ORDER

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Reson Offshore Ltd. ("ROL"), of Aberdeenshire, United Kingdom, of its intention to initiate an administrative proceeding against ROL pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) (the "Regulations"), and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"), through the issuance of a proposed charging letter to ROL that alleged that ROL committed two violations of the Regulations, specifically:


2 Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of July 23, 2008, 73 Fed. Reg. 43,603 (Jul. 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA").
Charges 1-2 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Reexporting Sonar Systems to South Africa Without the Required License

On two occasions between on or about September 5, 2003 and on or about July 22, 2005, ROL engaged in conduct prohibited by the Regulations by reexporting multibeam bathymetry echosounders, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 6A001, to South Africa, without the Department of Commerce license required by Section 742.4 of the Regulations. In doing so, ROL committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and ROL have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of $9,900 is assessed against ROL, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, ROL will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to ROL. Accordingly, if ROL should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order
denying all of ROL’s export privileges under the Regulations for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Darryl W. Jackson
Assistant Secretary of Commerce for Export Enforcement

Entered this 12th day of August, 2008.
SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Respondent Reson Offshore Ltd. ("ROL"), of Aberdeenshire, United Kingdom, and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively referred to as "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) ("Regulations"),1 issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act").2

WHEREAS, ROL's parent company, Reson A/S, filed a voluntary self-disclosure on September 6, 2006, and a supplemental voluntary self-disclosure dated October 9, 2006, with


2 Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 15, 2007 (72 Fed. Reg. 46,137, Aug. 16, 2007), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)) ("IEEPA").
WHEREAS, BIS has notified ROL of its intention to initiate an administrative proceeding against ROL, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to ROL that alleged that ROL committed two violations of the Regulations, specifically:

Charges 1-2 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Reexporting Sonar Systems to South Africa Without the Required License

On two occasions between on or about September 5, 2003 and on or about July 22, 2005, ROL engaged in conduct prohibited by the Regulations by reexporting multibeam bathymetry echosounders, items subject to the Regulations and classified under Export Control Classification Number (“ECCN”) 6A001, to South Africa, without the Department of Commerce license required by Section 742.4 of the Regulations. In doing so, ROL committed two violations of Section 764.2(a) of the Regulations.

WHEREAS, ROL has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, ROL fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, ROL enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, ROL states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, ROL neither admits nor denies the allegations contained in the proposed charging letter;
WHEREAS, ROL wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, ROL agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over ROL, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against ROL in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the September 6, 2006 voluntary self-disclosure, October 9, 2006 supplemental voluntary self-disclosure, and proposed charging letter:

   a. ROL shall be assessed a civil penalty in the amount of $9,900, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.

   b. The timely payment of the civil penalty agreed to in paragraph 2.a is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to ROL. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of ROL’s export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, ROL hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request
a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against ROL in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the September 6, 2006 voluntary self-disclosure, October 9, 2006 supplemental voluntary self-disclosure, and proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.
9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

RESON OFFSHORE LTD.

Thomas Madigan
Director
Office of Export Enforcement

Date: 8/8/08

Daniel Wake
General Manager

Date: 4th August 2008
PROPOSED CHARGING LETTER
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Reson Offshore Ltd.
Unit 1, Tern Place
Denmore Road, Bridge of Don Aberdeen
Aberdeenshire AB23 8JX
United Kingdom

Attention: Richard M. Hill

Dear Mr. Hill:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Reson Offshore Ltd. ("ROL"), of Aberdeenshire, United Kingdom, has committed two violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979, as amended (the "Act").² Specifically, BIS charges that RAS committed the following violations:

Charges 1-2 15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct by Reexporting Sonar Systems to South Africa Without the Required License

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on two occasions between on or about September 5, 2003 and on or about July 22, 2005, ROL engaged in conduct prohibited by the Regulations by reexporting multibeam bathymetry echosounders, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 6A001, to South Africa, without the Department of Commerce license required by Section 742.4 of the Regulations. In doing so, RAS committed two violations of Section 764.2(a) of the Regulations.


Accordingly, ROL is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of $250,000 per violation or twice the value of the transaction that is the basis of the violation;\(^3\)
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If ROL fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. See 15 C.F.R. §§ 766.6 and 766.7. If ROL defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to ROL. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

ROL is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. See 15 C.F.R. § 766.6. ROL is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. See 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18. Should ROL have a proposal to settle this case, ROL should transmit it to the attorney representing BIS named below.

ROL is further notified that under the Small Business Regulatory Enforcement Flexibility Act, ROL may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: [http://www.sba.gov/ombudsman/](http://www.sba.gov/ombudsman/).

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, ROL’s answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

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\(^3\) 50 U.S.C. § 1705(b) (2007).
In addition, a copy of ROL's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Thea D. R. Kendler, Esq.  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that ROL may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Thomas Madigan  
Acting Director  
Office of Export Enforcement
Reson Offshore Ltd.
Proposed Charging Letter

Schedule A

<table>
<thead>
<tr>
<th>Charge No.</th>
<th>Date</th>
<th>Destination</th>
<th>Item</th>
<th>ECCN</th>
<th>Value (USD)</th>
<th>Violation</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>9/5/2003</td>
<td>South Africa</td>
<td>SeaBat 8125 1500-meter multibeam bathymetry echosounder</td>
<td>6A001</td>
<td>$88,800</td>
<td>15 C.F.R. § 764.2(a)</td>
</tr>
<tr>
<td>2</td>
<td>7/22/2005</td>
<td>South Africa</td>
<td>SeaBat 8101 1500-meter multibeam bathymetry echosounder</td>
<td>6A001</td>
<td>approx. $92,000</td>
<td>15 C.F.R. § 764.2(a)</td>
</tr>
</tbody>
</table>