heavily focused on network designs and processing for High Resolution multi-streamer surveys over the last few months.

Our QC business continues to grow with Nav QC rep work secured in Papua New Guinea on 3D streamer crews for at least the next 3 months with the possibility of follow-on work. Another opportunity to show off our capabilities in this area.

*Andrea Wittich
Wayne Anderson*



Collin makes the most of available space to process High Res Nav data

What our Clients are saying...

"He expressed to me his very strong thanks to everyone from NCS who was involved in the 3D conversion, rigup, and execution of the current survey. He doesn't know how we managed to do so well, so quickly, and with so little; he is very appreciative."

TZ Navigation

2010 was a slow year for traditional TZ/OBC work, but NCS was able to capitalize on a new and interesting seismic technique by adapting our TZ Nav system to the task. Q4 saw the successful completion of our first Ocean Bottom Seismometer (OBS) survey. In this technique, a seismic source is fired over autonomous recording nodes

deployed on the sea floor. Since no cables are involved, this method allows shooting at very long offsets (over 300 miles in this survey!), resulting in deep seismic penetration. In providing full Navigation services for this job, NCS modified the NavPoint Source Vessel Nav System to meet the exacting requirements of our client. This is yet another example

of NCS rising to meet new challenges and exceeding the expectations of our clients. Look for more of this work in 2011, as well as a return to traditional TZ/OBC projects. If the RFQs are any indication, we should have a busy year in store.

Josh LeClerc



It was a long trip for Bill, Nav processing on the Atlantic

Streamer

2010 brought the NCS Streamer Product Line to levels we had never experienced before. Crew 1109 was tasked with upgrading to and running a complete 3D Nav system. The upgrade was completed in June during an extended docking period in Florida. With the new Nav system running and personnel involved freshly trained, the crew completed the current 2D work in the Gulf of Mexico and a small 2D job in the Bahamas and then transited to Trinidad and Tobago, West Indies. Near Galeota Point in Trinidad, the crew started and completed their 3D small footprint survey followed by a few days of 2D with the same client. The crew's

success brought in follow up work from another client in a neighboring block. This is where the crew is currently working, although permit, weather, and equipment problems have delayed the job significantly. This new job brings another aspect of Streamer Seismic into play, dual vessel 3D operations. NCS is providing Navigation personnel for both vessels assigned to the crew, bringing an influx of NCS and contract personnel to the mix. This is resulting in plenty of on-the-job training and cross product line training as people from TZ/OBC and Dive Support are being brought in to help with the demands of the crew.

Crew 1317 also kicked up during the latter part of the year. Bob has been running this show off the coast of California. The job is also a new type of survey, a high resolution 3D survey being run with our proprietary navigation system. It is the perfect example on how this company can come together to transform ideas on paper into successful products that our clients appreciate. They will be wrapping up their work very late in the year.

Many thanks to all involved for the long hours and extended rotations in making both these crews a success!

Jesus Gaytan



Koy at the helm

What our Clients are saying...

"By the way, your folks are doing an excellent job for us and we are all extremely happy with their work"

GIS and Mapping

The last three quarters have seen changes in the GIS Mapping Department. Laura decided to leave the company in May, and since then I have been handling everything. With the MMS changing to the BOEMRE and more restrictions put in place, it's been a challenge to get procedures updated and templates modified as well as getting all the new mosaics done. Work has been very steady through the summer and fall. We've noticed our normal slow down for the

winter, but that's no surprise. The Platypus database has seen some changes. The NaviPac Patch on all of the vessels using the database has been updated so that we could enhance our database. We did this to integrate more automation into the creation of the database. The online database had been put on hold due to not having time to work on it, but it's been resurrected in the last couple weeks. There is no immediate time frame for its

release, but I am hopeful it will be soon. I will be going on Maternity leave sometime in the coming weeks, so any GIS questions or request will be handled by Eddie or Daniel. Please remember that if you see any inconsistencies with the Platypus Database, report them to the GIS/Mapping Department so they can be addressed. Feedback is always welcome. Keep up the good work everyone!

Elizabeth Gant



Paul, Jesus, and Bob at the dock

QHSE

SMS

The second quarter saw our SMS (Safety Management System) involvement in step with the first. It fell considerably in the third quarter to rebound strongly in quarter four. I would like to commend those that have remained active participants in lodging CPARs during the roller coaster year we've seen. Our success, growth, and the safety of all our employees depend on it.

Five Steps to an Effective JSA

1. Document the activity. Assemble those involved in the activity and write down, in step by step form, the tasks that make up the activity.
2. Identify the hazards. Next to each task identify what part of the task may cause

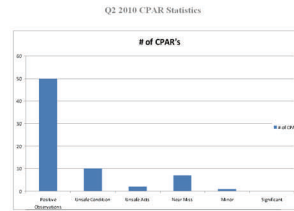
injury to those engaged in the task or others in the vicinity.

3. Document the control measures. For each identified hazard, assess the associated level of risk to those involved, and then list the control measures required to eliminate or minimize those risks.

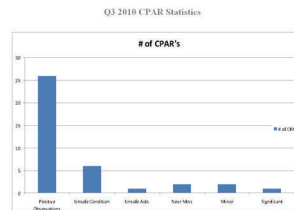
4. Identify who is responsible. Document the name of the person responsible for implementing the control measure.

5. Monitor and Review. Supervise of the activity to ensure the documented process is followed. Review the manner in which it was carried out if warranted due to any change of procedure or personnel, or alter an appropriate length of time.

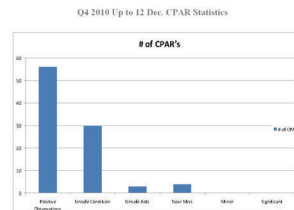
Bob White



Q2 CPAR



Q3 CPAR



Q4 CPAR



Bob shows off his PPE

What our Clients are saying...

"I really appreciate all your efforts, and as you know, things don't always go as planned. What impresses me is how unexpected problems are handled - that separates the good from the really good."

DSV and Construction

The dive support work in the Gulf of Mexico has been fairly strong during the first half of this winter. The vessels have had many jobs secured and the weather has not contributed to a large amount of downtime thus far. We can expect the weather to be a larger factor during the January and February months, but we fully expect the Dive Support vessels to be working whenever weather allows.

Our Premier DSV Client, Cal Dive, put in effect a mandate earlier this year

that requires an NCS surveyor to be on each vessel that has one of our survey systems. This is a huge step forward and provides us with 3 more fully manned vessels while eliminating various obstacles encountered when our survey systems were being utilized without an NCS rep on board. In addition, The Cal Diver 1, has upgraded their survey system to the Newly Designed BOSS system and it has performed flawlessly to date. The captains and crew could not be happier with its size and

performance. Other vessels in the fleet have taken note and are interested in the systems for a future date.

As the case has been with all NCS employees, the DSV core group of surveyors have put in an extraordinary amount of effort and time to make sure that our clients remain happy. Long hitches, extra work, and time away from home have paid off and will continue to strengthen our position in this market segment and we thank everyone for their extra effort. *Continued on page 7....*



Newly designed BOSS System featuring the NCS Survey Interface Unit

Human Resources

Perhaps more than any other single human resource management issue, discriminatory workplace harassment and its prevention have been dominant concerns for employers since the 1980s. Discriminatory workplace harassment encompasses behavior that is unwelcome, offensive, intimidating, humiliating, or threatening to an individual or group of workers. It can occur by and between co-workers, by supervisors and managers against subordinates, and by non-employees against employees. An employer found liable for any form of discriminatory harassment can face substantial penalties, including back pay, front pay, and

compensatory and punitive damages. Many states, and even some local jurisdictions, may impose similar, if not greater, penalties for violations.

NCS SubSea has taken great measures to ensure each employee has a safe and enjoyable work environment. We have set clear standards in the HR Manual, which states, "NCS respects the ability of our employees to work in a nondiscriminatory environment. Unwanted comments, advances, and innuendos are expressly prohibited, and any violations should be brought to the immediate attention of the perpetrator." If you should ever feel like this

policy is not adhered to, please talk directly to AI or myself.

Maternity/Paternity Paid Leave

Maternity/Paternity leave under this policy is a paid leave associated with birth of an employee's own child or the placement of a child with the employee in connection with adoption or foster care. Maternity/Paternity leave is not charged against the employee's leave credits, and the amount of paid days received is six weeks.

For further information, please refer to the HR Manual.

Jennifer Jimenez



Capabilities of our Navigation package continue to expand. NavPoint is now capable of positioning Multi-streamer High Resolution surveys.



"NCS SubSea has taken great measures to ensure each employee has a safe and enjoyable work environment."

Geosciences

We continue to bid on site survey and high resolution seismic work. We have procured a nice contract for some high res work offshore of California, and it is an expanded program that

should see us involved even more heavily beginning in late February with a very small, but important, job in the U.S. GoM. There are more exciting things on this front that will be forthcoming. We have also bid an entire analog spread, along with Navigation and Positioning, for the coming season in Alaska. This product line is on the verge of breaking out to the upside in a very significant way. *Al Hise*

DSV and Construction *continued from page 6...*

We have hired 3 new employees in the DSV Product Line this quarter and they have already proven their value and ability to contribute. They are Collin Scherer, Jordan Hebert, and Mike Birch. Welcome aboard!

Our previous work with respected companies continues to drive our

reputation forward. We have secured an MSA with Phoenix International this quarter due in large part from our working relationship with the ROV outfit, Submersible Systems Inc. This type of client referral is a direct testament to the quality and detail of work we do. We expect to secure work with Phoenix

throughout the 2011 year.

I would like to thank everyone who worked in the DSV segment, as well as the Houma office, for their outstanding effort this year. It truly has paid off and 2011 is looking to be a very fruitful year for us all.

Daniel Boone



Source positioning off the coast of California

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Stafford, TX 77477

Phone: 1-281-491-3123
Fax: 1-281-491-3105

NCS SubSea Houma
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NCS SubSea (Australasia) Perth
77 Pearl Rd
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Phone: 61-8-9477 1664
Fax: 61-8-9477 2141

Email: info@ncs-subsea.com

**Superior Navigation Services to the
Marine Survey and Geophysical Industry**



In Conclusion

After what has been a turbulent year at NCS, there is renewed optimism for 2011 with the worst of the GFC over, projects coming online, and our involvement in several new technologies.

The ability of all our personnel at NCS to respond to the downturn and reshape our business is in itself a testament to

the caliber of people we employ.

The company is in a very strong position to capitalize on upcoming work, and we are already actively recruiting to handle the anticipated influx of work.

As the year draws to a close I would like to personally wish you and your families and loved

ones a safe and prosperous holiday season.

2011 will be another exciting year at NCS, and I look forward to seeing you all during my travels in the New Year .

Wayne Anderson

Contributors

Wayne Anderson

Al Hise

Bob White

Elizabeth Gant

Jennifer Jimenez

Josh LeClerc

Daniel Boone

Andrea Wittich

Jesus Gaytan

Personnel and Tenure

First Year

Abigail DeNoble

Mike Brich

Jordan Herbert

Collin Scherer

Mitchell Scoggins

1 year

Paul Dean

Keith Joseph

Todd Tindol

2 years

Koy Crouch

Luis Rivero

Alan Thompson

3 years

Daniel Boone

Brian Boswell

Bryan Hall

Jennifer Jimenez

Brandon Mattox

Tommy Rosa

Andrea Wittich

4 Years

Wayne Anderson

Karen Bethune

Joshua LeClerc

Robert Loman

5 Years

Joe Clegg

Will Byers

Bob White

Elizabeth Gant

Al Hise

Jesus Gaytan

Eddie Majzlik
