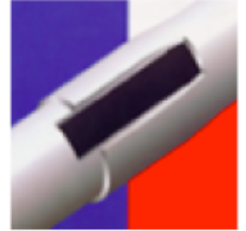


ОБЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ

БАТЛЕР ТЭК ИНТЕРНЕСНА

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Herbert James Green
President
Butler Tech International, LLC (USA)

Butler Tech Sure Lock Mechanical Joint Technology in Russian Federation

Dear Mr. Green,

The purpose of this letter is to update you on the certification status regarding pipeline construction in the Russian Federation utilizing the Butler Tech Sure Lock Mechanical Pipe Joint and the related equipment and the adaption of a significant regulation revision that we have been working toward for the past twenty-years.

As you are aware, Butler Tech Sure Lock mechanical pipe joint pipeline construction equipment has been utilized by Russian oil companies in growing numbers since the initial introduction of the technology in 1994.

The utilization of the equipment has been formally approved by the Russian State Technical Supervision authority since the first permit for Butler Tech equipment was issued in 1996. During that period and continuing to the present no mechanical joint failures have been recorded resulting from the application of the technology under the established procedures.

In 2004 the Russian State Technical Supervision authority approved the Butler Tech construction manuals and procedures resulting in a significant increase of the volume of constructed pipelines utilizing the Sure Lock Mechanical Pipe joint.

In 2015 based on the volume of pipelines constructed utilizing the Sure Lock technology, the ongoing successful test results, multiple positive technical expertise studies conducted, and more than 20 years of unbreakable service of the constructed Sure Lock pipelines, Russian State Technical Supervision (Rostekhnadzor) applied a major change in title 718 of the «Rules and safety regulations in oil and gas industry», the most significant authority document for pipelines constructed in Russian oil and gas fields, by withdrawing the exclusive requirement for joining steel pipes for oil and gas field applications by welding only.

Applying this change into this primary pipeline construction document of the Russian Federation validates the total acceptance of the Sure Lock Mechanical Pipe joint for construction pipelines as a normal construction practice.

Kind regards,

General Director
Butler Tech International (Russia)

Yuri A. Sukhorukov