

PRESS RELEASE

Düsseldorf, September 3, 2007

Order for SMS Meer

SMS Meer supplies fourth large-diameter pipe mill to China

Zhongyou BSS Petropipe Co. Ltd., a subsidiary of the Baoji Petroleum Steel Pipe Co. Ltd., China, has placed an order with SMS Meer, a company of the SMS group, Germany, for the supply of a large-diameter pipe mill. The new mill employing the JCOE[®] process developed by SMS Meer will have an annual capacity of up to 150,000 t and be the most modern of its kind in China. It will be used to produce longitudinal SAW steel pipes with diameters from 508 to 1,422 mm and wall thicknesses up to 40 mm in lengths of maximal 12.2 m and material grades up to X100. The plant is to be built in the Qinhuangdao special economic zone near Beijing and is scheduled to go into production in summer 2008.

Crucial aspects for the placement of the order were the advantages offered by the JCOE[®] process with the JCO[®] pipe forming press as main forming aggregate. The JCOE[®] process has established itself on the market worldwide in competition with the UOE process and three-roll bending process due to its higher flexibility with high product quality and lower investment costs. It has been employed in ten pipe mills to date in recent years.

SMS Meer is to supply the key machines for the plant, such as the plate edge miller, the technological components of the crimping press, the JCO[®] pipe forming press, a hydraulically adjustable tack welding machine and a mechanical expander.

The pipes produced are to be employed in pipeline construction and meet all the relevant API standards. They are intended for use in pipelines transporting oil and gas from Chinese rigs in the northeast of the country to the major cities in the east and southeast.

On the JCO[®] pipe forming press, the plate milled and crimped at the edges is gradually guided over its whole length onto the forming tool by means of manipulators. This results in an open-seam pipe with parallel longitudinal edges offering optimum preconditions for pipe welding. The JCO[®] pipe forming press designed as a short-stroke version operates with a maximum press force of 65 MN. The JCOE[®] process is the most suitable process for also being able to produce small-diameter pipes with large wall thicknesses. The market segment for offshore pipelines can thus also be served.

The tack welding machine with hydraulically adjustable roller beams is being employed for the first time in China. In a roller cage, the 80 mm to 150 mm wide gap between the two longitudinal edges of the open-seam pipe resulting from the forming process is continuously adjusted parallel and tack welded under inert gas. This tack weld serves during the subsequent submerged arc welding (SAW) process as a weld pool backing.

The roller beams of the roller cage are individually positioned servo-hydraulically and can also be readjusted under load, if necessary, so that the pipe longitudinal edges are brought optimally together.

(47 lines with max. 55 letters)

SMS group is, under the roof of the holding SMS GmbH, a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It essentially consists of the two Business Areas SMS Demag and SMS Meer, which jointly form SMS metallurgy. In 2006, some 9,000 employees worldwide generated a turnover of about EUR 2.8 bn.