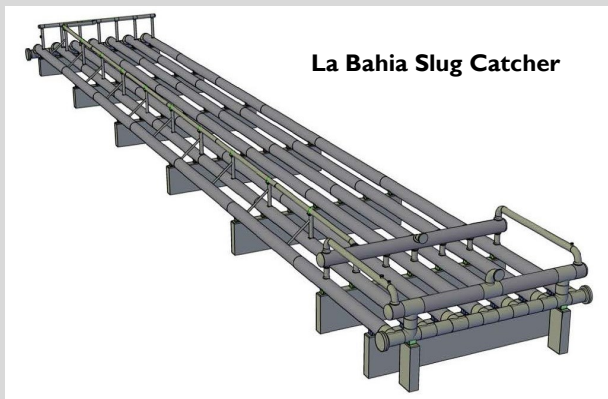


## TECorp Lands Two Slug Catcher Contracts for Delivery in 2nd Quarter 2015



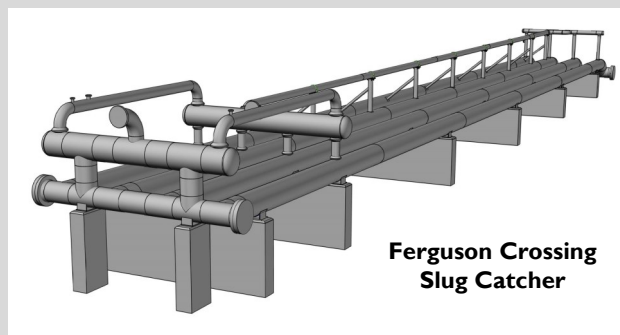
TECorp International (TECorp) pulled in two major design-build contracts for multi-finger (HARP) slug catchers to close out 2014 and get 2015 off to big start. **Navitas Midstream Partners** awarded a contract in November to TECorp for the design and supply of components and pipe for their La Bahia project. The slug catcher will have a total capacity to receive and store 2,250 barrels of NGL/condensate liquids and process 120 MMSCFD before it goes to their new cryogenic gas plant. The storage capacity is accomplished with seven 36" diameter

fingers, each 280 feet in length. Delivery of the pipe and fabricated components is scheduled for March 2015 with installation and start-up end of May.

**Apache Corporation** also awarded a contract to TECorp in December for a HARP type slug catcher with a storage capacity of 1,000 barrels and processing capacity of 200 MMSCFD. As with the Navitas project the Apache slug catcher is for the design and supply of components and pipe for their Ferguson Crossing project. The storage capacity is accomplished with four 36" diameter fingers, each 220 feet in length. Delivery of the pipe and fabricated components is scheduled for April 2015 with installation and start-up end of May.



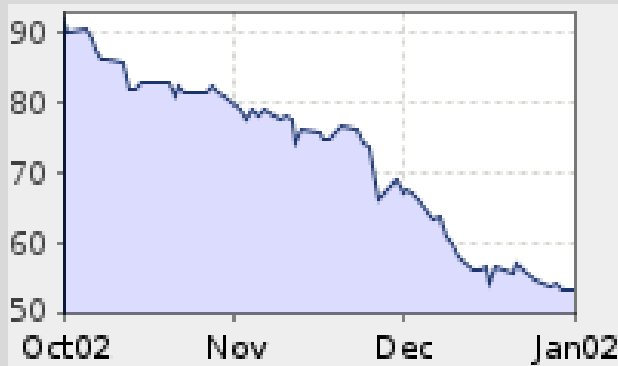
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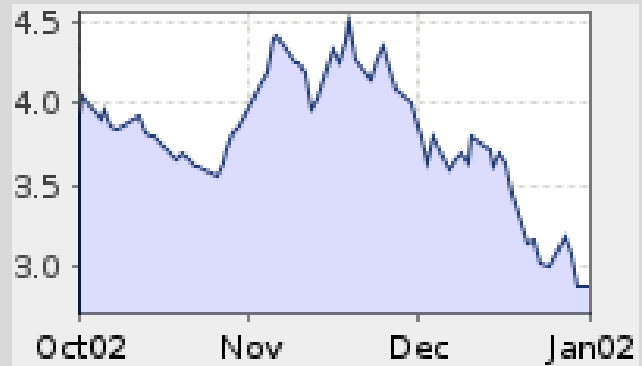
TECorp has been involved in the design and installation of large "harp type" slug catchers for over 20 years. TECorp designs are in service all over the world, including the world's largest slug catcher built in 2012 for Husky/CNOOC with a capacity of 44,000 barrels. All major assemblies and spools are pre-fabricated to the maximum extent possible to minimize the scope of installation in the field.

## VII Cities Energy Project Impacted by Falling Oil Prices

With an estimated 2-4 million barrels of oil to be recovered in VII Cities Energy Cary-Mag project, the fall in oil prices has put the implementation on the back burner. Oil is now below \$60 a barrel, falling by more than 50% since June after nearly five years of stability. Meeting in November the Organization of Petroleum Exporting Countries, which controls nearly 40% of the world market, failed to reach agreement on production curbs, sending the price tumbling. Compounding the situation has been the production from the U.S. shale boom.



Oil Price (\$/barrel)



Gas Price (\$/MMSCF)

The shovel ready Cary-Mag project has investors wanting a wait and see approach. Most think crude prices will bottom sometime before mid-2015 as demand rises and production gets cut globally. Prices should remain low for at least the next half-year.

Lowell C. Thronson, Managing Director of VII Cities Energy, related that the project economics have never been based on oil prices at sustained levels of \$100 and actually forecasted a decline in oil price. Additionally, a corresponding drop of the price of natural gas also makes it less costly on the initial development since the Cary-Mag project plans to use natural gas to re-pressurize the reservoir.

Nonetheless, the plummeting price of oil is still the biggest energy story in the world right now and has many investors nervous. Meanwhile the project will continue albeit at a slower pace. Thronson states "there are many engineering tasks which can move forward now such that when we are ready to kick off the major development we will be that much further along. We know the oil is there so when the environment is right for development we will recover it." Recent data from new logs through the field confirmed the reservoir is oil saturated.