

April 17, 2008

Dear Valued Customer,

Over the last six months we have had many questions from customers asking why Quality Steel does not offer refurbished tanks or the service of converting tanks from one service application to another i.e. AG to UG or AG to AG/UG. The short answer is we looked at the process for over a year and believe the practice of wholesale conversion to be **relatively unsafe**.

This was proven recently when a converted tank was involved in an accident where people were burned but recovered. The propane in the converted tank showed evidence of significant odor fade. This refurbisher then lab tested an additional sample of refurbished tanks and over 30% exhibited significant odor fade. This incident has precipitated a major product recall by the refurbisher and the Consumer Products Safety Administration has been notified. Another large propane tank manufacturer has recently reversed its decision to begin refurbishing tanks after reports of this refurbished tank recall. There are also documented incidents involving tanks converted from anhydrous ammonia to propane use resulting in multiple deaths. The cause was found to be stress corrosion cracking in the tank walls. Since that time a TIA (Tentative Interim Amendment) has been issued by the NFPA to stop all conversions of tanks 3000 gallons or less, except cargo tanks, from anhydrous ammonia service to propane service.

Proper inspection of a used tank is very difficult, if not impossible, to do. The original tank manufacturer may have long ago gone out of business. Did they follow all the proper procedures when the tank was originally manufactured? Do you really know the full history in regard to the use of the tank? Has it only been used in propane service? Have the fittings been removed from the tank, allowing the tank to be left open to the atmosphere? How much corrosion buildup and/or pitting has occurred inside the tank? Has the thickness of the material been compromised by corrosion during the many years of service or prolonged exposure to the atmosphere?

There are just too many unanswered questions on which to stake the lives of propane consumers. At some time in the future if all of our concerns could be overcome, then, and only then, would Quality Steel consider implementing this practice.

All smart companies want to be good stewards of their resources, and we understand your plight of having excess old tanks on your yards. Our industry has to ask itself if it is really worth the risk of having our product hurt or kill someone. So for the time being we here at Quality Steel have decided to only manufacture and sell new products. This is the best way for Quality Steel to control the quality of all of the materials as well as the manufacturing and quality control procedures to provide a safe, quality product for the propane industry.

If you have any additional questions about this or any other subject, please don't hesitate to call on me or one of our staff members.

Yours truly,

Jim Tims  
President  
Quality Steel Corporation