



WESTBROOK MANUFACTURING

1111 Lockwood Drive, Houston, TX 77020

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(713) 675-6438

11 May 2018

Dear Customer,

I would like to first thank you for the opportunity to service your pipe nipple, swage nipple, bull plug, and OCTG needs over the past year. I recognize that the reason our industry has been so successful over the years is in part because of the strong relationships we've developed with our customers in both the good and bad times. Right now is an interesting time in our industry, so I would like to share with you an update on our pricing policy that we are implementing due to the changes.

As you know there has been a significant amount of uncertainty and change in the oil and gas market over the past couple of years. The market has recovered substantially from the low point in early 2016, and along with that recovery has come an increase in the cost of raw materials. Additionally, the Section 232 tariff announcement made by President Trump and the Department of Commerce has introduced a new uncertainty into the equation that has yet to completely play out.

The unfortunate result of these factors is that we will not be able to service your needs at the currently posted prices. Effective June 18, 2018 we will implement a price increase of approximately 7% on our seamless nipple, welded nipple, swage nipple, and bull plug product lines. New product specific price sheets will be disseminated to you soon.

Westbrook appreciates the opportunity to service your organization's pipe nipple, swage nipple, bull plug, and OCTG needs and we look forward to continuing our relationship with you. We know that you may have questions regarding these changes and we would love to hear from you if that is the case. Please don't hesitate to contact me by any of the means below:

Sincerely,

Danny Westbrook

Danny Westbrook

Senior Vice President

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