

November 14, 2003

CONFIDENTIAL

Mr. Danny Wase
Director
Marshall Islands Marine Resources Authority

Dear Mr. Wase:

In planning our audit of the financial statements of the Marshall Islands Marine Resources Authority (MIMRA) as of and for the year ended September 30, 2003, on which we have issued our report dated November 14, 2003, we developed the following recommendations concerning certain matters related to MIMRA's internal control. Our principal recommendations are summarized below:

(1) Compensated Absences

As of September 30, 2003, MIMRA does not have an established limit for sick leave accrual. We recommend that MIMRA establish a maximum limit for which sick leave hours can be accrued. This matter was discussed in our previous letters dated May 28, 2003, March 19, 2002 and December 19, 2001.

(2) Receivable from Affiliates

At September 30, 2003, MIMRA recorded an advance of \$423,288 due from the government of the Republic of the Marshall Islands (RepMar). This advance was authorized pursuant to RepMar Cabinet Minute C.M. 188(2000) and is supported by a promissory note which specifies terms and conditions of the advance. The promissory note stated that payment to MIMRA was due on September 20, 2001 and that 16% and 24% interest and penalty shall apply if the loan remains unpaid at due date. As of November 14, 2003, MIMRA has not been reimbursed for this advance. Accordingly, \$423,288 has been recorded in the allowance for doubtful accounts. We recommend that MIMRA consider applying the \$423,288 to future transfers with RepMar. This matter was discussed in our previous letter dated May 28, 2003.

(3) Minutes of Meetings

The Board of Directors' minutes of meetings #s 03/03 through 08/03 were not signed by the Secretary and the Chairman of the Board. We recommend that MIMRA ensure that minutes are signed in a timely manner by the Secretary and the Chairman of the Board. This matter was discussed in our previous letter dated May 28, 2003.

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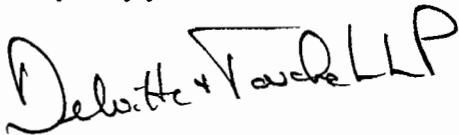
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We have also communicated certain matters noted during our audit of the financial statements of MIMRA for the year ended September 30, 2003, which we considered to be reportable conditions in our report dated November 14, 2003.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank the accounting staff and management for their assistance during the course of our engagement. Should you have any questions regarding the matters discussed herein, please contact our office at your convenience.

Very truly yours,

Deloitte + Touche LLP