



FOR IMMEDIATE RELEASE
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Eastern Shipbuilding Group Announces Commencement of Steel Cutting for USCGC ARGUS (WMSM-915)

Panama City, FL, Eastern Shipbuilding Group reports that steel cutting for the first offshore patrol cutter (OPC), Coast Guard Cutter ARGUS (WMSM-915), commenced on January 7, 2019 at Eastern's facilities. ESG successfully achieved this milestone even with sustaining damage and work interruption due to Hurricane Michael. The cutting of steel will start the fabrication and assembly of the cutter's hull, and ESG is to complete keel laying of ARGUS later this year. Additionally, ESG completed the placement of orders for all long lead time materials for OPC #2, Coast Guard Cutter CHASE (WMSM-916).

Eastern's President Mr. Joey D'Isernia noted the following: "Today represents a monumental day and reflects the dedication of our workforce - the ability to overcome and perform even under the most strenuous circumstances and impacts of Hurricane Michael. ESG families have been dramatically impacted by the storm, and we continue to recover and help rebuild our shipyard and community. I cannot overstate enough how appreciative we are of all of our subcontractors and vendors contributions to our families during the recovery as well as the support we have received from our community partners. Hurricane Michael may have left its marks but it only strengthened our resolve to build the most sophisticated, highly capable national assets for the Coast Guard. Today's success is just the beginning of the construction of the OPCs at ESG by our dedicated team of shipbuilders and subcontractors for our customer and partner, the United States Coast Guard. We are excited for what will be a great 2019 for Eastern Shipbuilding Group and Bay County, Florida."

The OPC is designed to conduct multiple missions in support of the nation's maritime security and border protection. The OPC will provide a capability bridge between the national security cutter, which patrols the open ocean in the most demanding maritime environments, and the fast response cutter, which serves closer to shore. The OPC design includes the capability of carrying an MH-60R or MH-65 helicopter and three operational Over The-Horizon small boats. The vessel is also equipped with a highly sophisticated combat system and C4ISR suite that will enhance capabilities to execute the service's missions.

On September 15, 2016, the Coast Guard exercised the option for detail design on Eastern Shipbuilding Group's OPC contract. Eastern Shipbuilding Group will construct the OPCs to replace the medium endurance cutters currently in service. The contract includes options for production of up to nine vessels with options for two additional vessels. The Coast Guard plans to acquire a total of 25 OPCs.

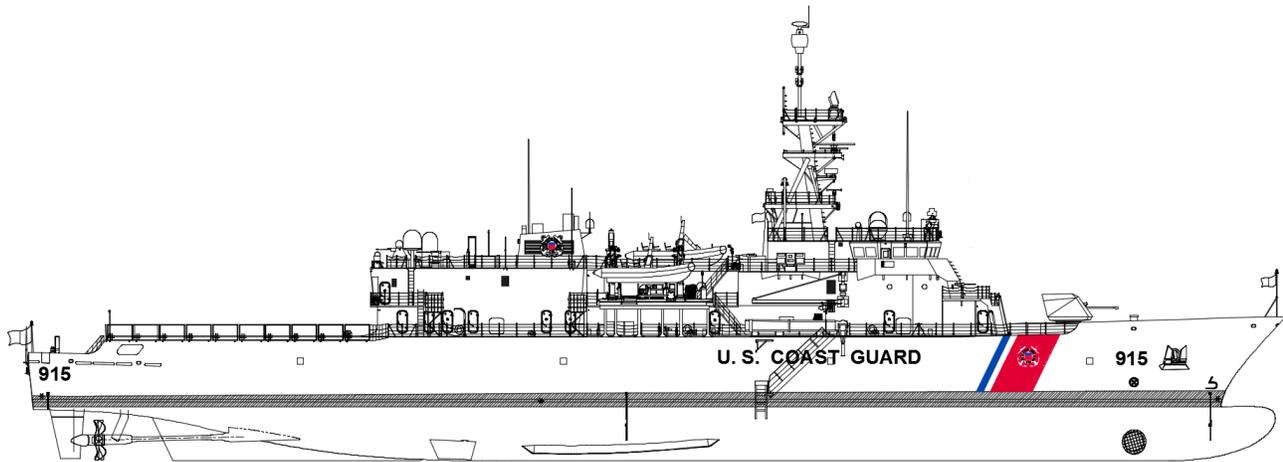
About Eastern Shipbuilding Group:

Eastern's original shipyard was established in 1976 for the purpose of constructing commercial fishing vessels for the company's founder and CEO, Brian R. D'Isernia. As the owner of a fleet of commercial fishing vessels, Mr. D'Isernia ventured into the world of shipbuilding after learning first hand the only way to get the type of vessels he wanted was to design the vessels, write the specifications, and build them himself. As he built and developed his own fleet of vessels, other professionals in the industry took notice and also began requesting their own custom-built vessels. Soon customers in areas including New England, the Pacific Northwest and Alaska were contacting Eastern with requests for customized fishing vessels. By 1980, 26 commercial fishing vessels had been constructed and delivered.

Building on his passion for boats and the sea, Mr. D'Isernia decided to diversify Eastern's reputation from a 'Fishing Vessel' shipyard into a shipyard that could fulfill any type of custom vessel request, large or small. In 1981, Eastern's diversification began with the delivery of its first Offshore Supply Vessel. Today, Eastern's portfolio includes over 350 vessels and has become one of the most diversified vessel construction companies as a result of its state of the art production line and fabrication process. Eastern has built everything from Offshore Supply Vessels to Tugs, Articulated Tugs/Barges, Inland Towboats, a SWATH Vessel, Passenger Vessels, Ro-Ro/Passenger Ferries, Inland Transport Vessels, Barges, Fireboats, Research Vessels, SUBSEA Construction Vessels, Dredges, High Speed Passenger Vessels, Fishing Vessels, and more. Eastern currently operates two shipyards in Bay County and one shipyard in Gulf County, FL.

For more information please visit:

www.easternshipbuilding.com



OPC Characteristics:

- Length: 360 feet
- Beam: 54 feet
- Draft: 17 feet
- Sustained Speed: 22 Plus knots
- Range: 8500 Plus nautical miles
- Endurance: 60 Days