

MORAN SECURITY GROUP



MARITIME SECURITY SERVICES
PROFESSIONAL SOLUTIONS

FLEXIBILITY

CONFIDENTIALITY

RESPONSIBILITY



COMPANY'S BRIEFING

- We are an international group of companies offering a range of services in security, consulting, transportation and medical assistance.
- We provide all-in-one solutions either from scratch or on-the-fly as required by the Customer in need of intervention by MSG.
- In our activities we draw on our in-depth knowledge of international and local laws, practices and customs of the host country.
- We have put together a team of professionals with experience and special training received during military and civil service.
- We prepared a team of experts in various areas of business and security.
- We put in place local personnel in the world's hot spots such as the Middle East and Africa.
- We offer a knowledge-based, balanced approach to addressing problems of any sort that we receive from our Customers.





COMPANY'S BRIEFING

- We analyze and plan our activities in the interests of the Customer. This enables us to minimise risks and promptly respond to problems that the Customer comes across when operating in hot spots.
- We employ top-draw military and civil experts with special training and hands-on experience in countries of the Middle East, Central Asia and Africa.

We operate within the following legislative environment:

- UN Security Council Resolution No 1816;
- UN Security Council Resolution No 1838;
- UN Convention on the Law of the Sea (Art.105);
- UN Charter (Art.51);
- The Code of Conduct for International Red Cross and Red Crescent Movement;
- UN Mine Action Standard;
- Laws and regulations of the host country.

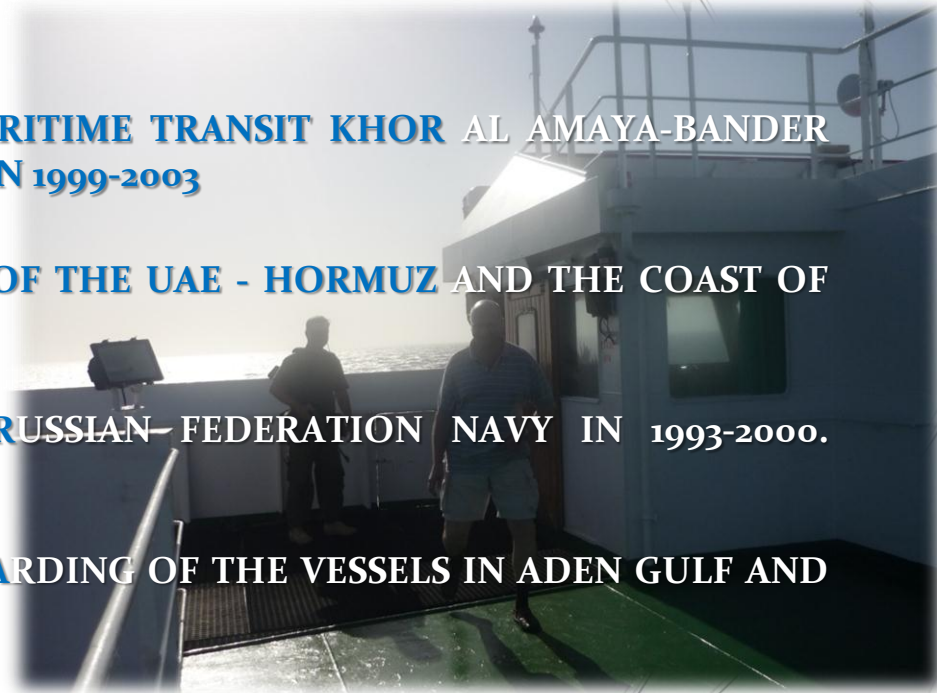




EXPERIENCE OF THE STAFF

THE STAFF OF THE COMPANY HAS THE FOLLOWING EXPERIENCE:

- **ARRANGEMENT OF THE NAVAL FORCES OF THE USSR**
- **ARRANGEMENT OF THE NAVAL FORCES OF RUSSIAN FEDERATION**
- **WORK AS MARINE EXPERTS "IRAQ DELTA" SHAT-AL-ARAB DURING THE PERIOD OF 1999-2003**
- **WORK AS MARINE EXPERTS ON THE MARITIME TRANSIT KHOR AL AMAYA-BANDER MAM KHOMEINI-HORMUZ (IRAN COAST) IN 1999-2003**
- **WORK AS MARINE EXPERTS, THE COAST OF THE UAE - HORMUZ AND THE COAST OF OMAN IN 1999-2003**
- **WORK AS MARINE EXPERTS OF THE RUSSIAN-FEDERATION NAVY IN 1993-2000. VIETNAM, KAMRAN**
- **WORKS AS MARINE EXPERTS DURING GUARDING OF THE VESSELS IN ADEN GULF AND EAST COAST OF AFRICA**



STAFF QUALIFICATIONS

Our working teams have military background obtained during military service in Naval Forces of former Soviet Union and the Russian Federation.

Every team includes ex-marine officer has sufficient experience which allow him to manage the team's operations and operate a vessel in case of any extraordinary situation.

Our operatives have experience to operate in the battle environment in the Red Zones in a different countries. They have conducted also necessary training and special courses for anti-piracy and counterterrorist operations in the sea, patrolling & escort operations, anti-subversive activities.

Our operatives are working in the frame of the operating procedures, code of ethics, alcohol & drug policy, uniforms & radio standards, property management, written reports policy, arrest & un-arrest procedures, first responder procedures for hazardous materials incidents, policy for aided cases, use of force & firearms policy.



MARITIME OPERATIONS



MORAN SECURITY GROUP

Armed escort of ships
by our experts

Ship convoy (by our ships)
with armed experts

Protection of seaports

Provision of special
information on offshore
threats

Customs & border control

Logistics in maritime environment
in conditions of pirate or naval acts

Protection of offshore
platforms & pipelines

Installation of special-purpose equipment
on board ships in conditions of war or
pirate acts



EXPANDING PIRATE OPERATING AREA

Since March 2009 pirate operating area has expanded in all directions

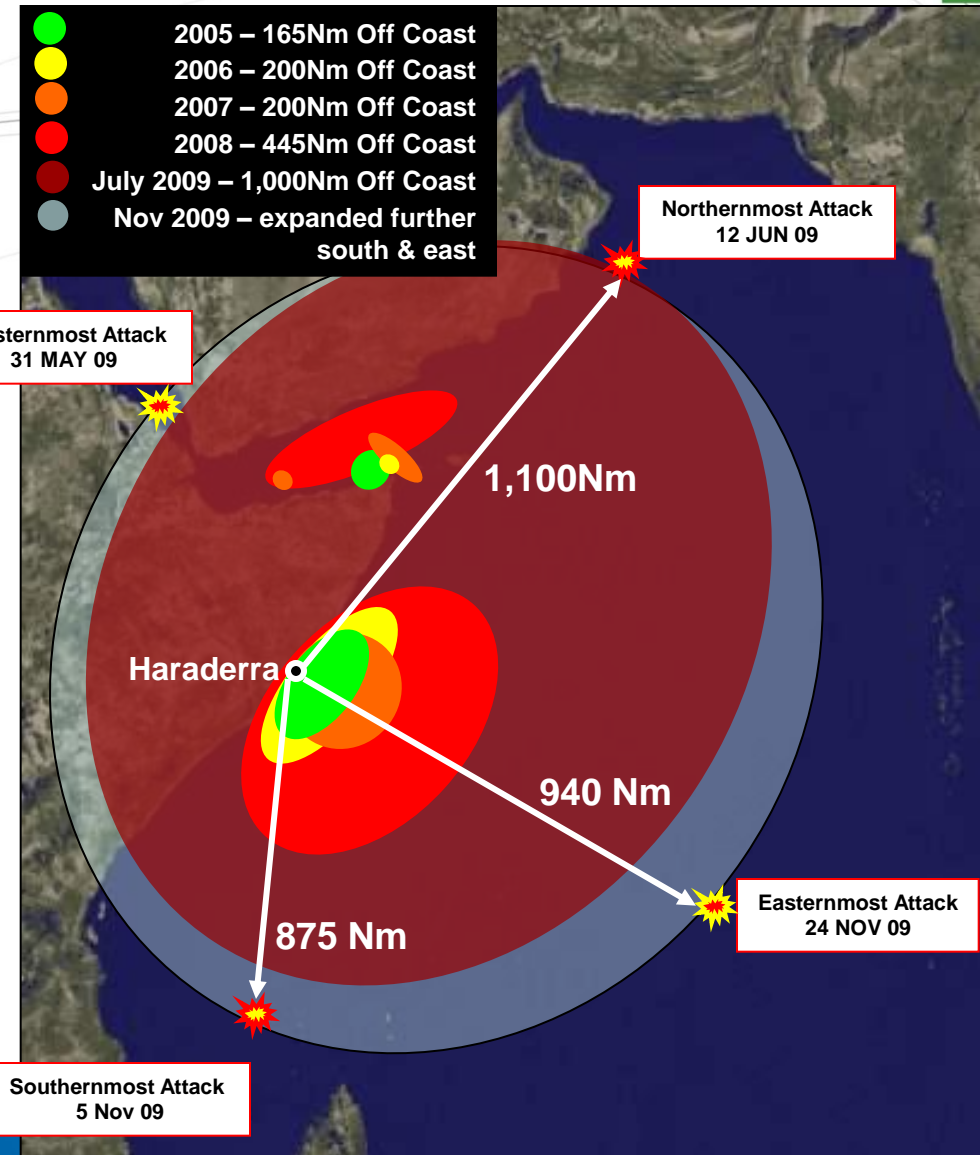
- Aided by the use of motherships, especially in Somali Basin
- Use of whaler (large skiffs) as basic mothership to extend operating range

Pirates may expand operations IVO Madagascar and the Maldives, and further into both the Red Sea and North Arabian Sea

Recent developments (Oct / Nov 09)

- Spate of attacks ENE Seychelles
- Attacks occurring further out in Somali Basin (beyond 60E line)
- Attacks occurring further south (at entrance to Madagascan Straits, below 09S)

Pirates forced by our collective success to go further which increases military 'window for detection and disruption' but complicates merchant routing decisions



PIRACY: FIGURES

- **Number Of Attacks / Successes**

- 2009: 187 / 45 (as at 7 Dec 09)
- 2008: 120 / 43
- 2007: 19 / 12

- **Primary Location**

- 2009: Gulf of Aden, SB & others
- 2008: Gulf Of Aden
- 2007: Somali Basin

- **Merchant Vessel Held Hostage At Once**

- 2009: Max of 18 (currently 10)
- 2008: Max of 13
- 2007: Max of 4

- **Freeboard**

- 2009: Attempts recorded at up to 10m
- 2008: Increased to 7m
- 2007: less than 5m freeboard

- **Ransom Paid**

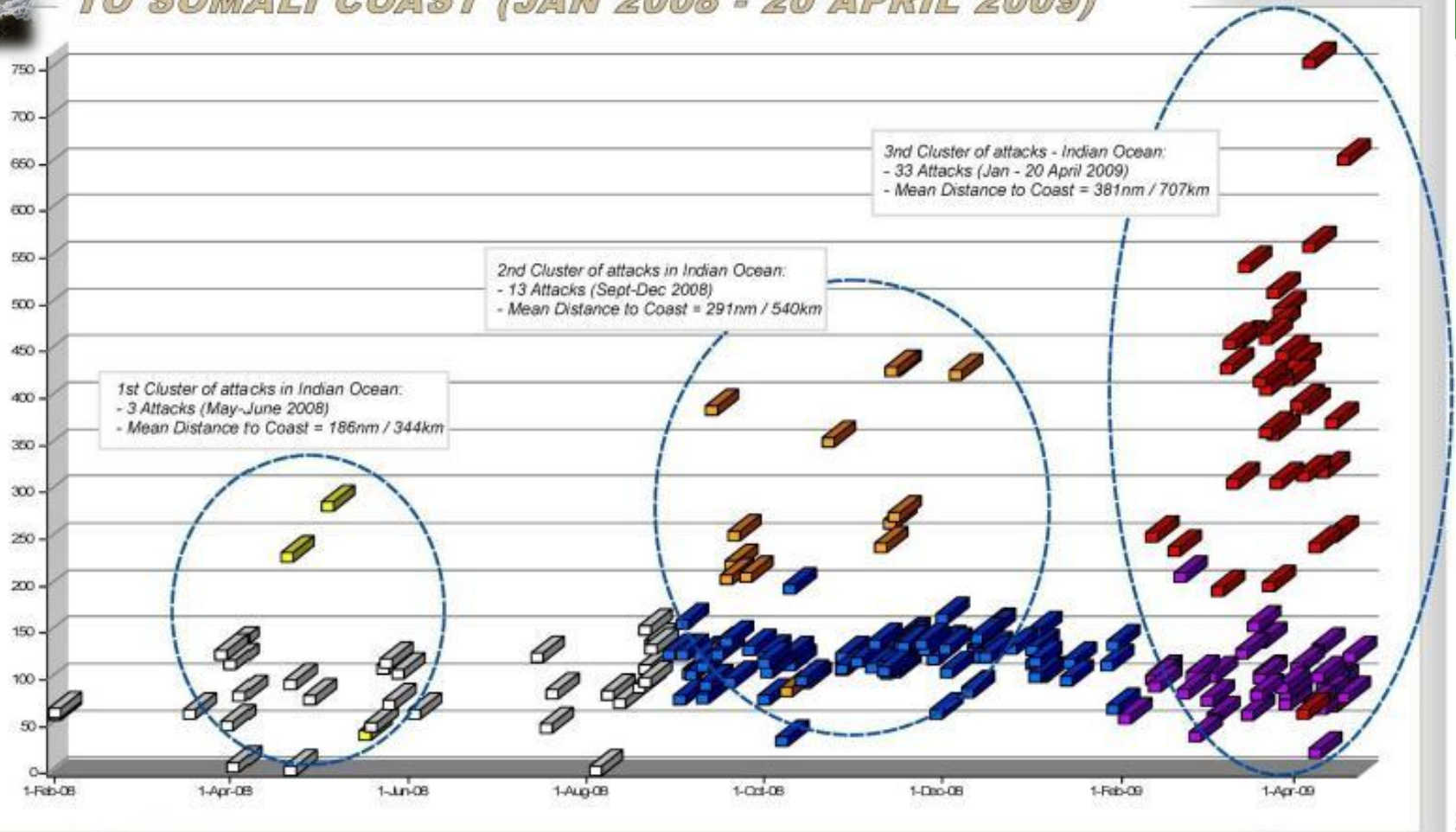
- 2009: over \$50 million (as at 7 Dec 09)
- 2008: \$26 million
- 2007: \$2.2 million

- **Somali East Coast Operating Range**

- 2009: 1000nm+
- 2008: 500nm
- 2007: 175nm



GRAPH OF REPORTED PIRATE ATTACK DISTANCES TO SOMALI COAST (JAN 2008 - 20 APRIL 2009)

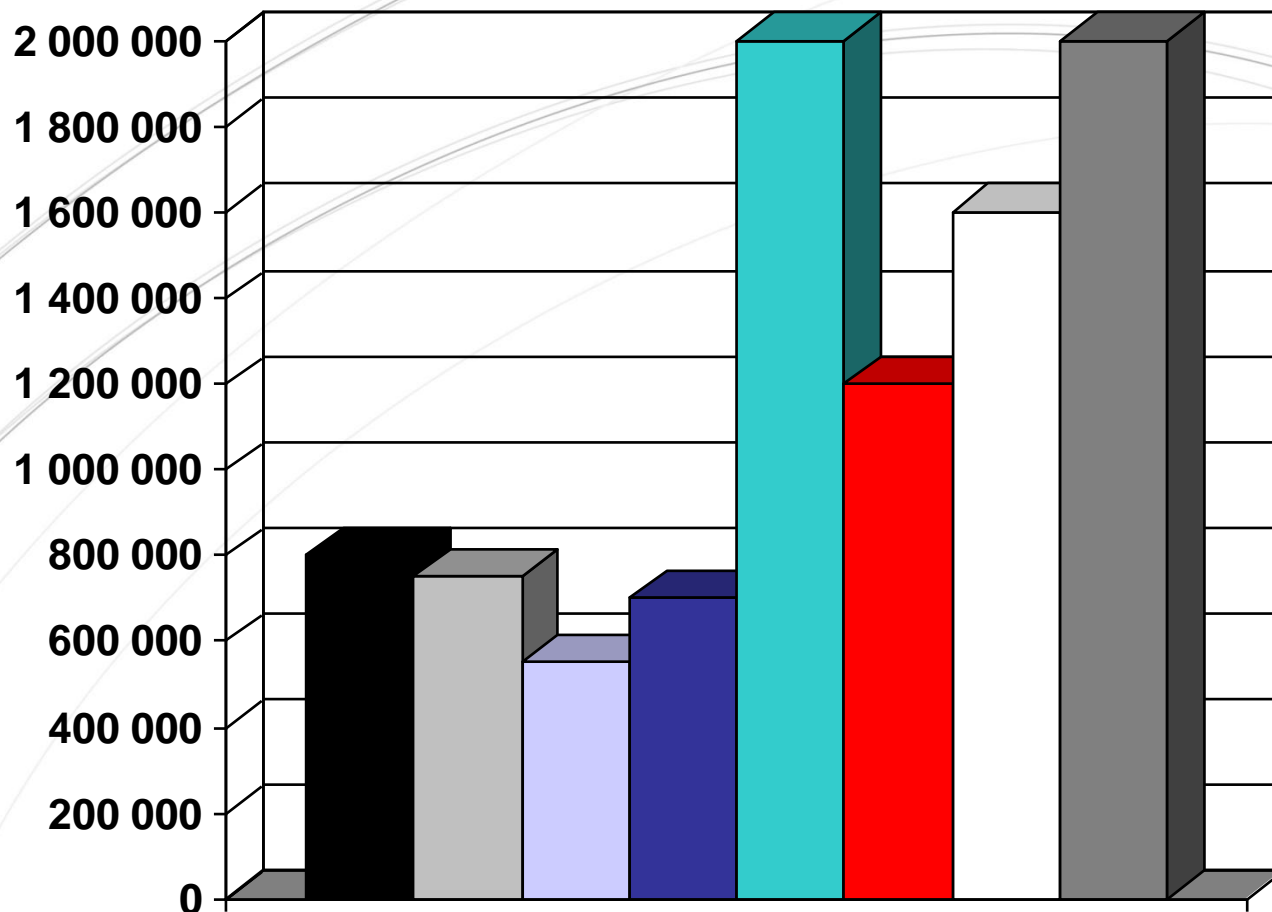


Pirate Attack

- Gulf Attacks before MSPA Implementation (Jan-Aug08)
- 1st Cluster of Indian Ocean attacks May-June 2008
- 2nd Cluster of Indian Ocean attacks Sept-Dec 2008
- 3rd Cluster of Indian Ocean attacks Feb-20 April 2009
- MSPA Period (26 Aug 08 to 1 February 09)
- IRTC Period (1 Feb 09 to 20 April 09)



SOMALI PIRACY - PUBLISHED SETTLEMENTS (US\$)



- Dong Wong (Apr 06)
- Danica White (June 07)
- Golden Nori (Oct 07)
- Svitzer Korsakov (Feb 08)
- Le Ponant (Apr 08)
- Playa De Bakio (Apr 08)
- Irene (Aug 08)
- Stolt Valor (Sep 08)



SHORT INFORMATION ABOUT PIRATES

- ❑ Local fishermen/disaffected unemployed youth from Puntland
- ❑ Clan/sub-clan affiliation
- ❑ Some military experience among leadership, possibly coast guard
- ❑ Armed with RPGs, AK-47s
- ❑ Some education among communicators – workable English
- ❑ Often young and amateur
- ❑ Relatives in UK, Europe, Middle East & North America
- ❑ Substantial cooperation/collaboration from local communities in Somalia
- ❑ Ransom money invested back into communities





INTERNATIONAL RESPONSE

Regulation and guidelines

ISPS Code compliance

ICS anti-piracy guidelines followed

Support for littoral states to increase co-operation and co-ordination of security

Establishment of regional initiatives (eye in the sky, Maritime Security Patrol Area – MSPA)

Naval force in Gulf of Aden / Indian Ocean:

US Operation Enduring Freedom

- Combined Task Force 150 (15 vessels – Drug smuggling, human trafficking)
- Combined Task Force 151 (3 vessels – Counter Piracy)

NATO Maritime Group 2 – protection of UN food programme (7 vessels)

EU Naval Force “Atalanta” (6 vessels & 3 aircraft)

Other country initiatives (e.g. Russian, Indian, Malaysian)

Central contacts

IMB Piracy Reporting Centre, Kuala Lumpur, Malaysia .

UK MTO as central contact for Coalition Maritime Forces

MARLO (US NAVCENT Bahrain) as conduit for CMF info



THE INDUSTRY'S RESPONSE





GUIDANCE FOR CREWS ON ACTIONS TO BE TAKEN DURING THE ROUTE

Prior to navigation of a “dangerous water area”:

Check operation of the main power station, mechanisms and units ensuring your ship movement;

Check functionality of life safety, firefighting, communication systems, radars, and navigation tools;

Install “barblock” around the ship (compulsory), fix or weld it to the ship board;

Prepare at least 200 sand (soil) bags on the upper deck;

Define a place at your ship to be used by the crew in case of attack. The best places are rooms under the water surface. If due to any reason whatsoever a room above the water surface is chosen, it should be sheathed with “bulwark” on the outside of the board. For this purpose any iron 2 to 5 mm thick will do, except aluminum (the spacing between the bulwark and the board of your ship shall be 15 to 20 cm; that allows to minimize consequences of grenade launcher RPG-7 bombardment). The room inside shall be covered with wet wood along the board-side — this will help in case of machinegun fire. The wood shall be covered with tarpaulin — it will save the crew from injuries due to wooden debris;



GUIDANCE FOR CREWS ON ACTIONS TO BE TAKEN DURING THE ROUTE

Concentrate the water, medicine and storage batteries supplies in this room;

Think over the possibility to control the main diesel station and other mechanisms of the ship from the inner rooms of the ship;

Minimum crew members shall stay at the deck-bridge during attack;

Surround the deck-bridge, where possible, by bags filled with sand, and install bulwarks. Remember, that generally any attack starts with deck-bridge bombardment to make the crew stop the ship;

Close and weld (temporarily), where possible, all traps and passages to the upper deck, except the deck-bridge.

Whilst of navigation through the High Risk Area, please, adhere to the BMP 4, carry out surveillance scanning and switch on the ship lighting based on the scanning results;
FOLLOW THE INSTRUCTIONS OF THE SAFETY GROUP;





GUIDANCE FOR CREWS ON ACTIONS TO BE TAKEN DURING THE ROUTE

When transporting a “valuable cargo”, SWITCH OFF the AIS, change the course at least for four hours, and then return to your previous course (from time to time repeat the course change with lesser intervals). DO NOT SWITCH ON THE AIS, UNTIL YOU ARE IN SAFE WATER AREA;

Please note that requests through Ultra-Short or Short Waves channels may be fake;

When the ship is approached by a small vessel (act of aggression), it may have a radio suppression system. In addition to emergency radio signals always use emergency radio buoys. A radio suppression system operates locally, so a buoy thrown out correctly will send emergency signals in case of the ship moving away;

Use satellite communications (focused rays are difficult to be suppressed).





GUIDANCE FOR CREWS ON ACTIONS TO BE TAKEN DURING THE ROUTE

REMEMBER, that:

- ✓ A WELL PREPARED AND GUARDED SHIP IS HARD TO HIJACK WITH A SMALL VESSEL;
- ✓ IN HIJACKS A HIGHLY IMPORTANT THING FOR ATTACKERS IS TO TAKE YOU BY SURPRISE — SO BE WATCHFUL WHEN ON DUTY;
- ✓ WHEN PIRATES GET ON BOARD OF A PREPARED AND GUARDED SHIP,

THEY DO NOT MAKE A HIJACK,

THEY MAKE A “PIRATES’ MISTAKE”.

