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April 20, 2011

Dear Customer:

In response to requests for information regarding the recycled content of the tubing manufactured by Southland Tube, Inc., I would like to confirm that all of our tubing is manufactured from steel coil containing some amount of recycle.

All of Southland Tube's steel suppliers, whether integrated mills or mini-mill manufacturers, use one of two steel-making processes, both of which involve the use of scrap or recycled steel.

The basic oxygen furnace process (BOF) used by the integrated mills typically uses 25 to 35 percent recycled steel. The electric arc furnace process (EAF) used by the mini-mills uses 65 to 100 percent recycled steel depending on supplier. Therefore, depending upon the source of the raw material, the percentage of recycled steel contained in our tubing may range from 25 to 100 percent. Furthermore, the % post consumer recycled content varies between 20-60 % depending on supplier. The % post industrial recycled steel content varies between 10-40 % depending on supplier.

Additional information on LEED compliance is available at www.recycle-steel.org. This is the site of the AISI's Steel Recycling Inst. On the left hand side there is an index with a link to LEED Certification. A summary of this document reveals the following industry average recycled content percentages for both the BOF and EAF mills:

BOF – 32% Total Recycled Content

Post Consumer Recycled Content = 25.5%

Pre Consumer Recycled Content = 6.8%

EAF – 93.3% Total Recycled Content

Post Consumer Recycled Content = 56.9%

Pre Consumer Recycled Content = 31.4%

Approximately 70% of the tubing products produced at Southland Tube, Inc. are from EAF steel and 30% are from BOF steel.

I trust that this letter provides you with the information you require. Please do not hesitate to contact me if you require additional information or documentation related to LEED certification of Southland Tube, Inc.'s tubular products.

Sincerely,

Steve Arnold

S. Arnold
Director of Quality