

THALES

THALES SAFARE

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To Whom It May Concern:

Thales Safare provides acoustic and communication products to navies and armies worldwide. It is in the naval division of the Thales Group, a global electronics and systems group with EUR13bn in annual revenues. Thales Safare supplies to combat system integrators, shipyards, and Ministries of Defence in over 30 countries.

Thales Safare has over 50 years' experience in underwater communication systems development and deployments worldwide. Our systems are deployed in many countries around the world on major navies..

In our product markets, we could see that covert underwater wireless communication systems could deliver substantial benefits to our clients. A question for us was whether we develop our own wireless data capability.

To answer this, we decided to undertake an evaluation of all underwater wireless data communication products and any R&D worldwide to understand what the global market had to offer. Our key criteria were: 1) reliability, 2) product size, and 3) ease of integration. As all these criteria were critical to us, we undertook a significant investment and detailed testing program of numerous modems sourced globally.

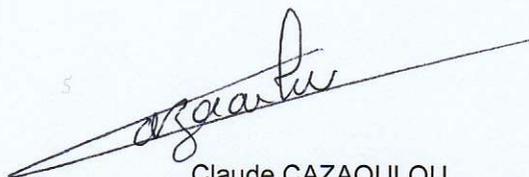
Upon completing this evaluation, we found DSPComm's AquaComm modem was the only one to meet all our selection criteria. Most key to this decision for us was we could ensure we maintained our credibility and reputation with our customers for reliable, quality products. We have found DSPComm's Aquacommod product range to be more than capable in this regard.

We also ascertained DSPComm had a business model that enabled partnering and licensing deals to be entertained, as they were not a competitor to our core business. We could establish a co-development relationship with them in assisting us to develop our new products and enhance our existing products for our naval marketplace.

Just as importantly, when choosing a partner, we need someone that understands our operating environment and customer expectations. DSPComm understands what our customers expect and understands our business is one of long-term investment and risk sharing. We have found DSPComm to be very responsive and accommodating of our needs, and we will continue co-development programs to integrate their proven technologies into our products.

Thales Safare has now integrated the DSPComm spread spectrum technologies into four of our product ranges. These are 1) TUUM6 the new generation underwater telephone with integrated data communications 2) TUUM4 - Underwater telephone with add on data communications 3) CMOD - Acoustic modem for data transmission 4) ERUS - Voice and Data communications system for divers. We are now in the process of marketing these products to our customer base and look forward to our customers getting the full benefits of the new communications capability. We are also looking forward to exploring new concepts and product ideas that can incorporate DSPComm's reliable underwater data communications technology.

Yours faithfully



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