SGS INVESTOR DAYS 24 – 25 OCTOBER 2013 USA

SGS PIPELINE SERVICES

Mike Redmond - Director of Business Development, SGS PfiNDE

Investor Days, 24-25 October 2013

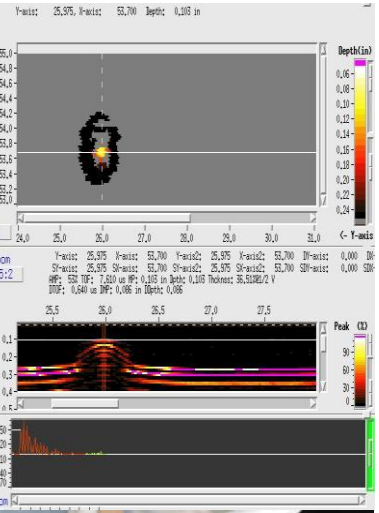
WHEN YOU NEED TO BE SURE

SGS

THE FACE OF PIPELINE INTEGRITY IN NORTH AMERICA

- Pre construction services deliver certainty in a complex supply chain
  - Plant verification
  - Welder qualification and destructive testing
  - Inspections at mill
  - Vendor selection and monitoring
- Build pipelines with confidence
  - Geotechnical engineering and testing
  - Non destructive examination
  - Failure analysis and destructive testing also support the construction effort
- In service mechanical integrity services keep the pipeline asset productive
  - Non destructive examination (“NDE”)
  - Coating, welding and soil examinations

A COMPETENT PARTNER FOR A SAFE IN SERVICE PIPELINE



- Through SGS PfiNDE we excel in offering specialized NDE and other services to pipeline operators, mainly in support of in-line inspections, or “Smart Pig” runs
- Historic success has come from specializing in this niche, being a pipeline inspection provider that performs NDE, rather than an NDE company that works on pipelines
- In 2014 we replicated this service to both Canada and Mexico, performing over 1,000 digs in Canada and managing an integrity program for PEMEX
- Other Services that are performed include:
  - Welder Qualification Services
  - Coating, welding, and soil inspections in support of dig programs
  - A comprehensive library of real world samples, used for training and research
  - Advanced Ultrasonic inspection program development for specific operator issues
  - Positive Material Identification (PMI) services
  - NDE Training, open to the public

WHO WE SERVE

- Our best customers represent a high percentage of North American operators
  - The client list extends to over 100 customers and business is spread across work sourced from many facilities
  - A great customer example is Enbridge Inc. with whom we work very closely
    - Weld procedures are drafted and we qualify welders in both Canada and the USA for asset construction
    - True partners in how we approach safety and community engagement at dig sites for in service assignments
    - Customised dig packages and data solutions for integrity work
- Pipeline Rehabilitation Specialists
  - Pipeline Operators' Integrity Departments make up 85% of the customer base
  - The petroleum facilities (refinery, chemical manufacturing) and energy providers (power plant, power generation equipment) make up the majority of the remaining customer base. Most of this work is specialized ultrasonic inspection.

© SGS SA 2013 ALL RIGHTS RESERVED

WE REDUCE COMPLEXITY AND ADD VALUE

- Increased capability to provide high quality data
  - We have invested in training facilities, software development and people to ensure our technicians are the best in the market at producing the quality of data our customers expect
  - Cooperation over research with other industry leaders and other SGS affiliates have resulted in the development of improved inspection techniques
  - Successful organic entry into the industrial radiography market has proven very profitable and established our presence in the construction phase or our customers' assets
- Increased Market Presence
  - SGS's operational units in Canada and Mexico were empowered to pursue pipeline Integrity work and supported from the US to assure a consistent high standard
  - Collaboration across our business units has paved for a successful re-entry to the Californian market where our customers welcome our ability to staff up quickly and manage both inspections and the data that is produced
- Safety, Environmental, and Personnel management
  - These operational necessities are highly visible to our pipeline customer base and critical aspects of our business
  - We are performing very well to the point that our customers have called on us during 2013 to assist with failure investigations and hydrocarbon releases

SGS INVESTOR DAYS
24 – 25 OCTOBER 2013
USA

2014
FOR THE COMPLETE PICTURE

WHEN YOU NEED TO BE SURE

SGS