Contact: Rus Howard
DeepGulf, Inc.
700 Palafox Pier, Suite 200
Pensacola, FL 32502
E: rus.howard@deep-gulf.com

PRESS RELEASE

PENSACOLA COMPANY CREATES TECHNOLOGY THAT COULD IMPACT NATION'S ENERGY SUPPLY

PENSACOLA, Fla., August 31, 2007: New technology being developed by a Pensacola company could advance the way oil is moved from the Gulf of Mexico and other ultra-deepwater fields around the world. DeepGulf, Inc. has created innovative technology collectively known as J-Flex 3600. J-Flex, for the first time, enables access beyond traditional offshore frontiers of oil and gas pipeline operation to deep and ultra deep reserves. Access to these reserves, previously limited by the economics of transporting oil and natural gas, could significantly increase domestic oil production.

There are only two options for transporting oil from offshore wells to shore: tankers or pipelines. The floating production and storage facilities associated with shuttle tankers are very costly, with well-known, potentially disastrous environmental impact. Pipelines require much less infrastructure, present far less risk, and have substantially less potential environmental impact. DeepGulf projects do not involve traditional surface "rigs", and are more than 100 nautical miles offshore, ensuring the safety and beauty of the Gulf Coast's environmental resources.

Pipelines are thus the preferred solution and are the only means of transportation used from the Gulf of Mexico's operational deepwater fields to the US mainland, for the time being. Until now, pipelines are limited by the industry's capability to lay large pipelines in waters deeper than 8,000 feet of water.

DeepGulf's new J-Flex 3600 system expands that capability to depths of 12,000 feet. This means a large number of ultra deep wells are now accessible and no longer remain an untapped energy resource. DeepGulf's technology makes it economical and safe to develop even the deepest parts of the Gulf of Mexico and around the world.

DeepGulf's inventors have laid some of the deepest pipelines in the world, designing and building 3 of the 7 existing J-Lay systems in the world. This experience contributed to the development of the J-Flex 3600 system. J-Flex capabilities offer critical technical and financial advantages. This will ensure that the Gulf of Mexico's remains one of the world's premier oil and gas basins.

"DeepGulf's ability to lay very large pipelines in ultra-deep water will reignite interest in the untapped ultra-deep leased blocks in the deepest part of the Gulf. Not only will the J-Flex system lay much bigger pipe in deeper water than our competitors, it will also lay it faster, completing projects with more economic

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efficiency. J-Flex innovations will spur many emerging efficiencies in the construction of ultra-deep offshore oil and gas pipelines. Deep Gulf will be at the center of that development", said Chairman Rus Howard, referring to the J-Flex ability to lay a 36" pipe in 12,000 feet of water. "DeepGulf is already fielding inquiries from major oil companies and ultra-deep field contractors in the Gulf of Mexico and other locations around the world. It is clear that ultra-deep is where the action is in offshore construction, and DeepGulf's J-Flex technology will play an important role in the world's energy supply"

For more information about DeepGulf, Inc. please visit www.deep-gulf.com .