

DYNAMICnews



ROVSING Dynamics is a leading supplier of Condition and Performance Monitoring Systems and associated services to industries using rotating machinery, such as the Power Generation Industry, the Petrochemical Industry and the Marine Industry.

Through our product OPENpredictor™ we enable our customers to increase revenue while reducing operation and maintenance costs.

ROVSING Dynamics supply and service an international market from the headquarters in Denmark. Furthermore, we are represented by local offices, agents and distributors in a number of countries worldwide.

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Editorial



Thea Larsen, M.Sc.E.E.
Managing Director

The moving of our business to new headquarters in Copenhagen and the successful re-launch of OPENpredictor™ in North America marked the beginning of a new busy period with focus on growth. And just before Christmas 2005, we could celebrate that two major business objectives had been met: We received an order for a comprehensive OPENpredictor™ installation with integrated on-line and off-line monitoring of critical pumps on a very large water desalination plant in the United Emirates. And together with our Russian partner, we entered into a long term co-operation agreement with ROSENERGOATOM, a Russian nuclear power generation group. We have included more information on these important new contracts in this newsletter.

Growth means new activities to be kicked off, developed, managed and controlled and all of this puts further requirements on our internal processes as well as on our external relations to partners, suppliers and customers.

Crucial in a growth process is to avoid harming the quality of your deliverables. Or rather: to ensure that the quality is constantly improved.

To help us manage the growth we have over the last few months spent a considerable effort on the further development and extension of our Quality Assurance System. Well defined processes enable us to deliver products and services in accordance with agreed quality standards and to carry out our work in an efficient way. Furthermore the system is an important tool for training of new employees and partners.

To further ensure that our quality processes live up to market standards we have decided to apply for an ISO 9000 approval and expect the formal certification process will begin this spring.

We hope and expect that this next, formal step in our growth process will be of full benefit to you, our customers, since this is our prime objective. Your opinion on our performance is also the background for our Customer Satisfaction Survey. Annually, we derive from a broad representation of our customers, their opinions on our performance. We can then follow the evaluation results in a structured manner. Late last year we carried out our 2005 survey and I am happy to share the results with you: The overall rating of our products and services as well as most of the deliverables, where we had asked for a more detailed feed back, had improved since 2004. And this is the path we aim to follow in the future.

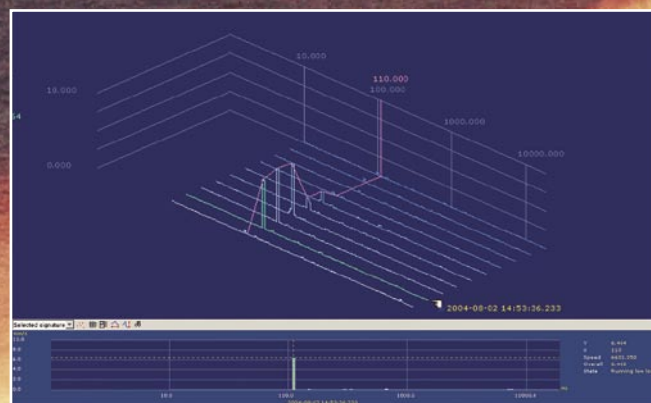
Thea Larsen

Reduce Operating Expenditure and increase revenue: Return of Investment in just 4 Hours!!

By John Lionel Dicom
Marketing Coordinator



Performance statistics from RDM module



Case study "Machine commissioning fault verified":
This 3D plot presents the data at startup and shows the improvement after the vendor corrected the problem

ROVSING Dynamics is making its presence recognized in the Oil & Gas industry in a big way. We have, in the last few months strengthened our research and marketing efforts towards this industry. This was due to a recent survey and data capture we had conducted which showed tremendous and justified potential for the OPENpredictor™ in this market, where the Return on investment was proven to be within a year. With the ever increasing high demands for Oil & Gas products, coupled with crude prices consistently being traded above USD60/barrel, Oil & Gas conglomerates have been very aggressive in developing more efficient production methods while carrying out exploration activities in the search for more reserves.

The OPENpredictor™ system has been proven to be a powerful tool in minimizing or avoiding downtime and this is crucial to the operation of Oil & Gas or petrochemical plants. By simply applying a low crude price of USD35 per barrel and an average production of 2000 barrels of oil per hour per machine train, the payback on our system occurs in less than 4 hours of saved downtime. We were shocked!

In our Oil & Gas campaign we now offer potential customers a free consultation on an individual business case to prove how our system can work at their plants. It is simply an input of actual historical data derived from the customer's database on a particular machine. This data is then simulated on our modules to illustrate what OPENpredictor™ would have shown if it had been installed during such a period and the corresponding saved downtime.

Flaring loss is a common though not very welcome sight during an unexpected downtime

Please request the reference brochure from our installation at BP Netherlands' North Sea Platform BP15D

ROVSING Dynamics receives first order in the Middle East from TAPCO

By Lennart Nejstgaard
Area Sales Manager

ROVSING Dynamics received in December 2005 an order from Taweelah Asia Power Company (TAPCO) for the Al Taweelah B plant in the United Arab Emirates. The order marks the first installation to be commenced in the Middle East.

The project company, Taweelah Asia Power Company (TAPCO) is owned 60% by Abu Dhabi Water & Electricity Authority (ADWEA) and 40% by an international consortium comprised of Marubeni Corporation and JGC Corporation of Japan, BTU Power Company of the USA and Powertek of Malaysia.

TAPCO took over effective ownership and operations of the existing Taweelah B plant, a 1070 MW and 92 MIGD (17 000 m³/h) power and water plant. The consortium will proceed to rehabilitate the plant, increasing power and water capacity, and to construct, own and operate a new 1,000 MW and 60 MIGD combined power plant, bringing the total capacity of the Taweelah B plant to approximately 2,000 MW and 160 MIGD.



Changing to Condition Based Monitoring

With the OPENpredictor™ installation, the operator of the plant, Asia Gulf Power Services (AGPS) will know the actual condition of the 18 critical brine recirculation pumps comprising the nine desalination units. By receiving automated warnings when faults are detected and prediction of the lead time to inspection, AGPS will get a powerful tool for overhaul planning. This will enable AGPS to timely focus on the machines that need maintenance.

OPENpredictor™ will be installed to perform online monitoring of the nine desalination units and offline monitoring of auxiliary pumps and fans and is expected to be fully operational by the spring of 2006.



Important milestone

An excited managing director, Ms. Thea Larsen says:

“The order with TAPCO is of high importance to both the customer and ROVSING Dynamics. TAPCO will have a state-of-the-art Condition and Performance Monitoring System, OPENpredictor™, installed to replace its existing offline monitoring system.

For ROVSING Dynamics, it proves that the cooperation between us and Marubeni Corp. is going into the next stage. The Al Taweelah B plant is highly recognized in the region and we have here an excellent reference installation. Because of this, we will have a solid springboard for our further marketing activities in the Middle East”.

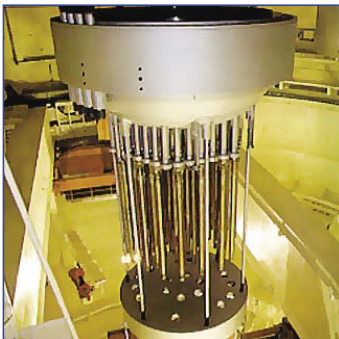
ROVSING Dynamics receives another order for the largest electricity producer in Russia

By John Lionel Dicom
Marketing Co-ordinator



In December 2005, ROVSING Dynamics received an order from DIAPROM (a Technical Research Institute) for the Balakovo Nuclear Power Plant in Russia. The order is a huge success for us as it is for the largest nuclear power plant company in the world, Rosenergoatom. Rosenergoatom operates all 10 state -owned Russian nuclear power plants with 31 generator units, totalling an installed capacity of 23,242 MW.

The Balakovo plant, the biggest electricity producer in Russia, is owned and operated by Rosenergoatom. The plant consists of 4 identical 1,000MW steam turbine generator units and hence with a total capacity of 4000MW. A 5th unit is currently under construction and commissioning is planned for 2010.



ROVSING Dynamics has been contracted to supply the OPENpredictor™ with the condition monitoring and AutoDiagnosis™ functionalities. The system is to provide for on-line monitoring of 7 machine trains per generation unit, i.e. 1 x Generator and Multi Stage Steam Turbine, 2 x Turbine Driven Feed Water Pumps and 4 x Main Recirculation Pumps. The project is planned to be delivered in 5 phases, starting with Technology Transfer (1st Phase) and installation of the OPENpredictor™ system for Unit 2 (2nd Phase) and thereafter for the remaining 3 generation units.

The pictures show the Balakovo Nuclear Power Plant

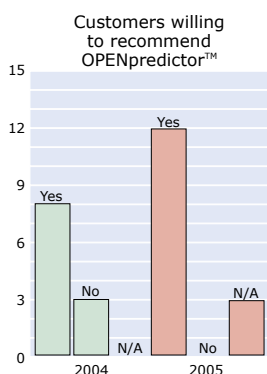
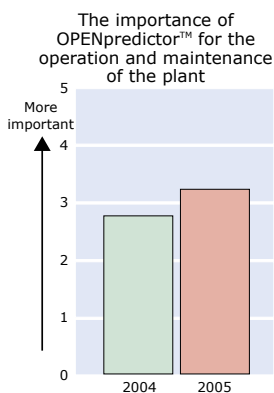
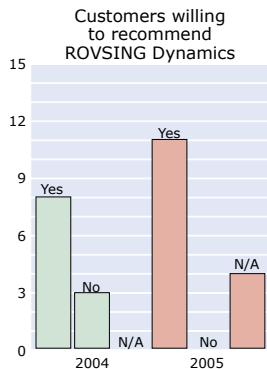
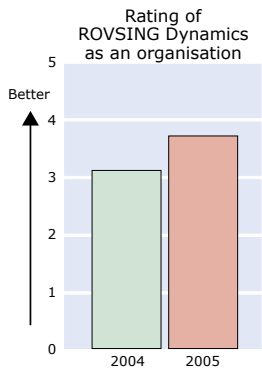
The contract was entered in line with Rosenergoatom's 'Decision On Modernisation', whereby Rosenergoatom is committed to increase the efficiency of its production and to save costs on maintenance activities. Therefore, the OPENpredictor™ technology became of great interest and demand.

Rosenergoatom is a federal unitary enterprise that was originally created as an association in 1992, when it inherited the responsibilities of Minatom's 27th directorate in overseeing the operation and construction of nuclear power plants.



By John Lionel Dicom
Marketing Co-ordinator

Increased Customer satisfaction



The annual customer satisfaction survey was conducted in December 2005, where we derived feedback from extensive and detailed interviews with our customers. The selection criteria for the respondents were based on user level, language and types of contracts. This was done to cover as broad a spectrum as possible in order to achieve feedback that would enable us to further enhance and improve our product and service offerings.

The feedback was very encouraging and helpful because:

- The overall rating increased from 3.1 in 2004 to 3.6 in 2005, where 1 is unacceptable and 5 is excellent. The highest rating being 4.6 and lowest being 2.9.
- The usage frequency of the system has drastically increased with 11 out of 15 customers using it on a daily/weekly basis and only 4 out of 15 using it monthly/rarely. Also the number of personnel in an organization, using the system has

increased from 2.3 to 2.6 persons, while personnel who know how to use the system increased from 4.6 to 5.5 persons.

- Our representatives have been considered as good experts, experienced and helpful.
- 7 customers are seriously considering outsourcing the daily surveillance to Rovsing Dynamics and we already have entered into 3 new service & support contracts.
- 12 out of 15 customers are prepared to recommend our products and services to others.
- The importance rating of the system to operation and maintenance of plants has risen from 2.8 to 3.2 (5 being that usage is critical)
- Firm and structured plans have been put in place to further improve our product and service offerings and operations in accordance with customer requests and feedback.



In a customer's control room during installation of the OPENpredictor™ system: the daily user being supervised by installation staff from ROVSING Dynamics at the RYA plant belonging to Göteborg Energy, Sweden.

Meet ROVSING Dynamics at important conferences and exhibitions in the winter and spring of 2006

Every year we are represented with a booth and/or a speaker at a number of important events within the oil & gas, power and marine industries.



European Power Symposium 2006

February 23-25, 2006 in Rome, Italy

A time-efficient forum at which delegates can select whom they wish to meet at one-to-one meetings. Its principal function is to bring buyers and sellers together at director level, and to offer them the opportunity to share knowledge, network and develop new partnerships.

Further info: www.epsforum.com/

To arrange a meeting at the symposium, please contact:
Thea Larsen (Managing Director) at +45 46 90 72 00;
e-mail: thl@rovsing-dynamics.com



6th China International Petroleum & Petrochemical Technology and Equipment Exhibition

April 3-5, 2006 in Beijing, China

Exhibition, with optional seminars. ROVSING Dynamics will hold a seminar.

To arrange a meeting at the exhibition please contact:
Lennart Nejstgaard (Regional Sales Manager, Asia)
Tel.: +45 2073 7930; e-mail: LNG@rovsing-dynamics.com



Offshore Technology Conference 2006

May 1-4, 2006 in Houston, Texas - USA

The world's largest Oil & Gas exhibition with 50.000 visitors from 110 countries to evaluate technology and make industry contacts.

To arrange a meeting at the exhibition please contact:
Anders Hasager (Chief Operations Officer, ROVSING Dynamics Inc.)
Tel.: +1 847 830 3040; e-mail: aha@rovsing-dynamics.com

Oil & Gas Expansion Congress

May 21-23 2006, Le Royal Meridien, Abu Dhabi, United Arab Emirates

This congress is focused on new critical technologies/techniques, and how to re-attain upstream strength. Delegates can select whom they wish to meet at one-to-one meetings. Its principal function is to bring buyers and sellers together at director level, and to offer them the opportunity to share knowledge, network and develop new partnerships.

To arrange a meeting at the congress, please contact:
Lasse Hansen (Vice President, Sales & Marketing) at +45 46 90 72 00;
e-mail: lha@rovsing-dynamics.com