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Newsletter

March 2009



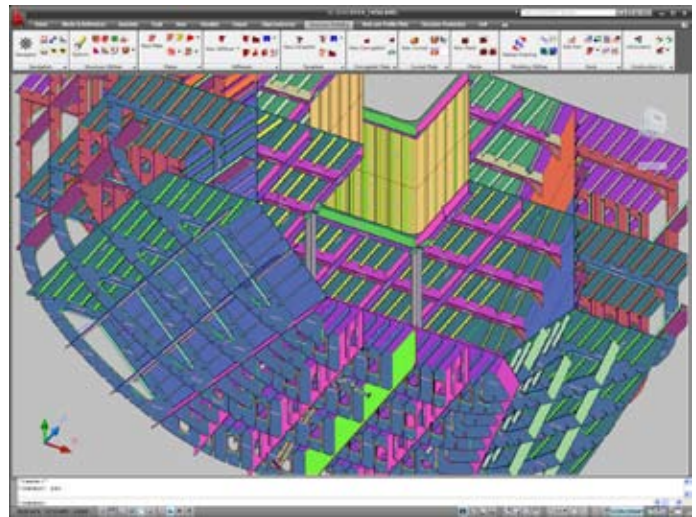
Requested Production Design Features Delivered In R4

ShipConstructor® Software Inc. (SSI) is proud to announce the release of the R4 version of ShipConstructor® 2008, the world's leading AutoCAD-based ship production design software. In addition to many production-focused improvements, the new version includes an enhanced user environment thanks to AutoCAD 2009 compatibility.

"This release is the result of SSI's dedication to providing enhancements to ShipConstructor® that improve efficiency where it counts most: in production. We have introduced changes

in key areas including pipe spool drawings, pipe bending output, and production output display options. The new Weld Catalog is a precursor to the ShipConstructor® Weld module to be released in Quarter 2 of 2009, ShipConstructor® allows engineering departments to communicate even more effectively with production than before", says Darren Larkins, Chief Technology Officer at SSI.

ShipConstructor® Pipe Spool drawings have been treated to a host of advanced features including the addition of advanced spool location and

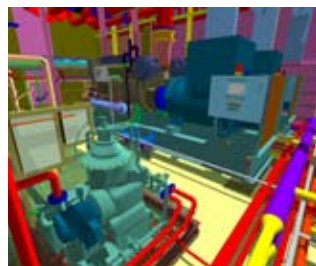


ShipConstructor® 2008R4

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ShipConstructor® SC4D Adds New Dimension To Cost Savings

ShipConstructor® Software Inc. (SSI), in collaboration with, the National Shipbuilding Research Program (NSRP), and several US shipyards including Northrop Grumman Shipbuilding (NGSB), has reached another milestone in the effort to create further cost savings for their clients. With the introduction of its online sharing site SC4D (<http://SC4D.ShipConstructor.com/>), SSI is now providing the means to create and share 4D outfitting CAD models via the Internet. 4D, the fourth dimension, is the attribute data and PDF documentation added to the 3D CAD model.



and open to all shipbuilders, designers and equipment manufacturers worldwide to share the effort of building a reusable online outfitting library, thus cutting cost and time for everyone.

A major cost and time for every designer and builder in the world is the creation of the outfit item library. A yard's library can approach or

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Bringing A Best-of-Breed Approach To Korea's Largest Shipbuilders

Daewoo Shipbuilding & Marine Engineering (DSME) has invited ShipConstructor® Software Inc. (SSI) together with Autodesk, Inc. to participate in the second phase of a search for its next generation CAD/PLM software. The short-listed candidates include ShipConstructor®, AVEVA Marine and CATIA. Each of the remaining solutions will be put through an intensive four-month evaluation by DSME staff and graded in all areas of the shipbuilding and offshore design process.

SSI's success in being selected by DSME is due in no small part to the professional team which has been brought together. In order to create



a solution that will meet the needs of DSME today and in the future Autodesk Inc., SSI, and Nova Solutions Inc. have joined forces. This partnership combines the resources and technology of the world's largest CAD software company, the expertise and technology of one of the world's foremost marine-specific software companies, and the experience and industry knowledge of one

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Requested Production Design Features Delivered In R4

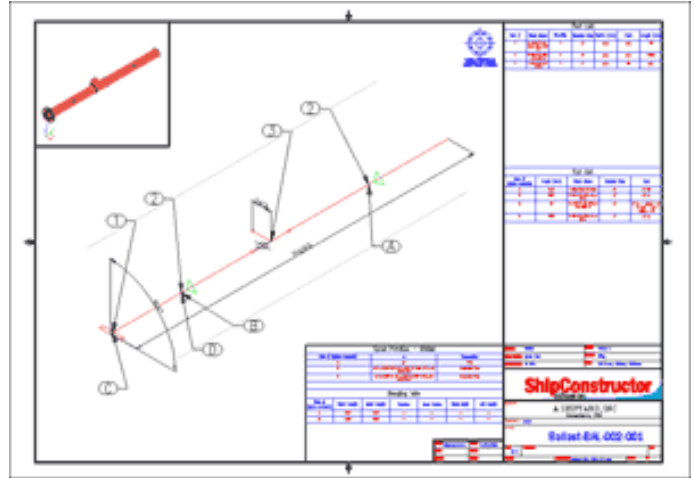
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bending output tables. As part of a ShipConstructor® production drawing, these tables are fully customizable and are intelligently linked to the 3D product model. This allows design changes to be automatically updated in previously generated production output without the loss of detailed user customization. In addition, new display options for pipe model, spool and arrangement drawings have been added, allowing customization of these types of deliverables for any shipyard. Life could not be easier.

As part of SSI's philosophy to work with other software vendors and shipyards to provide a best-of-breed solution, a new tool has been developed to export piping bending data directly from

the ShipConstructor® product model data. The piping data is exported in a generic XML format, and the user can provide a transformation file (XSLT) to apply during export. This XSLT file, which is a standard web format, can be used to format the data in any way required. This makes the output suitable for pipe bending machines, pipe stress analysis tools and more without any further translation.

In addition to direct enhancements to the ShipConstructor® modules, SSI has migrated ShipConstructor® 2008 to AutoCAD 2009 with this latest release. This includes a move to the new Ribbon interface which is used extensively throughout AutoCAD 2009. The Ribbon replaces the previous toolbars and makes



A ShipConstructor® Spool Drawing

common AutoCAD and ShipConstructor® tools at the designer's fingertips improving the efficiency of those using Ship-

Constructor® software.



The new ribbon interface

Bringing A Best-of-Breed Approach To Korea's Largest Shipbuilders

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of Korea's leading CAD/PLM experts.

"The success of this team is a clear sign that ShipConstructor's best-of-breed approach to shipbuilding and offshore solutions is forcing a change in the industry. The importance of working together with outside resources has been underestimated in the past by large companies. However, they are learning that nobody can exist in a vacuum, and working efficiently with your many partners is just as important as having a state-of-the-art shipbuilding solution - ShipConstructor® provides both", says Rolf Oetter, CEO of ShipConstructor® Software Inc.

"We combine the technology and expertise of the industry leaders in each area, to create an offering that exceeds the specific needs of each customer. We believe that this tailored

approach is one of the reasons why DSME has invited us to participate in the second phase of this evaluation", adds Darren Larkins, CTO of ShipConstructor® Software Inc.

DSME, established in 1973 at Okpo Bay, Geoje Island, on the south-eastern tip of the Korean Peninsula, has developed into the world's premium specialized shipbuilding and offshore contractor that builds various vessels, offshore platforms, drilling rigs, floating oil production units, submarines, and destroyers. DSME employs approximately 1,500 design and R&D personnel with prolific experience, and more than 15,000 skilled workers.

ShipConstructor® Software Inc. (SSI) is the creator of the world's leading AutoCAD-based shipbuilding and offshore specific CAD/PDM system called ShipConstructor®. ShipConstructor®

is an independently owned, energetic, growing company which combines cutting edge software engineering practices with world-class shipbuilding and production knowledge to create truly innovative solutions. With revenues quadrupling in only the last four years and R&D expenditures which are close to 50% of revenues, SSI is a company that can aggressively support the needs of even the most demanding customers.

Autodesk, Inc. is the world leader in 3D design software for the manufacturing, building and construction, and media and entertainment markets. Since its introduction of AutoCAD software in 1982, Autodesk has developed the broadest portfolio of state-of-the-art digital prototyping solutions to help customers experience their ideas before they are real. Fortune 1000 companies rely

on Autodesk for the tools to design, simulate, and visualize real-world performance early in the design process to save time and money, enhance quality, and foster innovation.

Nova Solution Corp. (Nova) is a CAD/PLM solution provider for the Shipbuilding, Plant and Offshore industries. Nova consists of experts and consultants in .NET / AutoCAD / Database programming and PLM solutions / implementations. Nova's goal is to provide innovative value to customers. Nova is an Autodesk authorized reseller and representative of ShipConstructor® Software Inc. in Korea.

ShipConstructor® SC4D Adds New Dimension To Cost Savings

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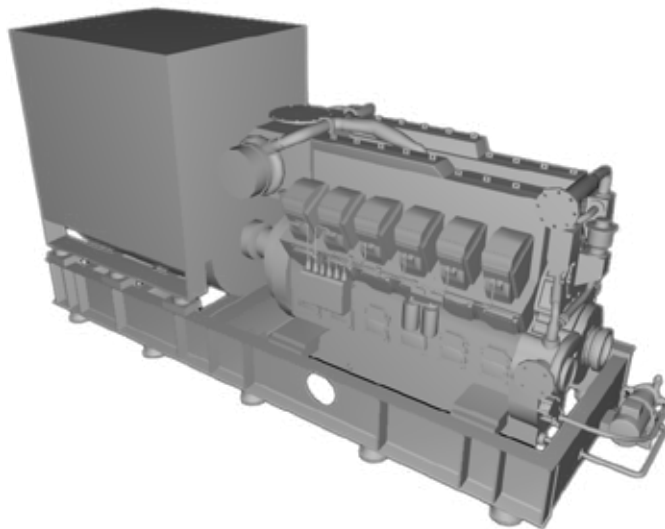
even exceed the ten thousand mark. Imagine a single location providing thousands or hundreds of thousands of ready-to-use 4D CAD models such as engines, pumps, strainers, galley, and navigation equipment. SC4D is aimed at building an online community to minimize the cost and time for everyone by putting in place the tools for building, maintaining and sharing these libraries.

Generating a complete CAD model of a ship or offshore structure that includes all outfit items in intelligent form generates tremendous savings in production. In addition, can visualize and check a complete 4D model before building begins. Last but not least, it is SSI's belief that it should become common practice in the future to use the complete model as the basis for a more efficient life cycle model.

While aimed specifically at ShipConstructor® customers, users of other software systems will also find this site useful. To foster an open community, users can upload and download outfit items in any CAD format, such as DWG, Inventor, ProE, Solidworks or STEP. However, the most effective option will be the intelligent ShipConstructor® XML format. The XML format enhances the plain 3D CAD model by adding attribute and documentation data, thus

effectively creating a 4D model. The CAD data inside the XML container currently supports DWG, but will be extended to Autodesk Inventor file format later this year. Attribute data is grouped into general data, such as manufacturer, weight, performance ratings, description, and complex data, such as logical connections for Pipe and HVAC. For example, piping connections not only include the connection location, but also direction, connection type, size, pressure class, and more. Electrical connection attributes will be added later this year when the ShipConstructor® Electrical module is released. The predefined ShipConstructor® data can be easily extended by user defined data to meet user's needs. A future version of ShipConstructor® will integrate browsing, up- and downloading, thus further streamlining this process.

The SC4D website is community driven, allowing users to rate models that have been uploaded by others. This built in quality control mechanism helps users by guiding them towards better models, and away from those models which are of lesser quality. No doubt, this will be an evolving process and SSI will encourage users to provide feedback to achieve the most effective implementation.

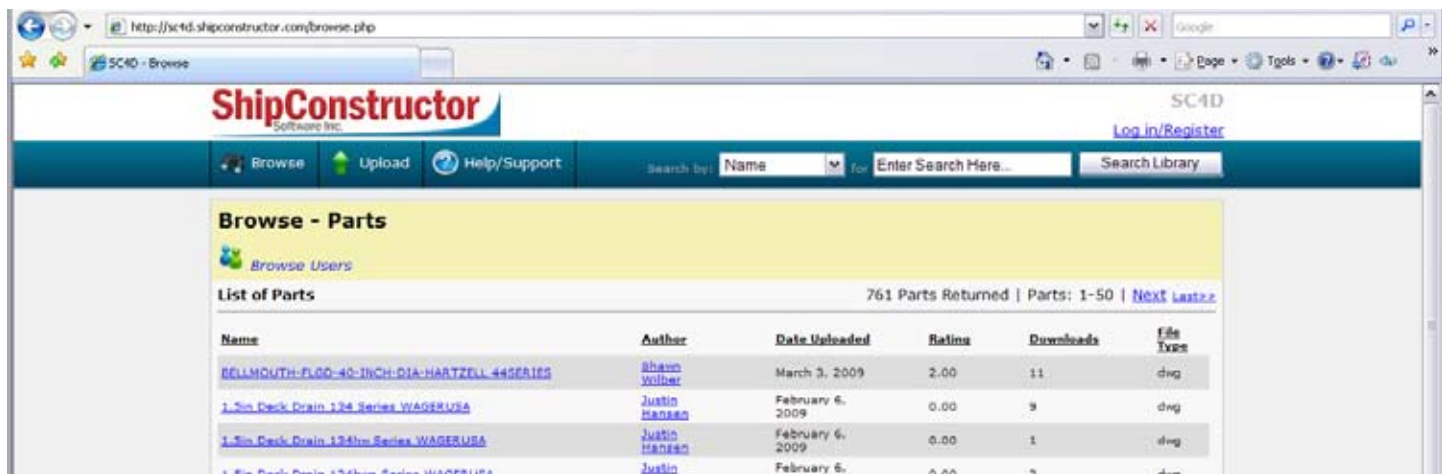


Example of an engine model the might be found on the SC4D web site

Equipment manufacturers are providing 3D models of their products. SC4D will accelerate this process now that a platform is available to manufacturers that reaches a large number of potential buyers. Over time the number of suppliers providing and maintaining high quality outfit models for the shipbuilding and offshore industries to SC4D will increase.

Future plans for SC4D include direct integration with the ShipConstructor® Equipment library. This will allow ShipConstructor® users to publish and download equipment models directly to/from SC4D, provided they have access to the Internet.

The foundation of the SC4D technology was developed with the help of funding by the US National Shipbuilding Research Program (NSRP). The project team included the US shipyards Northrop Grumman Shipbuilding, Austal USA, Bollinger, VT Halter, Marinette Marine, Bender Shipbuilding and Todd Pacific, as well as the design companies Gibbs & Cox, Elliott Bay Design Group, Genoa Design, Murray & Associates and Art Anderson.



The SC4D web site - <http://SC4D.ShipConstructor.com/>

ShipConstructor® Adds Flexibility And Cost Advantage With Universal Seat License



Universal Seat License benefits both large and small companies

ShipConstructor® Software Inc. (SSI), Canada, is proud to announce a new, simple software license option, the Universal Seat License. The Universal Seat License provides a welcome and cost effective alternative to the current modular licensing system, providing access to every module and function ShipConstructor has to offer with one single license. Better yet, future modules of ShipConstructor®, such as Electrical and Weld Management, will be automatically provided free of charge un-

der the subscription program. The modular licensing system allows users to obtain the required number of disciplines from the following list: Hull, Structure, Pipe, HVAC, Equipment, HVAC, Penetrations, Product Hierarchy, ManualNest, AutomaticNest, ProfileNest, Report, and NC-Pyros – with Electrical and Weld Management to be released later this year. But, predicting the correct number of disciplines is a difficult if not impossible task for many customers. With the Universal

Seat License, customers can now choose the number of seats instead of the disciplines, which provides unsurpassed flexibility often at reduced cost.

Small design shops with staff experienced in a variety of disciplines will benefit from the Universal Seat License as much as large shipyards and design offices. In small design shops, a designer works on structure for a while, then moves to pipe, and after that to HVAC, nesting and NC code generation. Purchasing a seat of every available ShipConstructor® module to cover all the required disciplines is not always the best option. Now, a single Universal Seat License at \$US 19,950 does the trick.

Large shipyards and design offices also benefit from the flexibility the new licensing option offers. When building a tanker, one needs more pipe seats, when building a bulk carrier, one needs more structural seats. Throughout the production design of a single ship, resource allocation shifts from hull fairing and lofting to structural design, to pipe, HVAC, and outfit, and then to production oriented functions,

such as profile, plate nesting, NC code generation and production reporting. Yesterday, you needed 25 Structure licenses, today you need only 8, but also 9 Pipe licenses, 2 HVAC, 1 Nest, 2 Report, 1 ProfileNest and 2 NC-Pyros licenses. Choosing the Universal Seat license model is the cost effective answer to this challenging task.

Clients who currently own ShipConstructor® modules can trade in the combined value of their modules to obtain Universal Seat Licenses. For a limited time only, the ShipConstructor® Universal Seat License will be available at a reduced price of \$US 19,950 per seat including network license functionality. The modular licensing system will continue to offer great value to customers with very well defined requirements.

For other licensing options such as the Perpetual, Annual, Lease and Rent Licenses, please visit <http://www.shipconstructor.com/productsandsolutions/licensing.html>

Autodesk's Technical Account Manager Joins ShipConstructor® Software USA, Inc.

ShipConstructor Software USA, Inc. is pleased to announce that Mr. John P. Frazier has joined the ShipConstructor® Team as Technical Account Manager. Mr. Frazier is coming from Autodesk where he worked in the roles of Technical Consultant and Technical Account Manager. In these functions he gained valuable experience by listening closely to the needs of Northrop Grumman Ship Systems, Northrop Grumman Newport News, the US Navy, the US Coast Guard as well as Boeing, providing valuable solutions to their challenges.

"I have always been focused on finding the best practical solution for the clients I worked

with," says Mr. Frazier, "and working out technical as well as procedural requirements. With ShipConstructor®, I am looking forward to a very interesting opportunity; applying my experience in technical sales and problem solving to create something big."

Mr. Frazier brings with him a BA in Physics and a Masters in Mechanical Engineering. He also worked in various positions in the aircraft industry, as well as developing software solutions for NASA.

"We have worked closely with Mr. Frazier over the past few years during his time at Autodesk," says Mr. Rolf G. Oetter, President and CEO of ShipConstructor®'s



ShipConstructor® Software USA Inc.'s Technical Account Manager John Frazier

Headquarters in Canada. "I am excited to welcome him to our team. With more than 15 years of experience at Autodesk, and many more years of experience in the IT and engineering

world, I know that we have a dedicated person on board that will develop creative solutions together with our US shipbuilding and offshore clients."