



GoldStar
Engineering Inc.

COVER PAGE

(Project summary)

Name of project: Non-Destructive Testing (NDT) Services for the Oil and Gas Industry.

Company name: GoldStar Engineering Inc.

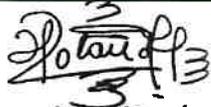
Address: 18-23 Eccles Industrial, Estate, East Bank Demerara, Guyana.

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Revision:02

PREPARED BY	REVIEW AND APPROVAL
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1. DESCRIPTION OF THE PROJECT

1.1. Project location

The NDT services will be carried out at different customer's facilities located in Georgetown area, however, in some instances the service may be required to be performed offshore on customers drilling platform. Our company head office is located at, 18-23 Eccles Industrial, Estate, East Bank Demerara, Guyana , this facility is used for customer attention and to properly store the NDT kits that the company have in country. Since the service is mobile, the NDT kit would be transported in a Toyota Noha Mini-Van plate #PAB-5925 property of the company, in addition, the kit would be packed on a plastic shipping pelican heavy-duty black case properly identified with an itemized inventory sheet (See document attached). For Off-Shore activities, the NDT kit will be mobilized in a sealed aluminum large toolbox designed for this type of activity. The mobilization and storage of NDT equipment do not represent any risk to the environment.

As GoldStar Engineering Inc., intends to provide NDT inspections to different service lines of critical customers such as Halliburton, Baker Hughes, Schlumberger-GYSBI, John Fernandes Ltd., Saipem, G-port Guyana Inc., and other related oil field customers, the relationship that these activities might have with the environment, are considered as "eco-friendly" techniques and they possess a mild to none environmental and health risks if handled correctly.



GoldStar Mobilization unit.



NDT kit in Black shipping case

discontinuity, reducing the air gap and producing a visible indication on the surface of the part. The magnetic particles may be a dry powder or suspended in a liquid solution, and they may be colored with a visible dye or a fluorescent dye that fluoresces under an ultraviolet ("black") light. Refer to process map 1.6 below.

- **Magnaflux 14A Fluorescent mag/particles:** A highly sensitive magnetic particle powder containing fatty acids, C18-Unsaturated, dimers, polymers with ethylenediamine and tall-oil fatty acids, engineered to locate very fine discontinuities in critical parts and applications. Designed with strong fluorescent properties, 14A magnetic powder is made with a carefully optimized range of particle sizes and shapes to ensure particles move quickly and easily to indications while minimizing background and particle clumping. The result is faster inspections with better reliability and greater confidence. A great choice for inspecting machined parts, welded parts, after secondary processing, critical in-service inspections and testing smooth surface finishes to find inclusions, seams, shrink cracks, tears, laps, flakes and cracks. For more information see the safety data sheet attached.
- **Magnaflux 20B fluorescent particle dry mix:** Is a highly-sensitive magnetic particle premix powder containing sodium tetraborate decahydrate used for locating fine discontinuities in high volume applications, such as forging, casting, stamping and welding. Combining Magnaflux's best-in-industry 14A magnetic particles, corrosion inhibitors and wetting agents, 20B is an easy-to-use premix for making magnetic particle water bath. The ultra-sensitive 14A particles provide clear, bright, fluorescent green indications under ultra-violet black light for unbeatable inspection quality and accuracy, and the water conditioners provide corrosion protection and complete surface wetting. 20B is a great choice for baths which need to be changed out frequently due to drag-in or heavy-use and is ideal for in-process testing to detect cracks, seams, inclusions, laps, tears and flakes. For more information see the safety data sheet attached.

1.3.2. Liquid Penetrant Testing Method (LPI): This is an Inspection Method that used liquid penetrant, when the penetrant is applied to the surface of a part, it will penetrate into fissures and voids open to the surface. Once the excess penetrant is removed, the

Testing specifications, including ISO 3452. It is ideal for machine shops, weld testing and field applications. For more information see the data sheet attached.

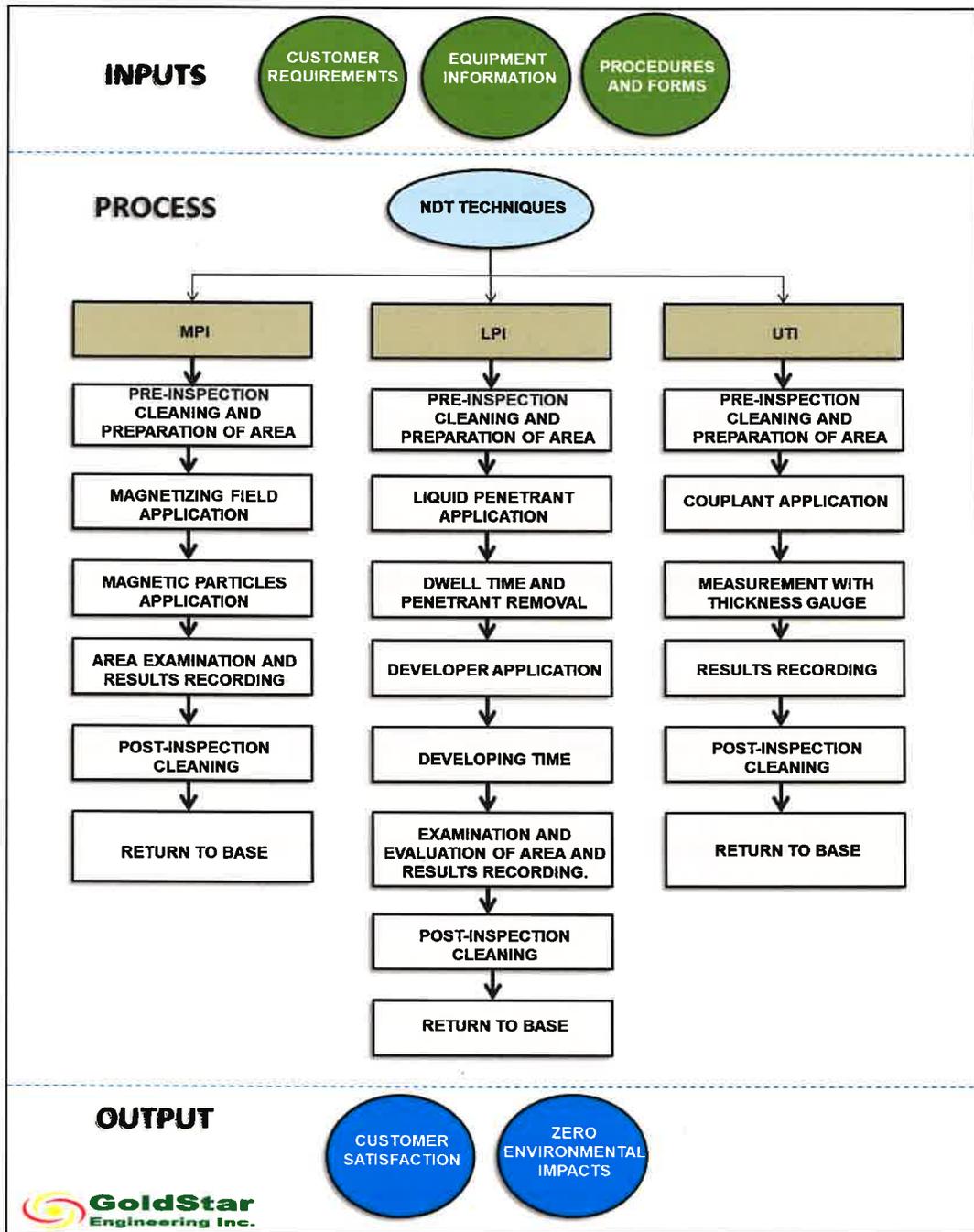
1.3.3. Ultrasonic Thickness inspection Method (UTI): This is an inspection method where Ultra-high frequency sounds are introduced into the part being inspected using a ultrasonic transducer ("Probe") which converts electrical impulses from the UT device into sound waves, then converts returning sound back into electric impulses that can be displayed as a visual representation on a digital or LCD screen. If the UT device is properly calibrated, the operator can determine the type of discontinuity (like slag, porosity or cracks in a weld) that caused the reflector. Because ultrasound will not travel through air (the atoms in air molecules are too far apart to transmit ultrasound), a liquid or gel called "Couplant" is used between the face of the transducer and the surface of the part to allow the sound to be transmitted into the part. For a panoramic in-sight and steps of this process, refers to the NDT activities process map 1.6. This technique has Zero impact on the environment.

- **Couplant:** a substance used between the search unit and examination surface to permit or improve the transmission of ultrasonic energy. It may be products such as: grease, Vaseline, styling gel, body cream, etc. Goldstar Engineering will use vaseline or gel which has Zero environmental impact.

1.4. Size of the project

As GoldStar Engineering Inc. is committed to provide the highest services through cutting-edge equipment and skilled personnel, The initial goal of the Company is to stablish its operative base in Guyana to gain enough customers in the first six to twelve (6 -12) months of operation to reach a breakeven point between expenses and revenue. In the following twelve months of operation, the Company will strive to increase its operations by gaining new customers. The experience and past success of the company man power will enhance the potential success of the company In Guyana. The capital investment, number of employees, and development of activities will be determined by the market conditions. The current start-up investment to date is 200.000 USD.

1.6. Process map



1.7. Duration of the project

GoldStar Engineering Inc., aims at maintaining a long-term (10years) business relationship satisfying customer's needs by delivering high quality services and products, while complying with all applicable international and local standards, laws and regulations including QHSE policies, focused on enhancing the performance of different service companies in Guyana's territory through NDT inspections.

- Proper protective equipment will be worn all the time in order to reduce impact to personnel, this includes: Hard hat, safety Glasses, Hear plugs, face shield, Gloves, Safety shoes and appropriate clothing.
- Applying safe work practices during the activities to prevent any adverse effects on environment and personnel wellbeing.
- Carry out pre-job safety meetings per FOR-HSQ-017
- Carry out safety-job Analysis FOR-HSQ-027

1.10. Emergency Plan

1.10.1. In case of spill of hazardous substances or materials.

In order to safeguard workers' life and wellbeing in case of spill of hazardous substance, it is necessary to carry out the following guidelines:

- Informing Operations Manager on spill of hazardous substances and materials.
- The Operations Manager along with the certified level II NDT inspector will carry out an assessment of the area to identify the substance or material through its MSDS (Material Safety Data Sheet) and know its associated risks.
- If the situation can be controlled, the Level II NDT inspector will carry out the cleaning procedure using the proper implements according to its magnitude.
- If the situation is out of control or refers to an extremely dangerous substance or material, the Operation Manager is responsible for informing the closest fire department to deal with this situation.

Recommendations:

- a) Carry out periodic evaluations to areas where hazardous substances or materials are stored to ensure that they comply with the right storage and handling requirements.
- b) Maintain an updated stock of all hazardous substances and materials.

- c) Store all contaminated material for its final disposal.
- d) Collect some samples (If required) to make analyzes.

Final actions

- a) Develop report of incident.
- b) Describe the incident, including sequence of events.
- c) Map or draw of place.
- d) Names of people and competent bodies involved in the development of emergency.
- e) Photographic evidence.
- f) Information on affected area (Name, location, description).

Table N 1: Competent bodies and entities for emergency support in Guyanas’s Territory

In case of emergency dial:

Competents Bodies	Number phone
Police Departament	911 or 225-8196
Medical assistance	913
Firefighters Department	912 or 226-2411
Traffic	227-2349
GoldStar’s Director	636-5527
GoldStar’s HSE Supervisor	682-3295
GoldStar’s Human Resources Leader	TBA

1.11 Chemicals Storage, large amounts: The NDT chemicals will be stored in our company facility located at 18-23 Eccles Industrial, Estate, East Bank Demerara, in their original containers/packages in a cool dry demarcated area away from people, heat and sources of ignition and out of direct sunlight. Labeled dangerous goods cabinet would be used as needed for such purpose, chemical's Safety Data Sheet (SDS) which outline storage, handling, and disposal guidelines along with any potential health, first aid and emergency response and firefighting measures as well as transport information, and its environmental effects, would be stored in the cabinet, furthermore chemicals would be classified to avoid storing incompatible goods in the same storage cabinet.