

Tex-Tube Completes Multi-Million Dollar Mill Upgrade

Improving Production Capabilities

We have recently completed a multi-million dollar upgrade to our Houston steel mill where improvements have been made in both our API line and standard pipe products.

Over five million dollars have been invested in production line enhancements that include a new line saw, new bevellers, new hydrostatic testers and additional ultrasonic testing equipment used to test the material after it is hydrotested. These improvements represent a significant upgrade to line pipe production operations and capabilities.

Other additions to the plant include the capability to produce triple random length material that is required in some markets. Changes and upgrades have also been made in lacquer application to standard pipe -- resulting in a higher quality finish on all standard pipe products.

Tex-Tube now has a complete in-line package for standard pipe. With the completion of the upgrade, the mill now meets all requirements requested by standard pipe customers.

We anticipate that the production capabilities and quality of product produced out of the newly upgraded mill will attract a wider base of customers. Oil companies as well as line pipe operators now have a new source of quality line pipe.

Our current customers as well as prospective customers can be confident that Tex-Tube's API Line Pipe and Casing is produced to stringent specifications and quality standards for the oil and gas industry.

