



August 25, 2015

Mr. Herbert James Green  
President  
BUTLER TECH INTERNATIONAL, LLC (USA)  
[butlertechusa@gmail.com](mailto:butlertechusa@gmail.com)

Dear Mr. Green,

The following information on pipeline construction in Russian Federation utilizing Butler Tech equipment is provided herein:

Butler Tech pipeline construction equipment is utilized by oil companies in Russian Federation since 1994 at that period none of the mechanical joint failures were recorded.

The utilization of the supplied equipment and related procedures are approved by Russian State Technical Supervision (Rostekhnadzor) since the first Rostekhnadzor Permit for Butler Tech equipment was issued in 1996 (copy of which is enclosed to this letter).

Per early 2010 our company survey indicates the following Russian oil and gas companies have been utilizing full range of Butler Tech equipment for industrial pipeline construction:

**Open Joint Stock Company BASHNEFT – divisions:**

Bashneft Yanaul  
Bashneft Ufa  
Bashneft Ishimbay  
Bashneft Belkamneft

Total amount of constructed and utilized pipelines  
Medias transported  
Sizes and types of pipelines

**5700 KM (3560 miles)**

salt water, oil and gas crude  
oil production and water injection  
diameters from 76 to 325 mm with  
internal two layer FBE plastic and  
external three layer coatings, pressures  
up to 200 ATM  
winter ambient temperatures down to  
– 35 C ( - 31 F)  
summer ambient temperatures up to  
+ 30 C ( 86 F)

Enviornmental conditions

**Open Joint Stock Company LUKOIL – divisions:**

- Lukoil West Siberia
- Lukoil Langepasneftegas
- Lukoil Kogalymneftegas
- Lukoil Pokachevneftegas
- Lukoil Uraineftegas
- Lukoil Perm
- Lukoil Komi

Total amount of constructed and utilized pipelines	<b>1646 KM (1028 miles)</b>
Medias transported	salt water, oil and gas crude
Sizes and types of pipelines	oil production and water injection diameters from 114 to 426 mm with internal one layer liquid and two layer FBE plastic coatings, pressures up to 150 ATM
Enviornmental conditions	winter ambient temperatures down to – 45 C ( - 49 F) summer ambient temperatures up to + 30 C ( 86 F)

- Since 2011 all of the services for construction BUTLER TECH pipelines for OJSC LUKOIL are done by ARGOS LLC privately owned company, the general contractor for pipeline construction. The ownership of BUTLER TECH equipment transferred from OJSC LUKOIL to ARGOS LLC construction divisions.

**Open Joint Stock Company TATNEFT – divisions:**

- TATNEFT Almetyevneft
- TATNEFT Aznakaevneft
- TATNEFT Bavlyneft
- TATNEFT Djalilneft
- TATNEFT Elhovneft
- TATNEFT Leninogorskneft
- TATNEFT Nurlatneft
- TATNEFT Prikamneft
- TATNEFT Yamashneft

Total amount of constructed and utilized pipelines	<b>1304 KM (814,5 miles)</b>
Medias transported	salt water, oil and gas crude
Sizes and types of pipelines	oil production and water injection diameters from 114 to 159 mm with internal one layer liquid and two layer FBE plastic coatings, pressures up to 150 ATM
Enviornmental conditions	winter ambient temperatures down to – 35 C ( - 31 F) Summer ambient temperatures up to + 30 C ( 86 F)

The total amount of Butler Tech SURE LOCK mechanical joint pipelines under industrial use constructed by Butler Tech equipment supplied to the mentioned above Russian oil companies per early 2010 survey amounted to **8650 KM (5402,5 miles)**.

**Open Joint Stock Company SURGUTNEFTEGAS** is one more Russian oil company which started using Butler Tech equipment for construction pipelines since 2010. The first of two Butler Tech assembly press machines was delivered to SURGUTNEFTEGAS in 2011, and since that time SURGUTNEFTEGAS annual pipeline construction volume amounts to over 130 KM (81 miles).

All of the mentioned Russian oil companies have full capabilities for construction BUTLER TECH pipelines, the machinery delivered by BUTLER TECH during past 22 years includes full range of pipe preparation and pipe assembly machinery, related power units and consumables. Warranty and past warranty support services for the supplied equipment are being executed by BUTLER TECH (Russian Federation) specialists on the routine contractual basis.

Butler Tech International (Russian Federation) staff is in constant contact with all of Butler Tech customers for updating the amount and quality of constructed pipelines. **Per our information from the technical divisions of all of the mentioned companies, the total amount of constructed pipelines for August 2015 exceeds well over 12000 KM (7500 miles).**

Next official pipeline survey for Butler Tech construction pipelines is coming December 2015.

Sincerely,



Yuri Suhorukov  
General Director  
Limited Liability Company  
Butler Tech International  
Russian Federation

