

Ship Commissioning Ceremony Held to Officially Transfer US Navy Ship to Chile

VSE Corporation Leads Naval Ship Transfer and Repair Team (N*STAR)

ALEXANDRIA, Va.-- VSE Corporation (Nasdaq GS:VSEC) is pleased to announce that the Chilean National Flag was raised Wednesday (February 10) on the Chilean Navy's newly acquired oiler, AO 52 Almirante Montt. The ship, the former USNS Andrew J. Higgins (T-AO 190), was officially commissioned in a ceremony held pier side at Atlantic Marine's Shipyard in Mobile, Alabama.

"The country of Chile is very pleased to have a new oiler," said Chilean Ambassador Jose Mario Goni. "We take our cooperation with the United States very seriously and I want to thank everyone for a very professional, successful transfer and for making all this possible."

Almirante Montt will support the U.S. Navy fleet whenever the need arises by providing underway replenishment for ships operating in the southern pacific hemisphere for the next 10 years through a memorandum of understanding between the two Navies.

The ceremony was attended by 139 crew members and various Chilean and U.S. Navy officials to include: Chilean Ambassador Jose Mario Goni; Chilean Navy Vice Admiral Eduardo Junge (Director of General Services); Chilean Navy Rear Admiral Piero Fagandini (Chief of Naval Missions); Chilean Navy Rear Admiral Giancarlo Stagno (Director of Programs); U.S. Navy Rear Admiral Victor Guillory (Commander, U.S. Fourth Fleet); Rear Admiral Stephen Voetsch (Deputy Assistant Secretary of the U.S. Navy International Programs/Director, Navy International Programs Office) and Chilean Navy Captain Guillermo Gunckel (Commanding Officer of Almirante Montt). Local dignitaries from Mobile in attendance: Mayor Sam Jones, Chief of Police Lester Hargrove, Chamber of Commerce officials, and Archbishop Thomas J. Rodi who blessed and christened the ship.

District Directors for U.S. Senators Richard Shelby and Jeff Sessions were also on hand along with VSE CEO/President/COO Maurice "Mo" Gauthier who commented, "The commissioning of Almirante Montt was a magnificent ceremony marking an important milestone in the ship's reactivation and highlighting the outstanding teamwork between the Chilean Navy, U.S. Navy, and VSE's N*STAR teammates." VSE has been Naval Sea System Command's prime contractor for the Navy's ship Foreign Military Sales Program since it was initially outsourced in 1995.

Chilean Vice Admiral Junge commented, "The crew is excited to man the ship and this acquisition is very important for our Navy. We are very pleased with the perfect support of

the U.S. Navy, VSE and Atlantic Marine who were here to assist and bring the ship to life. "

The ship was towed from Suisun Bay (near San Francisco) arriving in Mobile November 2. The shipyard and VSE technical representatives reactivated the equipment and in some cases replaced equipment to make the ship safe to sail. The VSE N*STAR team taught the crew how to operate and maintain all shipboard equipment and systems. The crew also received hands-on-training by repairing/replacing equipment, including shipboard damage control systems.

"This is my first official day as commanding officer and on behalf of all the officers and crew of the Almirante Montt--it is a tremendous milestone in our lives and careers. I think this will be my last ship command, so it is very emotional," said Chilean Navy Captain Gunckel. After the ceremony, Captain Gunckel personally welcomed aboard every member of his crew.

During the ceremony, crew members sang the Chilean national anthem while raising their country's flag above the 677-foot-long/97.5-foot wide Almirante Montt that has a maximum speed of 20 knots (24 mph). She has a cargo capacity of 180,000 barrels of oil.

U.S. Navy 4th Fleet Commander Rear Admiral Guillory said the transfer of the ship is a win for both countries. "I think it gives Chile's Navy tremendous capability, not only in replenishing their ships, but also in their ability to do humanitarian disaster relief and other events that occur in this region of the world."

USNS Andrew J. Higgins was commissioned a U.S. Navy ship in October 1987. While in service she was operated by Military Sealift Command (MSC) and supported U.S. Navy ships in the Pacific, Persian Gulf and Indian Ocean.

First phase of the reactivation work is expected to be completed in early March. After sea worthiness trials are accomplished, the ship will begin her voyage to Chile. Upon arrival at the ASMAR Shipyard in Chile, the second phase of work will begin to activate the underway replenishment equipment to permit the transfer of fuel to other ships at sea. Upon completion of the second phase of work, Almirante Montt will replace the replenishment ship AO 51 Arauncano.

About VSE N*STAR Team

The VSE N*STAR team provides full life-cycle support, not only to ex-U.S. Navy ships and systems transferred to foreign clients, but also to the foreign clients' indigenously acquired ships and systems. In addition to extensive industrial capability in Hull, Mechanical and Electrical systems, the VSE N*STAR Team brings to its client the industry leaders in Complex Systems Integration, Combat Systems repair and modernization, and overseas logistics support.

For more information about VSE's N*STAR team please see the VSE Corporation website at www.vsecorp.com or contact Donald Babcock at (703) 329-4683.

About VSE

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2009 and is dedicated to making our clients successful by delivering talented people and innovative solutions for program management, logistics, engineering, IT services, construction program management and consulting. For additional information on VSE services and products, please see our web site at www.vsecorp.com or contact Randy Hollstein, Corporate Vice President of Sales and Marketing, at (703) 329-3206.

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Source: VSE Corporation