

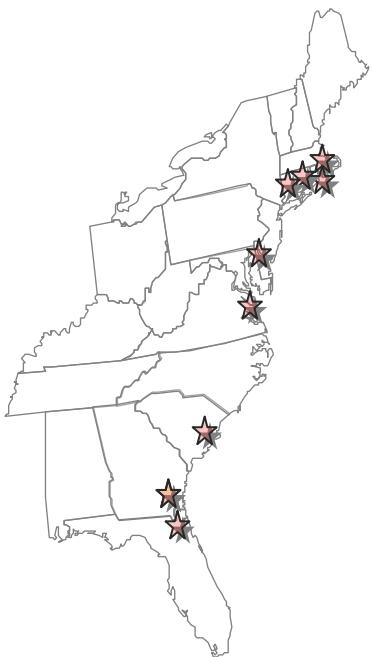


MER E-NEWS

Moran Environmental Recovery

Corporate Headquarters
251 Levy Road
Atlantic Beach, FL 32233

Phone: 800-359-3740
Fax: 904-241-4732
Website: www.moranenvironmental.com



2007 SPECIAL PROJECTS



Aircraft Carrier USS John F. Kennedy

EXCITING 2007 FOR MER!

Moran Environmental Recovery (MER) enjoyed an exciting year in 2007 marked by a number of achievements that further define the company as a leader in the industrial/marine cleaning, environmental remediation, abatement, and emergency spill response industry. Through an intense focus on our core competencies, MER enters 2008 with 300 employees serving cus-

tomers from 9 resource centers along the Atlantic coastline, delivering high quality services throughout the eastern United States. This edition of MER E-NEWS is dedicated to informing our customers about many of our 2007 achievements to illustrate how MER will continue earning your confidence in 2008 and beyond.

MERGERS AND ACQUISITIONS

In April 2007, MER announced a merger with the New England based company, Fleet Environmental Services. The Fleet merger represents a truly unique strategic fit that essentially doubled the company's size adding new resource centers in Delaware, Connecticut, Rhode Island, and Massachusetts. Immediately following the merger, MER quickly implemented a plan blending MER and Fleet key personnel and best management practices. The results to date have been outstanding for both employees and customers. Fleet's former President, Brian J. House, became MER's Presi-

dent to manage integration and overall operations. MER's former President, Steven T. Jenkins, became 2nd in command as Executive Vice President to

MER also significantly enhanced our Charleston, SC market presence through an asset purchase of Sani-Tech Environmental Services. The purchase added 20 full time employees, 7 industrial vacuum units, 3 hydro blasters, and a new facility with approximately 15,000 square feet of office/warehouse space. As a result of this acquisition, a new affiliate company relationship was also created with US Water Recovery affording MER and our customers with a reliable and environmentally sound industrial waste water treatment facility in the Charleston, SC marketplace.



focus on new business growth opportunities. The corporate headquarters remain in Jacksonville, Florida.

In May 2007, MER's newly expanded resources were immediately put to the test by an extraordinary **marine cleaning** project. Decommissioning the Aircraft Carrier USS John F. Kennedy is certainly no small task and MER was proud to provide subcontract support to Earl Industries working for the United States Navy to clean over 700 fuel oil, JP-5, lube oil, ballast, sewage, and liquid waste tanks prior to a dead ship tow to Norfolk, VA. The project was by far, MER's largest and most challenging marine cleaning project ever completed in our 20 year history. An accelerated time schedule

due to hurricane season required project completion in 117 days. Thanks to the Fleet merger and Sani-Tech acquisition, MER was able to complete the project entirely with in house resources including 50 men working around the clock, approximately 4,000 feet of transfer hose, 6 vacuum units, temporary storage, pumping, and life safety equipment. Approximately 6 million gallons of liquids were managed under a comprehensive waste management plan. The project was completed 7 days ahead of schedule to the satisfaction of all parties.



DAVIS PARK

In January 2007, MER was hired to provide **site remediation** services in response to a weir system failure at the Florida Inland Navigational District "dredge spoil area" SJ-14. Approximately 30 acres of sensitive Florida wetlands were flooded with 1 to 3 feet of dredge spoils presenting high salinity and other concerns. MER's Jacksonville, FL remediation team constructed an 800' long, 6' high, and 20' wide containment berm to protect an adjacent St. Johns County Park and Recreational facility. MER then repaired the weir, constructed temporary access road mats throughout the area, and removed bulk sludge deposits in the sensitive wetlands utilizing creative high volume water washing and vacuum assisted pumping techniques.



MER's team constructs 800' containment berm .



UNDERGROUND STORAGE TANK (UST) - AT&T/BELLSOUTH



MER has provided petroleum storage tank and other services to the telecommunications industry since the early 1990's primarily for BellSouth and AT&T. Last February, MER's **specialty construction** crews started one of the largest underground tank upgrade projects in the BellSouth network. At a critical Jacksonville, FL facility, three 25,000 gallon UST's were closed in place beneath Pearl Street, and two new 30,000 gallon tanks were installed complete with day tanks, electronic leak detection systems, and associated emergency generator piping.

Aerial shot of Bellsouth Emergency Generator Fueling System



SENSITIVE BEACH CLEAN-UP

The Hapag-Lloyd vessel Paris Express encountered severe weather in route from Savannah to Norfolk resulting in the loss of 21 containers overboard, some of which contained packaging foam that impacted shorelines. None of the cargo involved hazardous material although the foam was potentially harmful to pristine National Seashore areas of North Carolina's Outer Banks. The debris field was widespread extending over 126 miles from Cape Lookout northward to the Virginia border. While packaging foam is not difficult to recover, the logistics of working such a large area of limited access seashore was a logistical challenge. MER mobilized 90 **emergency response** personnel and completed the project in less than 30 days to the satisfaction of a large number of public agencies including the National Park Service, NC Wildlife Resource Commission, the Carteret, Dare, Hyde, and Currituck County Emergency Management agencies, and United States Coast Guard.



MER's initial response work plan zone designation



Small pieces of packing-foam litter 126 miles of pristine beach

TRANS-ATLANTIC TANK CLEANING

On July 6th, 2007, MER's Norfolk **marine cleaning** team completed its first transatlantic project by supplying a five man crew to clean sludge from heated fuel tanks aboard the Maersk Vessel SeaLand Motivator. The crew departed Norfolk, VA cleaning tanks while the ship was underway to Bremerhaven, Germany and then during the return trip to Charleston, SC. The project helped minimize down time for scheduled ship yard maintenance. MER has expanded its capacity to support this and similar projects on a regular basis.



HIGH-PROFILE ASBESTOS ABATEMENT

On September 20th, 2007, MER's Boston based abatement personnel responded to a steam pipe explosion in Boston's financial district for Trigen-Boston Energy Corp. Working alongside State regulatory authorities, MER crews worked 24/7 to remove asbestos contamination from crowded streets and public right of ways. MER has also been active in downtown Boston working in the General Service Administration's McCormick Building. This three year **asbestos and lead paint abatement** project has required a crew of up to forty men per shift and once complete, will return the building to the GSA as a mixed use court house, office building and historic site.

Right: MER employees remove asbestos materials from Boston City Streets.





HIGH-PROFILE ANTHRAX DECONTAMINATION



Above: Employees conduct site-safety meeting before commencing work.

Left: Employees proceed through DECON after leaving the work-zone.

On September 12th, 2007, MER was mobilized in response to a highly publicized anthrax contamination project in Danbury, CT where a homeowner had contracted cutaneous anthrax. The 'naturally-occurring' anthrax poisoning was thought to have come from animal skins imported from Africa and used by a homeowner to build traditional African drums. MER personnel worked under the oversight of multiple government agencies including USCG, EPA, FBI, State DEP, and State DOH officials to decontaminate the residence, adjacent barn, and the homeowner's vehicle. MER's **facility decontamination** teams are regularly engaged in a wide variety of projects involving airborne contaminants such as asbestos, lead, radon, and heavy metals.

SAN FRANCISCO BAY RESPONSE



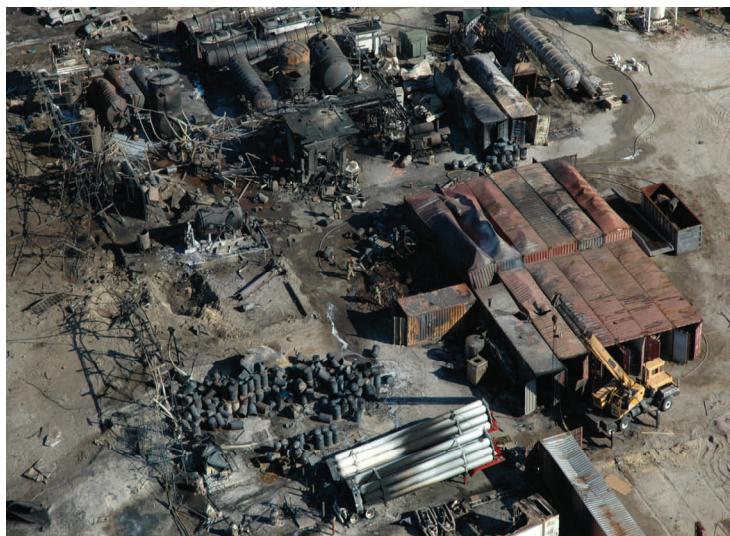
On November 10th 2007, MER's Boston, MA office was asked to mobilize resources over 3,100 miles away to San Francisco Bay in response to the M/V Cosco Busan oil spill. Within 36 hours, MER had 50 response personnel on the ground participating in this very large effort that involved hundreds of oil spill responders from dozens of organizations based throughout the country. MER services over 200 contingency plans for facility owners, vessel owners, insurance companies, and governmental agencies. We are also proud to support other response companies such as the National Response Corporation (NRC) who called upon MER to support the **emergency response** efforts in San Francisco.

Damage to the Cosco Busan after colliding with the Bay Bridge.

DEVASTATING CHEMICAL PLANT EXPLOSION

MER's **emergency response** teams are properly trained to handle high hazard projects safely and are called upon 24 hours per day and 365 days per year including holidays. During the December holiday season, MER responded to a tragic chemical plant explosion in Jacksonville, FL. The explosion occurred during the production of a gasoline additive called methylcyclopentadienyl manganesees tricarbonyl and, according to the Investigator-in-Charge for the U.S. Chemical Safety Board (CSB), the explosion was among the most powerful ever to be examined

by the CSB. MER, working closely with the CSB, OSHA, Jacksonville Sheriff's Office, Jacksonville Fire and Rescue Department, and the Florida Department of Environmental Protection, performed a wide range of services at the site including; onsite/offsite evidence collection, large scale debris removal, Level A and B assessment activity, and vessel/pipe cleaning. Blast damage to buildings occurred up to 1000 feet away from the reactor site and MER has collected debris from over one mile away. MER's services will be required well into the first quarter of 2008.



Aerial image of the site where the plant explosion occurred.



INDUSTRIAL SERVICES SNAPSHOT

A cornerstone of MER's business is the routine **industrial cleaning** service we provide to a wide range of petroleum, chemical, manufacturing, and power industry customers. MER is very proud to have renewed two large annual contracts last year with New England based Northeast Utilities (NU.) In 2007, MER completed over 500 projects for NU alone through our Connecticut resource centers.



LOOKING FORWARD TO 2008!

All of the employees of MER from Massachusetts to Florida are excited and well prepared to service existing and new customers alike for routine and special project needs. Having the ability to perform industrial/marine cleaning, site remediation, abatement, and emergency response services with **in-house personnel and equipment** gives MER a unique competitive advantage enjoyed by few competitors. Our objective is simple, we want to earn your repeat business by providing "best value" services measurable in terms of quality, responsiveness, and cost. Please visit our web site at www.moranenvironmental.com to contact an office location near you. For national account vendor prequalification data, please contact our business development office at 1-800-359-3740 and ask for a Business Development Manager.



CONTACT INFORMATION

Boston, MA

75 D York Avenue
Randolph, MA 02368
Toll Free: 888-233-5338

Providence, RI

100 Water Street
E. Providence, RI 02914
Toll Free: 888-233-5338

Hartford/New Haven, CT

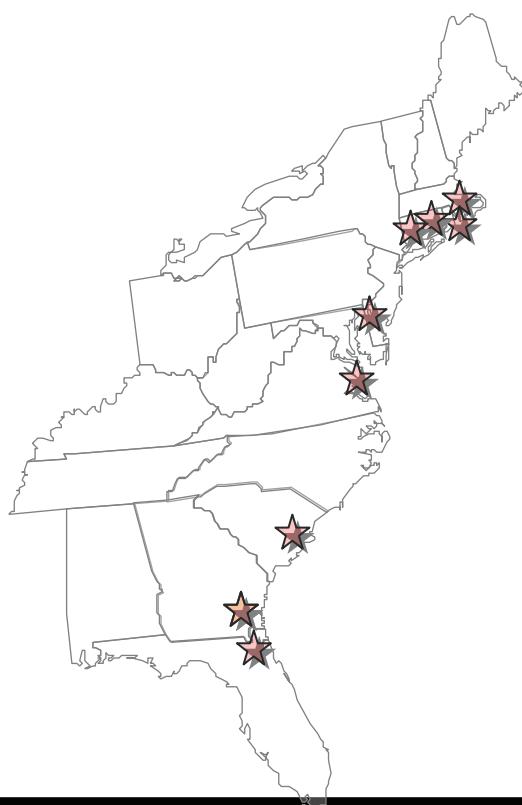
500 Four Rod Road
Berlin, CT 06037
Toll Free: 866-353-3876

Western New England/NYC

20 Commerce Road
Newtown, CT 06470
Toll Free: 800-562-7611

Philadelphia/Baltimore, MD

314 Bay West Blvd, # 8
New Castle, DE 19720
Toll Free: 877-322-6008



Norfolk, VA

3404 Mangrove Avenue
Norfolk, VA 23502
Toll Free: 866-682-5970

Charleston, SC

511 Old Mount Holly Road
Goose Creek, SC 29445
Toll Free: 877-477-4557

Savannah, GA

2600 Seaboard Coastline Dr.
Savannah, GA 31415
Toll Free: 866-637-7282

Jacksonville, FL

251 Levy Road
Atlantic Beach, FL 32233
Toll Free: 800-359-3740

Or on the Web:

www.moranenvironmental.com