EUROPIPE



The World of EUROPIPE

VISION, MISSION & COMPANY TARGETS

The EUROPIPE Group has a clear and focussed strategic framework, which is guiding the Group into the future.

Vision

One of the key requirements of a prosperous civilisation is ready access to energy and water, wherever this is required. The most secure and economic way to transport these essential commodities is by pipeline. The EUROPIPE Group strives to transform this vision into reality.

Mission

The EUROPIPE Group aims to expand upon its leading role as a manufacturer of large-diameter pipe and supplier of connected services offering:

- for customers:
  - minimal pipeline lifecycle costs
  - minimal transportation costs
- for employees:
  - stable, secure workplaces with attractive individual development
  - optimal occupational health and safety

Company targets

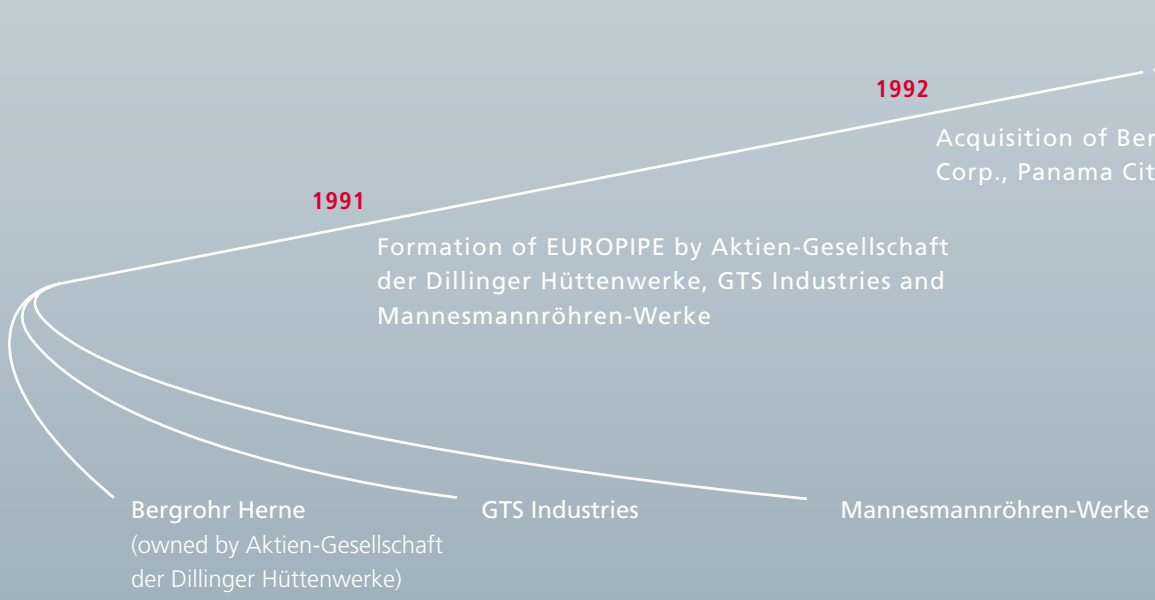
- Highly qualified and competent teams
- A high level of flexibility for customer demands
- Manufacturing locations in the main geographical markets
- A greater share of services
- Minimal transformation costs with premium quality
- A continuous development of processes and products
- Secure pre-material supply with competitive prices
- Secure basic loading for all mills
- A premium image with customers and society as a whole
- First in volume and turnover with sustainable results and safeguarding of liquidity

HISTORY

EUROPIPE was founded in 1991 by the merger of the large-diameter pipe activities of Aktien-Gesellschaft der Dillinger Hüttenwerke, GTS Industries and Mannesmannröhren-Werke. Since then, EUROPIPE has been the market leader in the large-diameter pipe industry.
The Group was significantly expanded in 1992 with the acquisition of Berg Steel Pipe Corp., USA.
As a result, we are able to locally supply large-diameter pipes in the most important pipeline markets.

Today the Group manufactures longitudinally and helically submerged arc welded pipes in four locations around the world. Since 1991 we have produced more than 18 million tonnes of large-diameter pipes.

Pipelines are generally becoming longer and must sustain higher operating pressures. Higher-strength steel pipes, generally with the current steel grade standard X80, are a solution



to the challenges presented by these types of pipelines. The EUROPIPE Group supplied the pipes for the first pipeline made of the steel grade X80. We are proud to have the largest installed base of X80 pipelines, using this material that is so demanding.

Ever more gas fields are being developed that contain high amounts of sour gas. With more than 3 million tonnes, we are the leading supplier of sour service pipes.

EUROPIPE

2008

BSPM spiral pipe mill in
Mobile, AL, USA, starts production

2005

EUROPIPE headquarters moves to
Mülheim an der Ruhr, Germany

MILESTONES IN THE EUROPIPE GROUP'S HISTORY

LONGITUDINALLY SUBMERGED ARC WELDED PIPES

Longitudinally submerged arc welded pipes (LSAW) form the majority of our pipe production. Using steel plates as the key input factor, the plates are produced by suppliers according to the exact specifications of the EUROPIPE Group. They are formed into a pipe, welded by submerged arc welding and then mechanically expanded into their final shape.

The EUROPIPE Group has two manufacturing systems for the conversion of steel plates into high-quality LSAW pipes. One is the UOE process, which is used in the 18-metre production line at our Mülheim mill, and in Dunkerque, France. The other is the three-roll bending (3RB) process, which is used in the EUROPIPE Group's Panama City, FL mill and the 12-metre line of our Mülheim mill.

We produce LSAW pipes with outside diameters of between 508 mm and 1,524 mm (20" and 60") and with a wall thickness from 7 mm to 45 mm (0.276" to 1.772").

Our pipes are mostly used in extreme applications such as deep sea, arctic cold, desert heat or for transporting aggressive media.

Other dimensions and products for oil and gas line pipes are available on request.

HELICALLY SUBMERGED ARC WELDED PIPES

Helically submerged arc welded pipes (HSAW) are manufactured at the EUROPIPE Group mills in Mobile, AL, USA. They are produced using hot strips as the key input factor. In this process a continuous spiral pipe is formed, then welded and cut to the required length of up to 24 metres.

We produce HSAW pipes with outside diameters of between 610 mm and 1,422 mm (24" and 56") and wall thicknesses from 8 mm to 20 mm (0.315" to 0.787") and higher, depending on the pre-material.

Other dimensions and products for oil and gas line pipes are available on request.

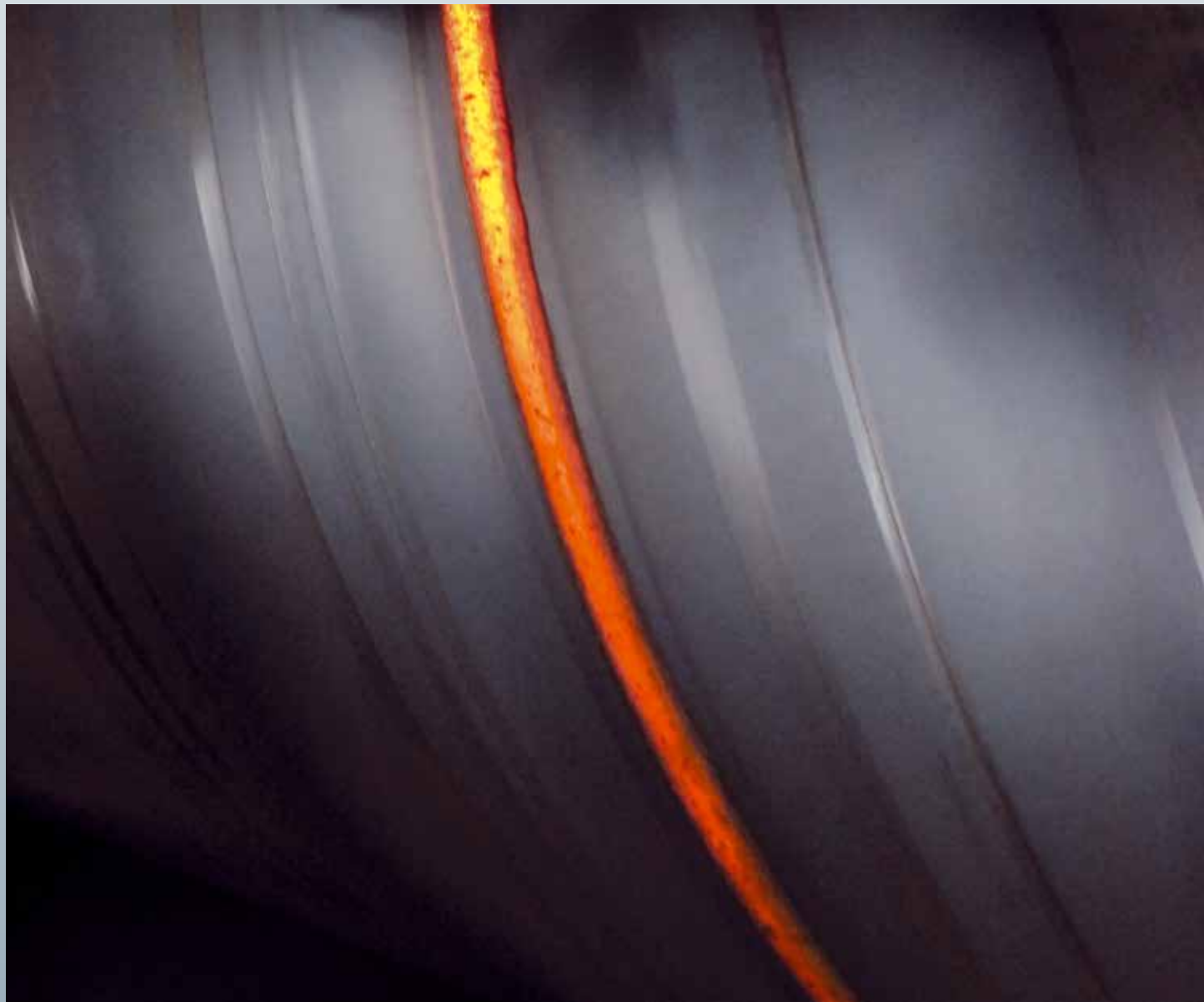
We produce our HSAW pipes using HTS technology, a two-step manufacturing process.

In the first step of the HTS process a pipe is formed with continuous tack welding. Then the internal and external submerged arc welding takes place at three separate welding stations.

This enables us, even without cold expansion, to achieve the highest requirements and tightest tolerances with respect to:

- straightness
- roundness
- accuracy of diameter.

These pipes are used in applications ranging from the transport of fluids such as oil and water to natural gas and civil engineering.



MARKETS

Offshore pipelines

Offshore pipelines have certain characteristics. They have to have great external pressure resistance for deep-sea applications. The highest quality is required as, after laying, access to the pipeline is limited.

The EUROPIPE Group has supplied the pipes for the most demanding offshore projects ever built, like the Nord Stream I&II, Langeled and Gulfstream pipelines. In total, more than 10,000 km (> 5 million tonnes) of pipes from the EUROPIPE Group have been laid in the world's oceans.

The requirements on pipes in the long-distance transportation of energy carriers have changed dramatically. Offshore pipelines are being laid at ever increasing depths, therefore experiencing increased external pressure. The key to success in this market is therefore the ability to control the collapse resistance of a pipe.

We have adapted to all these challenges. In the process, we have had some noticeable technological breakthroughs in terms of materials, production technology and quality assurance.

Onshore pipelines

Onshore pipelines form the bulk of pipeline projects. They are mainly used for gas but can transport fluids like oil and water as well. They can also transport corrosive media like sour gas or hydrocarbons from regions with extreme climatic environments such as deserts or the Arctic.

The EUROPIPE Group has delivered more than 20,000 km (> 9 million tonnes) of onshore pipes for some of the most challenging projects, like the Jamal pipeline, for example. Success factors in this market are having manufacturing capacity for large projects and increasingly the ability to handle high-strength steel, in the grades X80, X100 and higher, for high-pressure pipelines.

High-strength X80 or X100 steel reduces weight and allows an increase in operating pressure. We have produced more than 1,000 km (> 600,000 tonnes) of X80 pipe and lead the field in the development and production of grade X100 and above.







Sour service pipelines

Sour service pipelines transport natural gas containing corrosion-promoting ingredients such as H_2S. These pipes must have a maximum resistance to hydrogen-induced cracking (HIC). Sour gas wells form a significant part of newly discovered wells and have therefore become more common. The EUROPIPE Group has a long history of producing pipes with the required HIC resistance. More than 7,000 km (> 3 million tonnes) of pipes for sour gas or sour oil have been produced.

Arctic-grade pipelines

The Arctic region, with its large untapped oil and gas deposits and extreme climatic conditions, is widely predicted to develop into one of the major hydrocarbon supply regions. The challenges in this region are manifold and unique in their nature, with temperatures of 50 °C below zero, almost non-existent logistical infrastructures and short laying seasons. The large-diameter pipe is a key factor in determining the success of developments in this part of the world. The main challenges relate to the material properties, which the EUROPIPE Group has been mastering for decades.

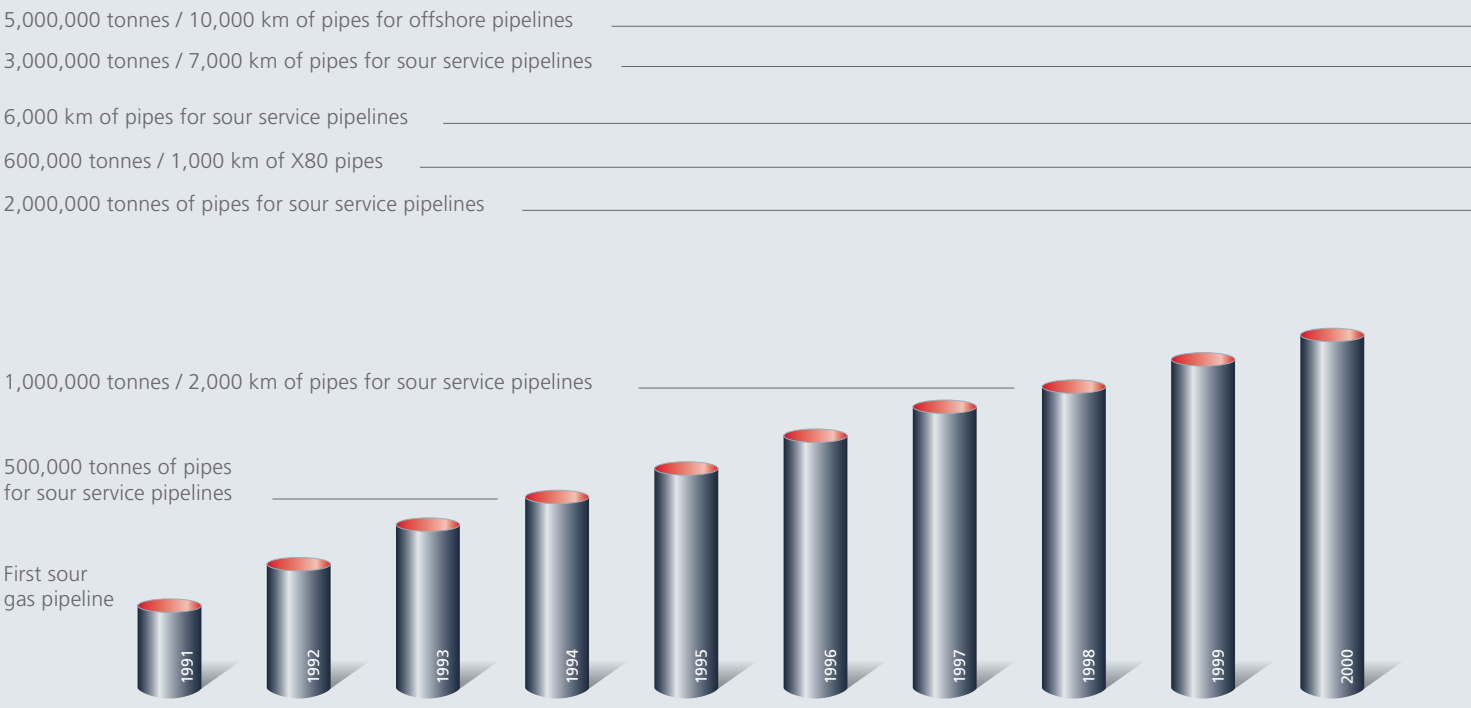
MARKETS

Optimising pipelines
This product range has been developed for the localised gas storage requirements of clients in the power station sector. Optimising pipelines are suited for the short-term storage of gas in small and medium-sized quantities to buffer the consumption of natural gas in local distribution networks. The technical specifications are demanding, i. e. large diameter and pipe lengths of up to 18 metres. The EUROPIPE Group is your experienced partner in this field.

Tendoner for tension leg platform (TLP)
Pipes connect the topsides of a TLP with the sea floor. The buoyancy of the platform puts constant stress on the pipes and exposes them to fatigue.

Pipes for tension legs are therefore one of the most safety-critical components of this type of platform.
Due to the combination of very heavy wall thicknesses, high toughness levels of the material and extremely tight tolerances for wall thickness, diameter, ovality and straightness, EUROPIPE, as one of only two mills worldwide, has officially been approved to supply this type of pipe.
The EUROPIPE Group delivered the pipes for tension legs on both the Magnolia and Big Foot projects in the Gulf of Mexico. The pipes on the latter project can be used at a water depth of approx. 1,600 metres (5,300 ft), the deepest water ever for a TLP.

CUMULATIVE PIPE PRODUCTION IN TONNES AND LANDMARK PRODUCTION EVENTS



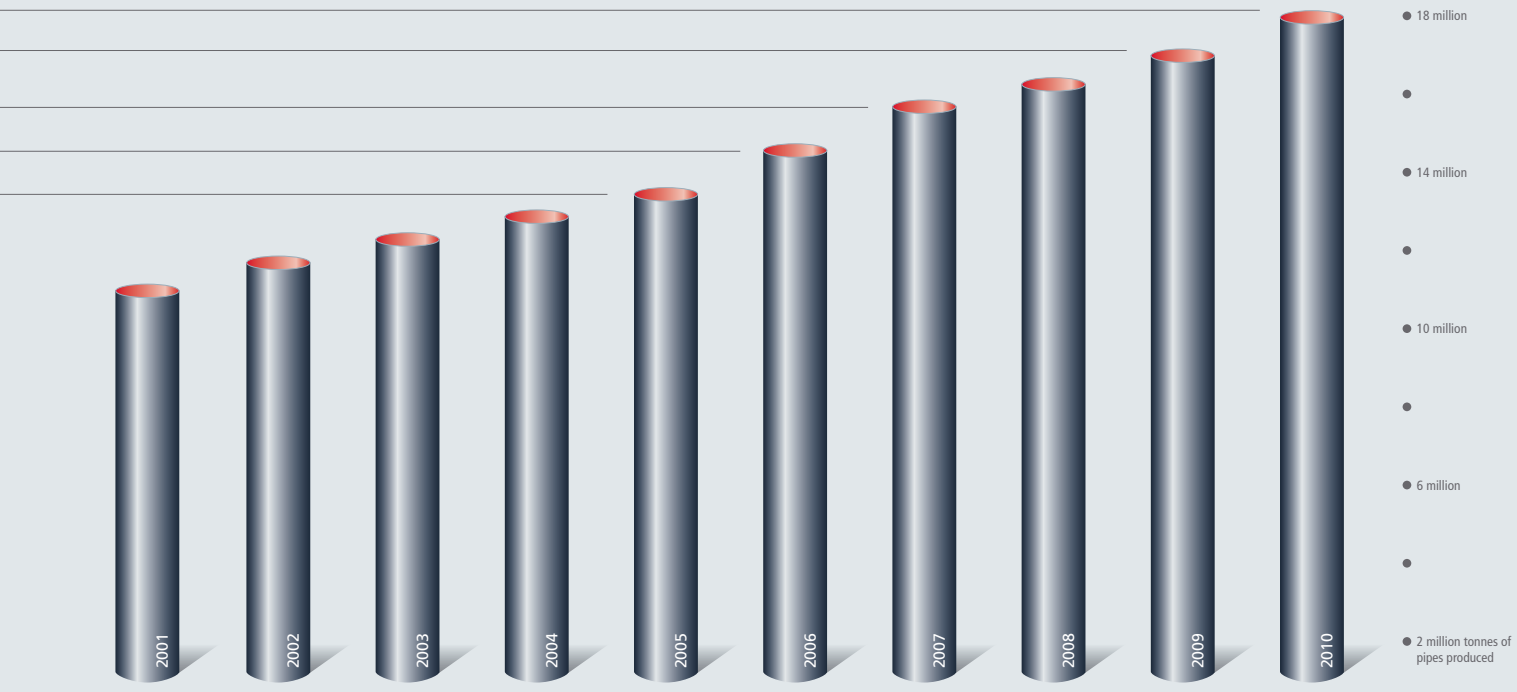
Special applications

Large-diameter pipes have been used in civil engineering for a long time. The EUROPIPE Group supplies these products from our European and North American mills.

- EUROPIPE developed pipe cylinders for the Knutsen OAS Shipping CNG technology known as PNG® (Pressurized Natural Gas). Higher-strength, fatigue resistant Hifa Pipes® enable the storage of natural gas on ships at a pressure of 250 bars at ambient temperatures during transportation.
- EUROPIPE worked together with WeserWind Offshore Georgsmarienhütte to establish the large-scale production of fatigue resistant jacket foundations for offshore wind energy farms based on pipes with very tight tolerances.
- EUROPIPE designed and achieved permits to use higher-strength material pipes for civil engineering applications such as roof constructions and column systems in stadiums and exhibition buildings.

Distributor pipes

High-quality surplus pipes from the EUROPIPE Group are appreciated in the distributor market. In addition, our 12-metre three-roll bending lines in Germany and the USA offer a high degree of flexibility for serving small-lot projects, pipe distributors and stock holders.



COMMUNICATING FOR SUCCESS

Our employees give us our main competitive edge. While the founders of the EUROPIPE Group wrote history with their pioneering work, this success story is being continued today through a team of highly motivated staff who greatly identify with the vision, mission and targets of the entire Group.

Our success is based on a simple principle: communicating openly and thinking ahead. Each and every one of our employees is committed to the philosophy of anticipating customer needs in order to make our products, processes and services even better. Our short lines of communication and our ability to think ahead enables us to deliver top performance in every challenge we approach. This is especially true for products the quality of which has determined our market for many years.

Through qualified advanced training and specialisation, among other things, we enable our staff actively to share in our total productive management and employee suggestion

system. Thanks to the creativity and the solution-orientated approach of our staff, the EUROPIPE Group is continuously achieving improvements in all processes – resulting in innovations and savings benefitting everyone involved, everywhere.

FROM INDIVIDUAL PLANNING TO PERFECT COMPLETION

Pipelines have become significantly longer and more complex in terms of technology and logistics. This has created a new class of pipeline projects, namely projects of the ultra-large class. The requirements of these types of projects play to the strengths of the EUROPIPE Group. We sell not only large-diameter pipes, but also service-ready pipes, and always at the right time, in the right place, no matter what the size of the projects or the technological and logistical challenges. More than one third of the 18 million tonnes that we have produced since 1991 have been for just 10 ultra-large projects.

Ultra-large projects need first and foremost a pipe supplier who listens with concentration and carefully to the client's requirements. Our pre-sales team is focussed on proactively helping our clients to find the right pipe solution for their projects.

From day one of a project, our clients have a single point of contact for all their questions regarding materials, technology and logistics. We combine this with a comprehensive pool of knowledge of all the steps in the production chain, from steel-making and plate manufacturing to pipe production, coating and transport.

We provide reserve capacity for other projects, even when producing or coating pipes for an ultra-large project. As the same high quality standards apply to all of the Group's pipe mills, it is even possible to share production between the manufacturing facilities. We demonstrated this during the Gulfstream project, in which we supplied

1,600,
2008
Nord

221,000 t
1993
Europipe Development

227,000 t
1998
Asgard Development

630,000 t
2004 – 2006
Langeled

286,000 t
1991 – 1996
Zeepipe

350,000 t
2010 – 2011
NEL

WE SELL MORE THAN PIPE

nearly 490,000 tonnes (> 1,000 km) of pipe in a record time of seven months from three of the Group's pipe mills.

Manufacturing a large number of pipes in a short period of time, as we did with the Nord Stream project, places a considerable strain on equipment, personnel and processes. The production systems of the EUROPIPE Group have been built to withstand strains of this magnitude and beyond. Pipe walls are getting thicker and steel is required to have an ultra-high strength. We are ready for the challenges that these demanding materials will bring. Our performance reserves are large enough to deal with pipe requirements that as yet do not even exist. Take the powerful new crimping press located at the Group's mill in Mülheim, for example; it can bend X80-grade steel plates measuring up to 50 mm thickness.
Capacity and performance reserves have been built into the coating mills of the Group as well. Every client can therefore be confident of receiving world-class coating quality from EUROPIPE, no matter what the size of the project.

The ability to deliver a service-ready pipe provides our customers with another significant advantage, a single-source logistics service. The logistics experts of the EUROPIPE Group specialise in handling ultra-large projects with tight deadlines and complex requirements.

We have received particular recognition for the level of detail and structure in our documentation. The clarity of our documentation for us mirrors the open manner with which we make ourselves available to our customers when they have queries. With our data transfer system we support the quality management of our clients.

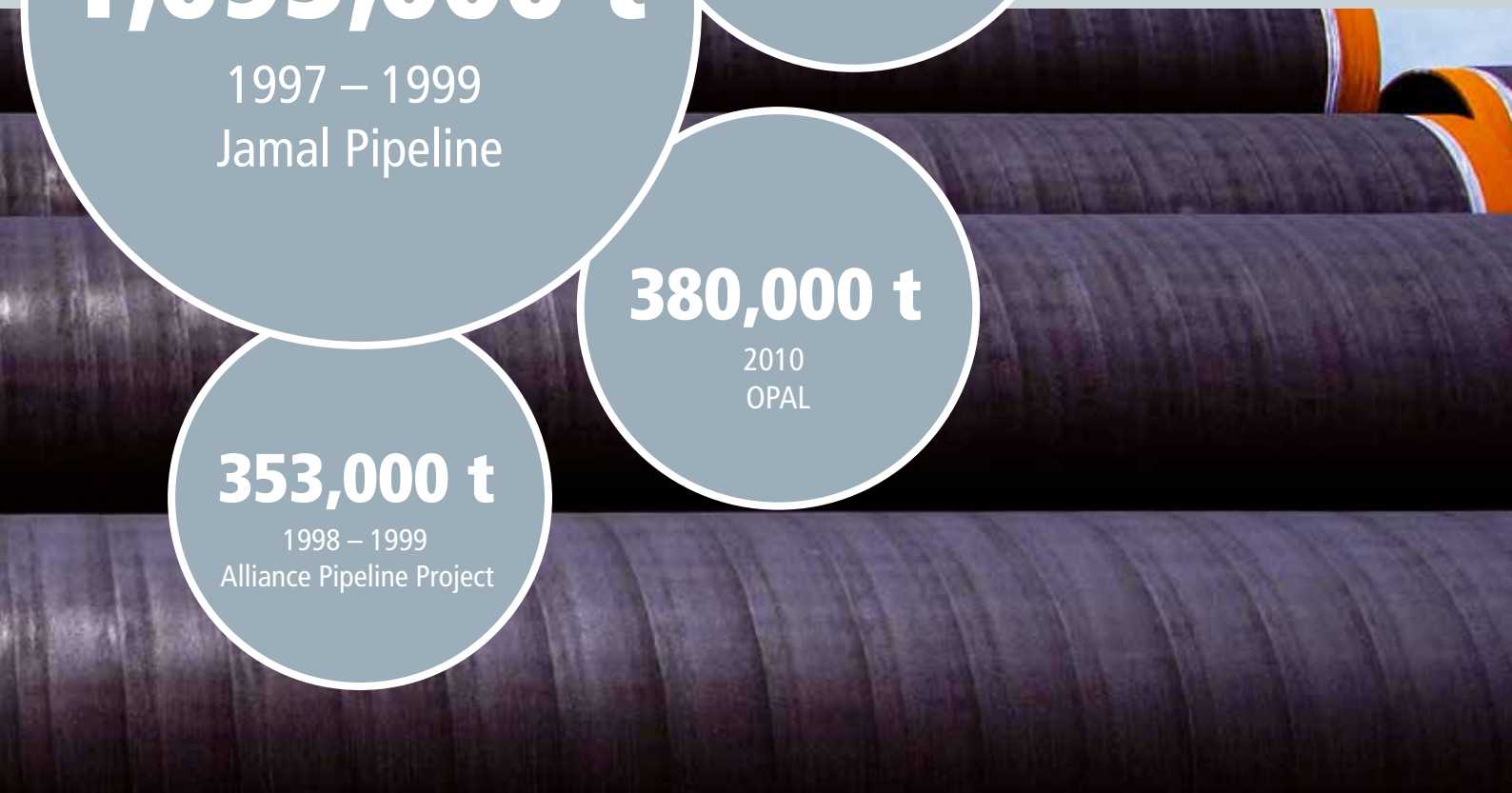
,000 t
– 2011
Stream I & II

1,095,000 t
1997 – 1999
Jamal Pipeline

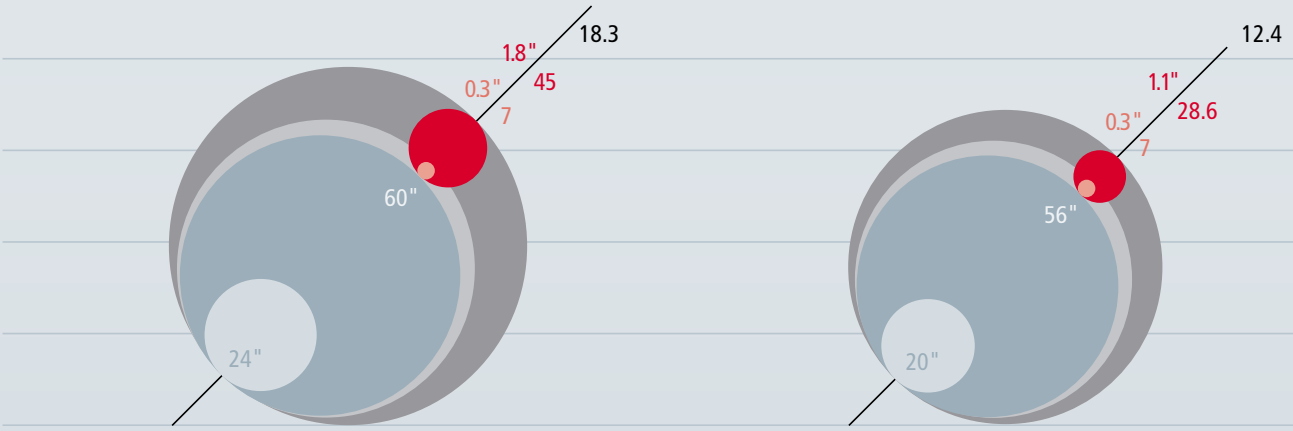
442,000 t
2001
Gulfstream

380,000 t
2010
OPAL

353,000 t
1998 – 1999
Alliance Pipeline Project



PRODUCTION RANGE



EUROPIPE Mülheim

EUROPIPE Dunkerque

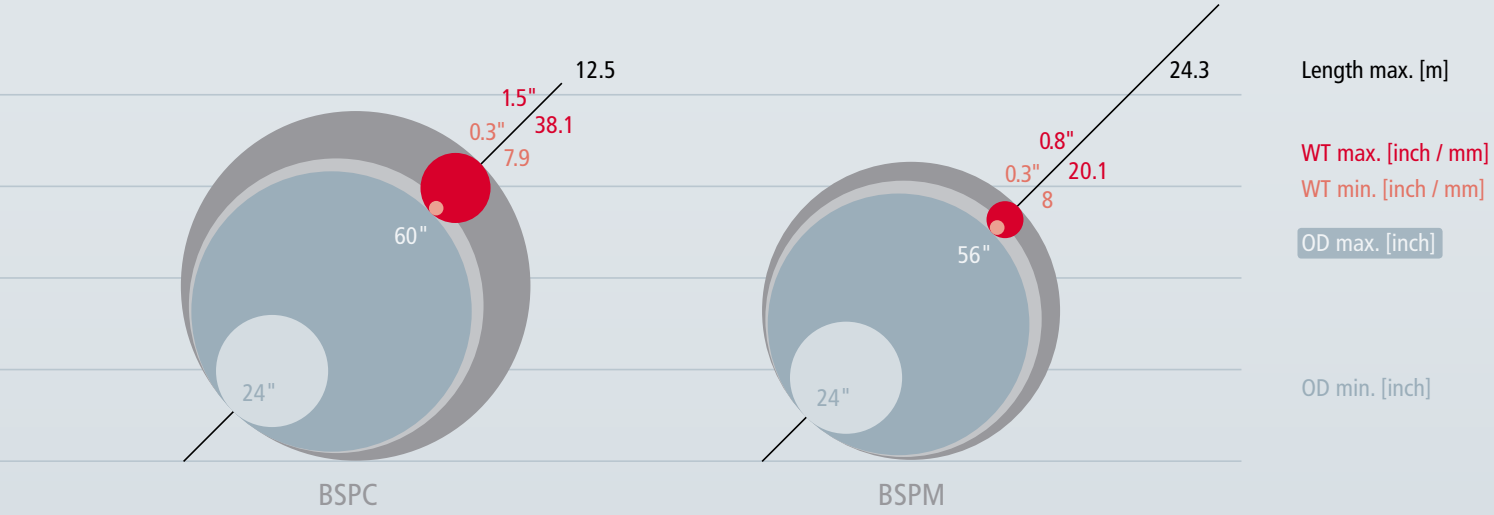
COMPANIES

The EUROPIPE Group and its predecessor companies have more than a hundred years of global pipeline business experience.
The oil and gas industry has changed dramatically – we have acted accordingly.
Today we operate from a global structure of production and sales facilities in Europe and North America. With this structure we can locally deliver large-diameter pipes to hydrocarbon supply regions which hold more than 93 % of proven gas reserves and 97 % of oil reserves.

EUROPIPE GmbH – Headquarters of the EUROPIPE Group, Mülheim an der Ruhr, Germany
This is the administrative centre of our Group. The Management Board is located here and all financial, controlling, treasury and risk management functions, as well as quality management matters are coordinated from Mülheim.
In addition, the sales, project and R&D management functions are based here at the headquarters.

EUROPIPE GmbH, Mülheim an der Ruhr, Germany
This pipe mill is an LSAW facility with the largest production capacity worldwide. Fully utilised, the facility has a bigger output than the combined global large-diameter pipe capacity of our largest competitor. It is also the most productive mill by far.
In addition, the 12-metre line with its high flexibility serves the small-lot market. MÜLHEIM PIPECOATINGS (MPC) is located in the immediate vicinity. With over 4.5 million square metres of inside and outside coating capacity annually, this facility is the largest of its kind in our industry, matching the capacity of the large-diameter pipe mill next door.

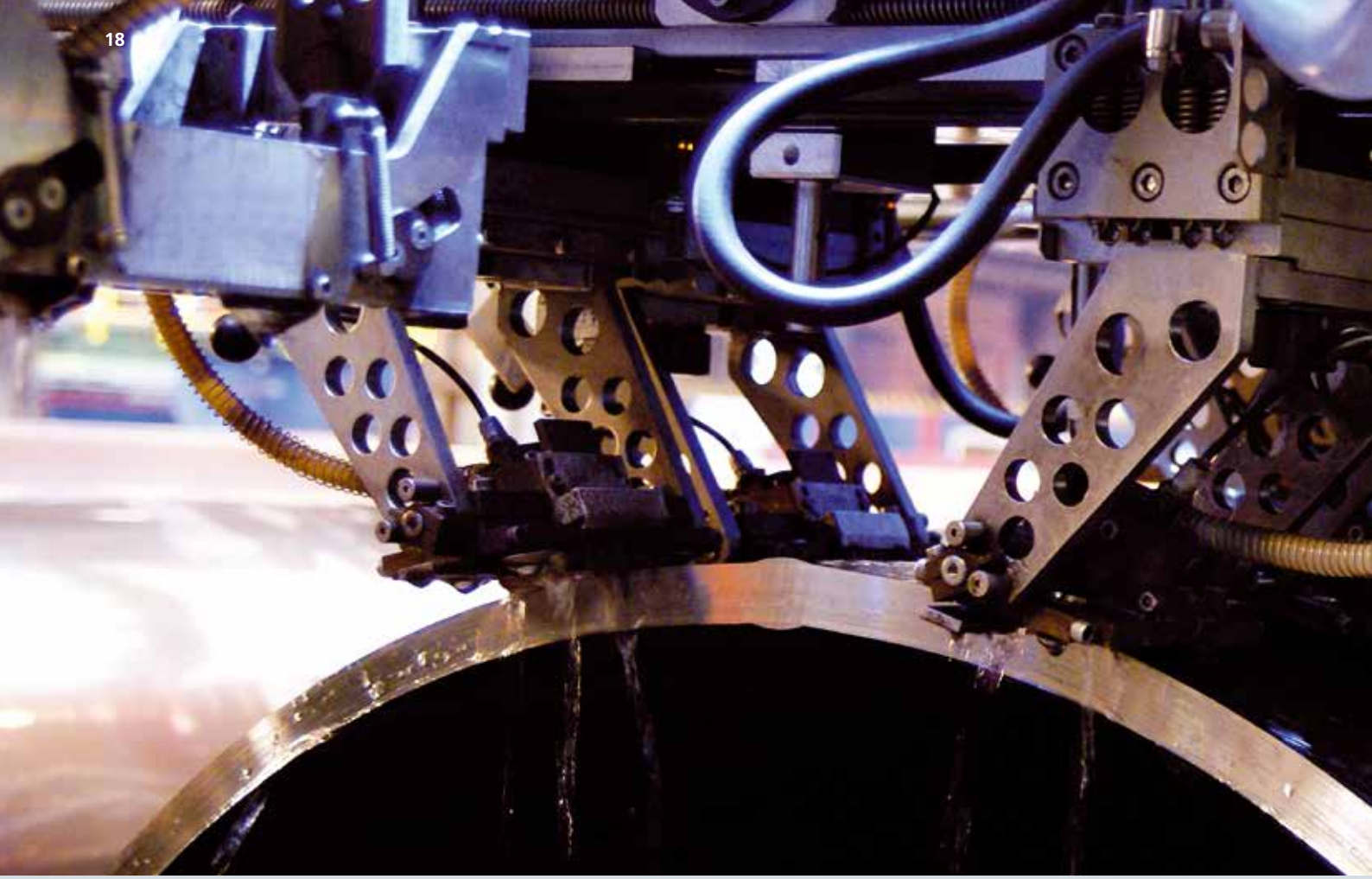
EUROPIPE France S.A., Dunkerque, France
The second European LSAW pipe mill is located on the North Sea coast with easy access to the world's major waterways. It is supplied by the nearby Dillinger Hütte GTS plate mill and has a coating partner nearby.



BERG EUROPIPE Corp. (BEC), Houston, TX, USA
BEC is responsible for all sales and marketing activity in the USA, Canada, Central America and South America. BEC ensures that all companies of the EUROPIPE Group are successfully represented in this region.

Berg Steel Pipe Corp. (BSPC), Panama City, FL, USA
This LSAW pipe mill was set up in 1979 by one of our predecessor companies on the coast of the Gulf of Mexico. With its adjacent coating plant, BSPC is considered the market leader in North America and has been successfully serving the large-diameter pipe market for over 30 years.

Berg Spiral Pipe Corp. (BSPM), Mobile, AL, USA
The newest mill in the Group started production in 2008 and supplies helically submerged arc welded large-diameter pipes in lengths of up to 24.3 m (80 ft). BSPM is strategically located to efficiently produce and ship pipe for the onshore gas and oil transmission companies.



TECHNOLOGY

All of our employees and partners work hard every day to keep the EUROPIPE Group's technology leadership in the large-diameter pipe industry. We have achieved this position by setting up and fine-tuning a complex system of man, material and machinery. The close integration of all relevant steps in the value chain, from steel-making to plate-rolling, pipe production and coating, is the base of our success.
All participants in this symphony know their roles and responsibilities on every note.

Pre-material
One of the factors determining the quality of steel pipes is the material used in the manufacturing process, steel plates and steel coils.
All our pre-material suppliers are audited according to the most common international standards. In addition, the EUROPIPE Group conducts yearly audits of all its relevant suppliers with much stricter demands.
The key to superior pre-material, however, is the ability to translate customer requirements into detailed pre-material specifications. This means exactly understanding all the factors that might influence the pipeline during the laying process and the operating time – and the transported medium.

Production

The EUROPIPE Group's production systems are the result of continuous process improvement. The basic production methods in the large-diameter pipe industry have not changed over the last 40 years. The key differentiator is the combination of machinery, automation, systems control and integration and, above all, the people operating the systems.

The EUROPIPE Group annually invests significant funds to upgrade its pipe mills and we are proud to have the most productive and cutting-edge manufacturing facilities in the industry.

Coating

The coating protects our pipes against corrosion and mechanical damage. The lining effectively improves the flow of the transported medium.

All our four pipe mills worldwide have either an integrated coating plant or a trusted coating partner in their direct vicinity. They are all sized to match the capacity of their respective local Group manufacturing facilities.

MÜLHEIM PIPECOATINGS is the technical coating centre of excellence for the Group.

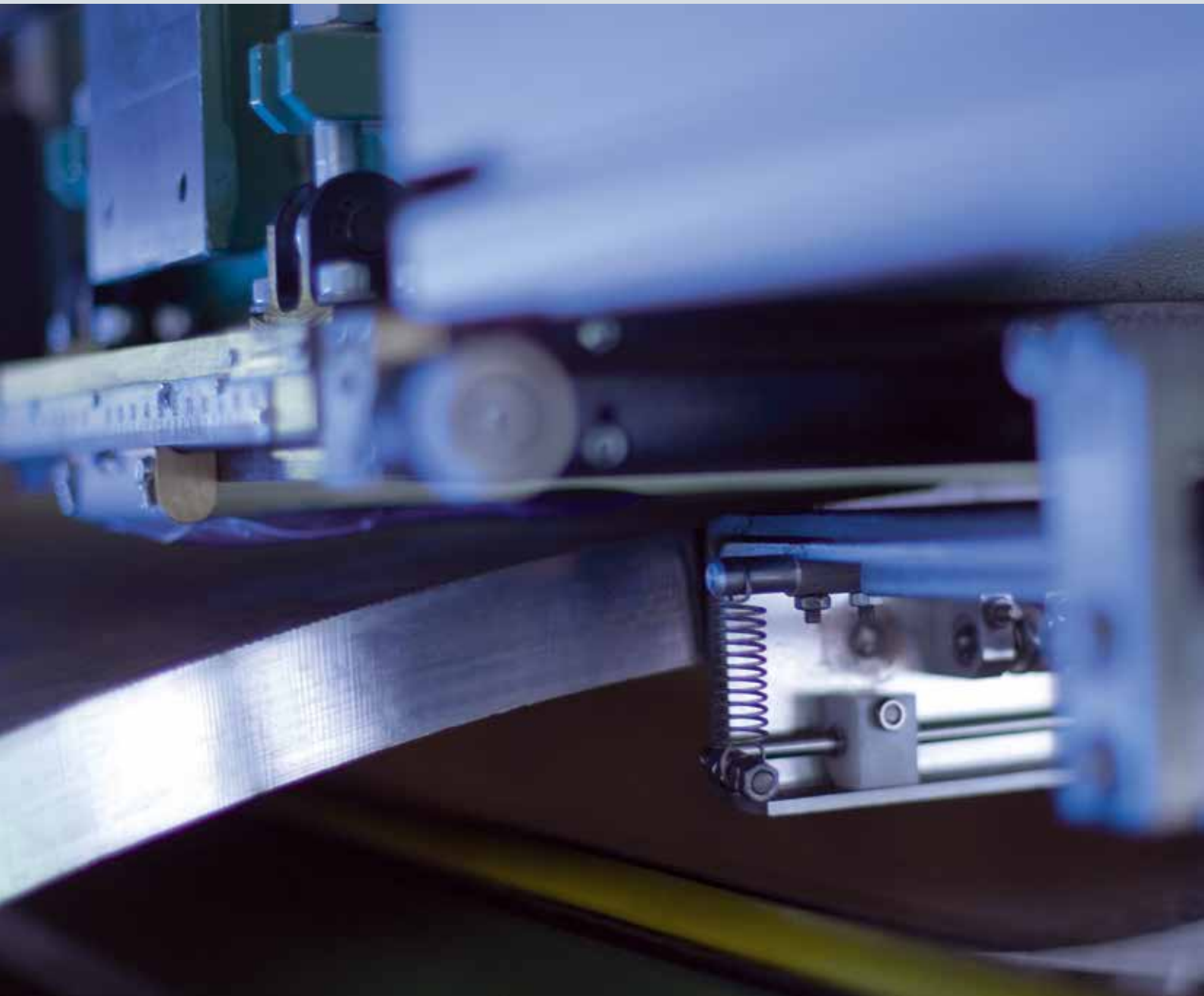
TECHNOLOGY

Quality assurance

More than half of the production steps are related to quality control. All EUROPIPE Group facilities are equipped with state-of-the-art technology to capture, transmit, archive and evaluate all relevant quality data. The same goes for our suppliers as well – every step in the production process is tracked, from the molten metal to the finished pipe on site.
Our innovative quality systems make our leadership in quality and performance possible.

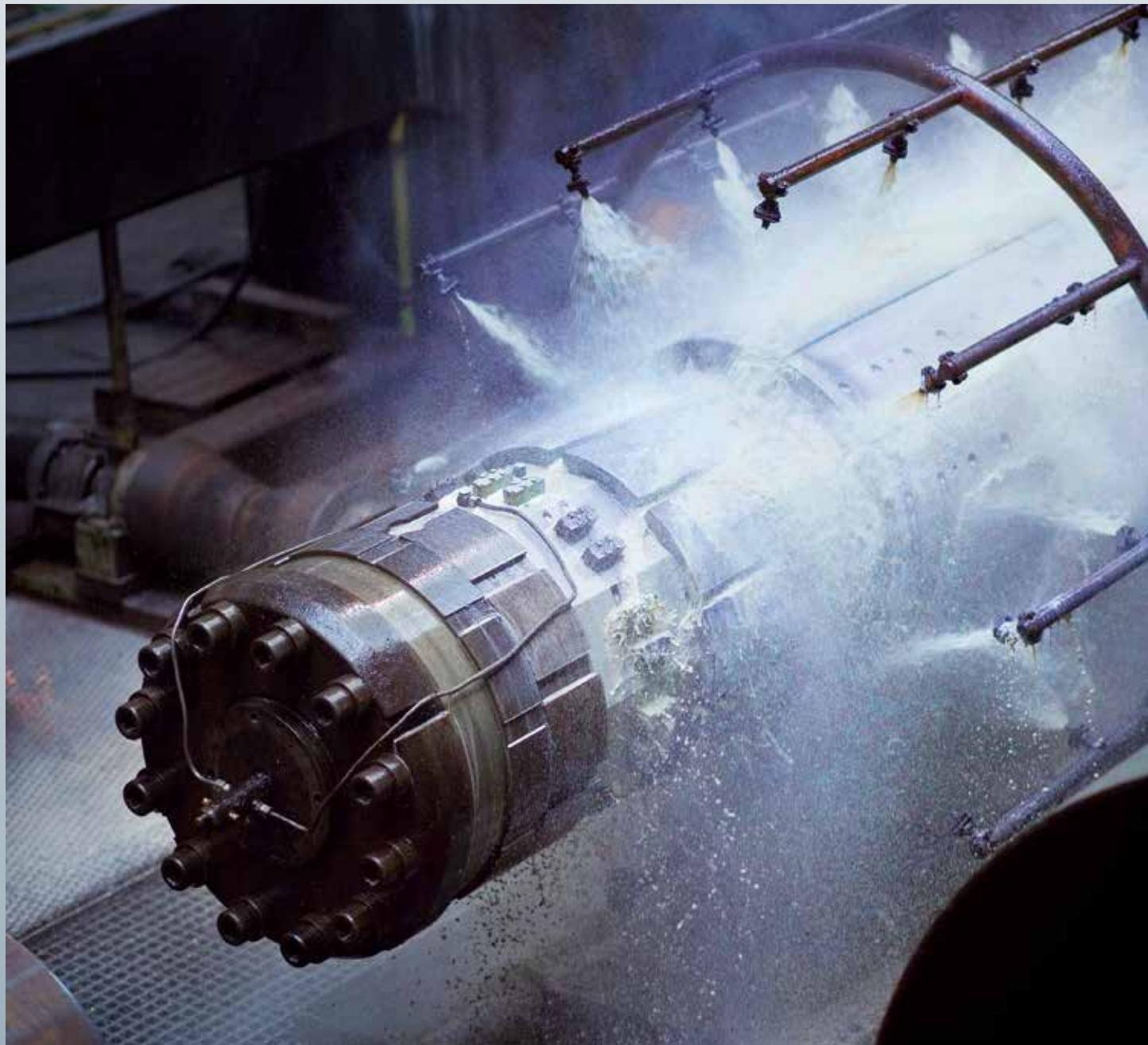
Research and development

The EUROPIPE Group's research and development policy is closely aligned with the corporate strategy. We utilise a wide and distinguished network of research partners spanning our suppliers, research institutions, universities, industry bodies and especially our customers.



Most research activity is centred around:

- the development of high-strength steel (X80 and above) and the corresponding ability to handle this material during the production process,
- innovative pipes for sour service with challenging HIC resistance,
- increasing collapse resistance of thick-walled pipes for offshore pipelines at depths of up to 3,500 metres,
- the further development of arctic-grade pipes for extremely cold environments,
- combining the solutions to these challenges, tackling high-pressure pipelines, offshore pipelines and high-strength pipelines, either in Arctic regions or for sour service application.



QHSE & SOCIAL MANAGEMENT

QHSE, our programme for Quality, Health, Safety and the Environment, is documented in our integrated EUROPIPE Management Manual (EMM).

This is the main management instrument at the EUROPIPE Group and is the base reference for sustainability in manufacturing and business activity.

It is integrated into three systems and programmes:

The Quality Management System is based on the process-orientated approach of ISO 9001 and ensures that processes in the Group are planned, implemented and documented according to clear procedures.

The Environmental Management System, certified to ISO 14001, has a close systematic connection to this. We are proud to have been one of the first companies worldwide to achieve certification according to this standard in 1997.

Since then we have initiated many projects, which have reduced the use of multiple input factors (like hydraulic oil, water and natural gas) significantly. In addition, all our employees have developed a keen sense of environmental awareness.

The third element is the work safety programme, which is certified to OHSAS 18001. The three certifications form the foundation for our health and safety systems in the workplace, which far exceed these certified standards and legislative rules. The EUROPIPE Group is aware of its social responsibilities, supporting its employees and taking part in regular community activities.

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