

Available for Acquisition

Oil and Gas Processing Equipment

*Manufacturer of Mission Critical Equipment
Needed at Well Head*

*Type of Equipment Needed at Every Oil & Gas
Well Head Everywhere*

Est. 2013 Revenue: \$17,600,000

Est. 2013 EBITDA: \$4,000,000

- ***Mission Critical Product Line:*** The oil and gas industry needs the products manufactured by the Company, all the time and everywhere. Oil and gas coming out of wells need separation; especially in fields primed with water or CO₂. Most of the products manufactured by the Company are used in conjunction with each others regulated by the output pressure of the well and the requirements for purity by the pipeline.
- ***Strong History of Rising Sales:*** Due to its impressive product line and outstanding service, the Company has enjoyed consistent growth in the recent past—from \$7.88 million in 2006 to an estimated \$17.6 million in 2013.
- ***Patented Product:*** The Company currently has a patented system used for methane gas wells. The patent, granted in July of 2009, is used with low pressure wells. The system functions in such a way as to bring down the need for 3 individual processing units down to this one unit. It's a **green system** which is self contained and self controlled that saves fuel by using 1 furnace rather than 3 associated with the 3 units it replaces.
- ***Production Customization:*** The Company has adapted a culture and has installed systems to manufacture customized products. The Company listens to customer feed back and responds. Many competitors simply manufacture lower margin standard products.

For further information regarding **Client # 36014**
you are invited to contact:

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- **Consumable Product:** The Company's products have differing useful lives depending on the liquid and gas mixture of the output of the well. If a well puts out a less corrosive mixture, a vessel could last 20 years. If the well is putting out a corrosive mixture that includes for example H₂S, vessel life is significantly reduced.
- **Scalability of Products:** The Company's product line has required applications in both de-centralized lower volume wells as well as in field central processing centers. Whether it's a high volume or low volume situation, these products are needed.

Business Summary

The current product mix includes vertical and horizontal separators (29% of sales), tanks/non-code treaters (20%), gas production units (14%), indirect line heaters (9.5%), free water knockouts (8%), sand trap units (4%), and other products and services (15.5%).

The customer base is composed of oil and gas producers (approximately 80% of sales), oil and gas resellers (19%), and chemical companies (1%). The current geographic markets served are the Permian Basin (61% of sales), the San Juan Basin (20%), West Virginia (7%), the Barnett Shale-Fort Worth Basin (6%), and Arkansas (6%).

The Company operates from a 29,608 square-foot facility including 22,900 square feet of fabrication/shop space, 1,428 square feet of office space, and 5,200 square feet of storage space. The plant features a 10-ton and a 5-ton overhead crane in the north fabrication bay, a 10-ton and two 5-ton overhead cranes in the south fabrication bay, and a 1-ton monorail hoist. The Company is ASME Approved Shop with both U and R stamps.

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