

PipeLine Machinery



Announcement

December 7, 2010

New pipelayer being built in China

BEIJING, CHINA – PipeLine Machinery (Beijing) Co. Ltd. (PLM-Cat) recently participated in the launch of the new VP72Gs2 pipelayer in China. Partnering with China Petroleum Pipeline (CPP), Vanguard Equipment Inc. and under license from Caterpillar, this new 40-ton pipelayer is built in China for the China and Asia markets.

The VP72Gs2 pipelayer is designed to meet most of the specifications of the Cat 572R-II pipelayer. The new pipelayer is built on the Cat D7G2 chassis. The D7G2 tractor has been manufactured in China for several years.

PLM-Cat President Mel Ternan attended the ceremony with officials from CPP, Vanguard Equipment Inc. and Caterpillar. “This new pipelayer is the culmination of an initiative launched last fall at the International Pipe Line & Offshore Contractors Association convention,” said Ternan. “PLM, Caterpillar and CPP signed a letter of intent at that time to produce a new pipelayer for the growing markets in China and throughout the Asian region. We were charged with producing a pipelayer designed for ease of operation and service, with the precision and reliability of a Caterpillar machine and build it locally to ensure it is economic to purchase in the region.”



PLM immediately began working with Vanguard Equipment (Canada and US) to develop the sideboom, hydraulic winch and counterweight system. Vanguard has been working with Caterpillar on pipelayer design since 1992. It has been licensed by Caterpillar to engineer add-on and enhancement features for Cat pipelayers since 1993. PLM is exclusive distributor of many Vanguard packages including the combo unit (pipelayer and dozer), tack rigs, welding units and hydraulic conversion kits for older model pipelayers.

The manufacturing facility selected for the project is CPP's Huabei Petroleum Engineering construction (HPEC) facility at Renqiu in Huabei province, near Beijing. The Huabei factory has extensive experience in building pipelayers in China. Through concerted effort and cooperation from all of the partners in this project over the past 13 months, the Huabei factory proudly presented three VP72Gs2 pipelayers for the ceremony October 27, 2010. The new pipelayer will be distributed exclusively by PLM-Cat.

PLM-Cat was established in 2005 and is the first Caterpillar dealership to focus on a particular industry on a global basis. PLM provides purpose-built and traditional construction equipment to the mainline pipeline construction industry on projects around the world. PLM works closely with pipeline owners, contractors and local Caterpillar dealers to provide solutions tailored to the unique product and service needs of this industry.

PLM's worldwide activities are currently supported through the corporate offices in Houston, Texas, USA, Edmonton, Alberta, Canada, The Hague, Netherlands, Beijing, China, Melbourne, Australia and Singapore.

-30-

For further information, contact PLM Communications & Marketing Manager Sherry Gettis at sgettis@plmcat.com or by telephone at 780-377-0338. Additional PLM information is available on the PLM website at www.plmcat.com.

Delegates from CPP, HPEC, Cat, Vanguard and PLM-Cat participated in the launch ceremony. Front row from left: Dan Macholan, General manager Cat Global Pipelines; Mel Ternan, President PLM-Cat; Li Wendong, Vice President, CPP, Jiang Xueiun, General Manager HPEC

