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PRESS RELEASE

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Doubling annual capacity

Global Pipe Company invests in key equipment from SMS group for pipe production

Global Pipe Company (GPC), based in Jubail, Saudi Arabia, has placed an order with SMS group (www.sms-group.com) for the supply of a mechanical expander and a hydrostatic pipe tester for its new manufacturing line that will double the company's annual production capacity from 200,000 tons to 400,000 tons.

"Our target is to equip our new manufacturing line with the most advanced technology available on the market, from reliable machine suppliers with lengthy experience in the supply of equipment for pipe mills," says Ahmed Hamed AL Khonaini, Shareholder and Managing Director of GPC. "Thus SMS group has been selected as the supplier for the expander and the hydrotester. With a total of 17 expander machines installed since 2002 and 19 hydrotesters supplied since 1971, SMS group presented us strong references in pipe mills with similar scope of business as ours," continues AL Khonaini.

The new 10-MN mechanical expander will be installed in the finishing area of the new line. In addition to stress-relieving the welded pipes, the expander will give GPC's products their final shape, ensuring that the final dimensions are within the required range according to the applicable specifications. The machine will initially cover the diameter

range between 24 and 56 inches, and optimize GPC's output in large-diameter pipes. Also the new hydrostatic pipe tester covering pipe diameters from 16 to 62 inches will be a key equipment addition to the new line. It will be designed for a maximum test pressure of 650 bars making it suitable for hydrostatic testing of small-diameter, thick-walled pipes according to the applicable specifications.

The new line will be implemented as a completely independent line from the existing one. This will allow GPC to run two different manufacturing orders simultaneously and avoid interruption for orders in case of priority changes.

"By doubling our nominal capacity to 400,000 tons, we will be in a position to allocate production slots for neighboring markets within the GCC and MENA regions without neglecting our home market," says Ahmed Hamed AL Khonaini.

The new line is expected to be ready for production in the third quarter of 2018.

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Since 2002, SMS group has installed a total of 17 expanders worldwide.

SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 13,500 employees who generate worldwide sales of more than EUR 3 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.