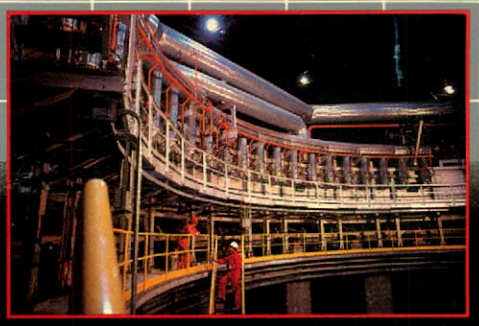
Algoma Seamless

World Class Tubular Products



No 2 Mill is evidence of our commitment

We are proud to introduce the new No.2 seamless tube mill. This $385 million facility incorporates the latest technology and equipment from around the world. It is a tribute to all those who participated in its planning, financing, engineering, equipment supply and construction.

The United States and Canada both require reliable sources of energy at predictable prices. A dynamic and successful North American oil and gas industry is our best protection against the demonstrated extremes of the international petroleum markets.

The new mill is tangible evidence of Algoma Steel's commitment to expand the range of high quality seamless tubular products supplied to North American oil and gas producers. The manufacturing sector will also benefit from the dimensional accuracy, surface quality and integrity of seamless tubes produced on the new mill. We believe there will be growing opportunities to supply mechanical tubing and other seamless products for industrial applications.

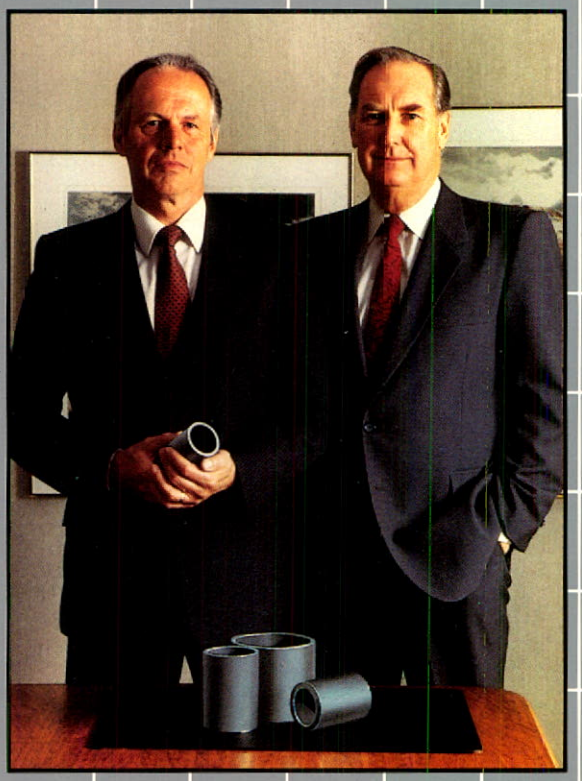
Trial rollings and initial production runs on the fully computerized mill have already demonstrated control, quality and productivity advantages. A highly trained and enthusiastic mill team is looking forward to meeting the challenges of an ever more demanding marketplace.

On behalf of all those who participated in making the new mill a reality, we extend to suppliers, shareholders, customers and friends an invitation to visit us and see first-hand the technical excellence of the facilities, the people and the products. We believe that oil and gas producers and industrial users will be convinced that Algoma Steel can supply the quality seamless tubular products they need.

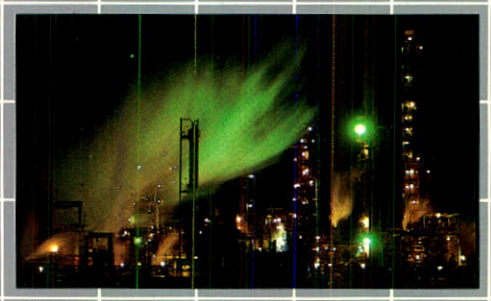
Peter Nixon
President and Chief Operating Officer

John Macnamara
Chairman and Chief Executive Officer

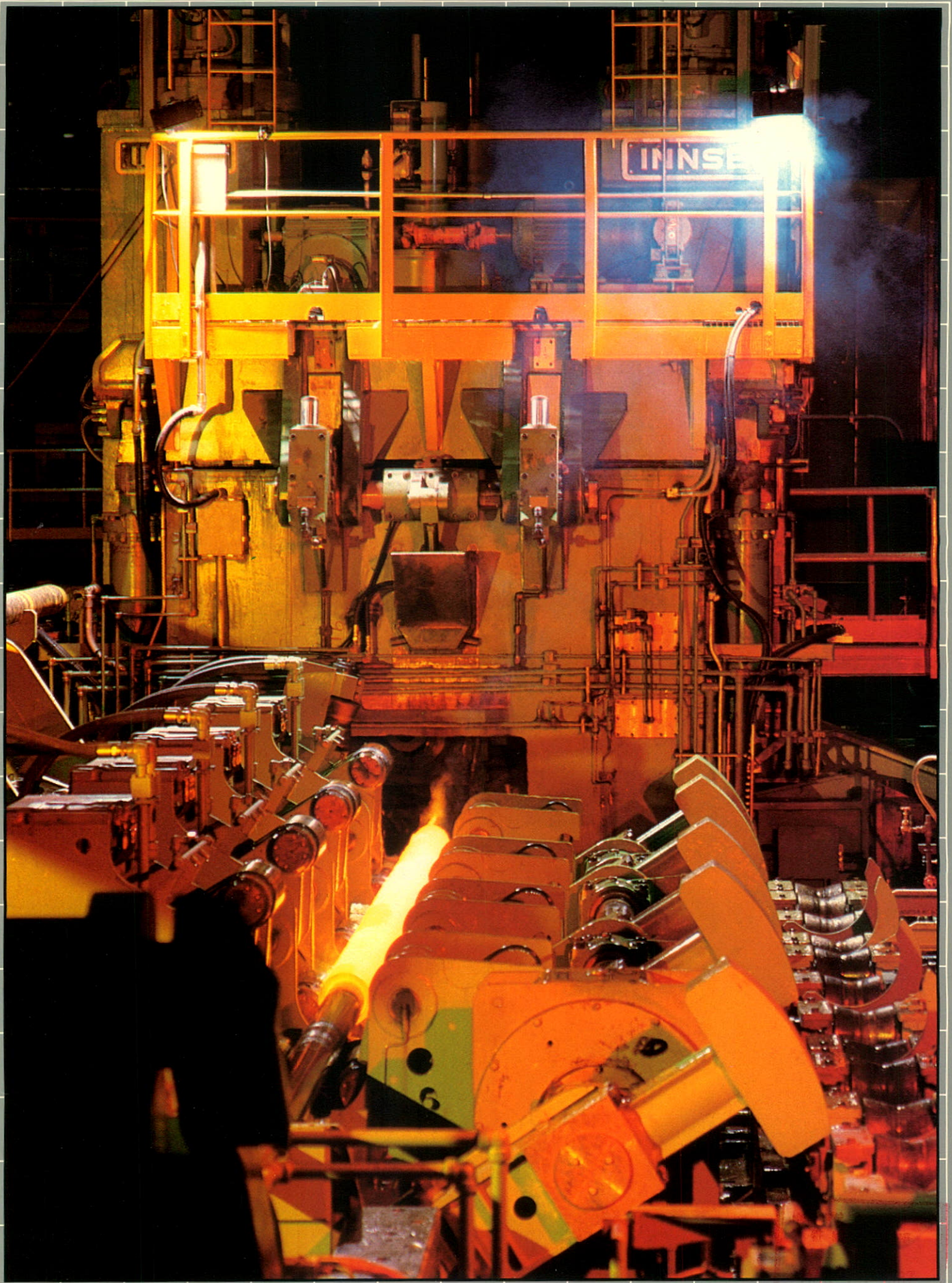
▶ The piercer is the first stage in the seamless process. The 1300°C solid billet is cross-rolled under controlled pressure and pierced to form a hollow round. The unit is powered by twin 3700 HP DC motors and controlled by two computers.



▲ Mr. Peter Nixon, President and C.O.O. and Dr. John Macnamara, Chairman and C.E.O. of Algoma Steel with some samples from the No.2 tube mill.



▲ No.2 tube mill can produce high quality seamless tubulars in a wide range of sizes to meet the needs of the oil and gas industry and the manufacturing sector in North America.



Our primary purpose is to serve the Oil and Gas Industry

▶ On the left, Mr. Gerry Hudson, Vice President – Sales, with Mr. Fred Potter, Group Sales Manager – Tubular Products. "Make no mistake about it, we're going to service our customers with a world class competitive product." G. Hudson.

▶ The seven-stand, 17,500 HP retained mandrel mill is the heart of the process. The ID (inside diameter) of the shell is determined by the size of the mandrel, which is inserted prior to rolling. The shell is shown here exiting the extractor mill which pulls the shell off the mandrel.

Algoma Steel can now meet the North American oil and gas industry's need for a reliable domestic supplier of high quality seamless tubulars in an expanded range of sizes.

These tubulars will meet your expectations for length, concentricity, wall integrity and metallurgy as well as all the accepted industry standards. Sizes range from 2⅜" OD (outside diameter) to 12¾" OD and should you need a seamless tubular that we don't manufacture, we'll gladly source it, supply it and stand behind it. The expansion of production facilities has made Algoma Steel a virtual 'one-stop' supplier of tubular goods for the oil and gas industry.

The complete range of Algoma Seamless Tubulars will be available through normal distribution channels or directly from the mill (for larger quantities). In either case, your specifications will be met and fully supported by complete Quality Assurance documentation.

To complement the new range of seamless products, Algoma has implemented new computer order entry and production tracking systems. A knowledgeable order control group will provide liaison between your purchasing and our production departments.

As a result, service will be second to none.

We will be competitive in price, quality and service because we are determined to establish and maintain long term relationships with our customers. And that's as it should be. The future of Algoma Seamless is tied to the oil and gas industry and a growing number of manufacturing applications.

We believe that market pressures and international attitudes will soon lead to a resurgence of drilling activity. It will happen, and when it does, Algoma Steel will be there, with the expanded range of world class seamless tubular products you demand.

▲ A healthy oil and gas industry is one of North America's best defences against the extremes of international petroleum markets.

Expanding the scope of Algoma Seamless

With the commissioning of the No.2 mill, Algoma Steel can now supply an exceptionally wide range of seamless tubular goods: from 2⅜" OD to 12¾" OD in a variety of grades.

In addition to casing, we manufacture tubing, line and standard pipe, coupling stock, couplings and mechanical pipe and tubing.

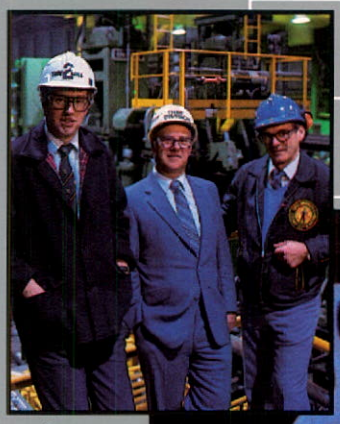
While most of our production is dedicated to the oil and gas industry, there is ample capacity to provide substantial quantities of seamless pipe and tubing for other industries and applications.

The dimensional accuracy and surface quality of Algoma Seamless Tubulars make them highly suitable for a wide variety of industrial applications: from axle housings to hydraulic cylinders. Both internal and external surfaces are remarkably smooth.

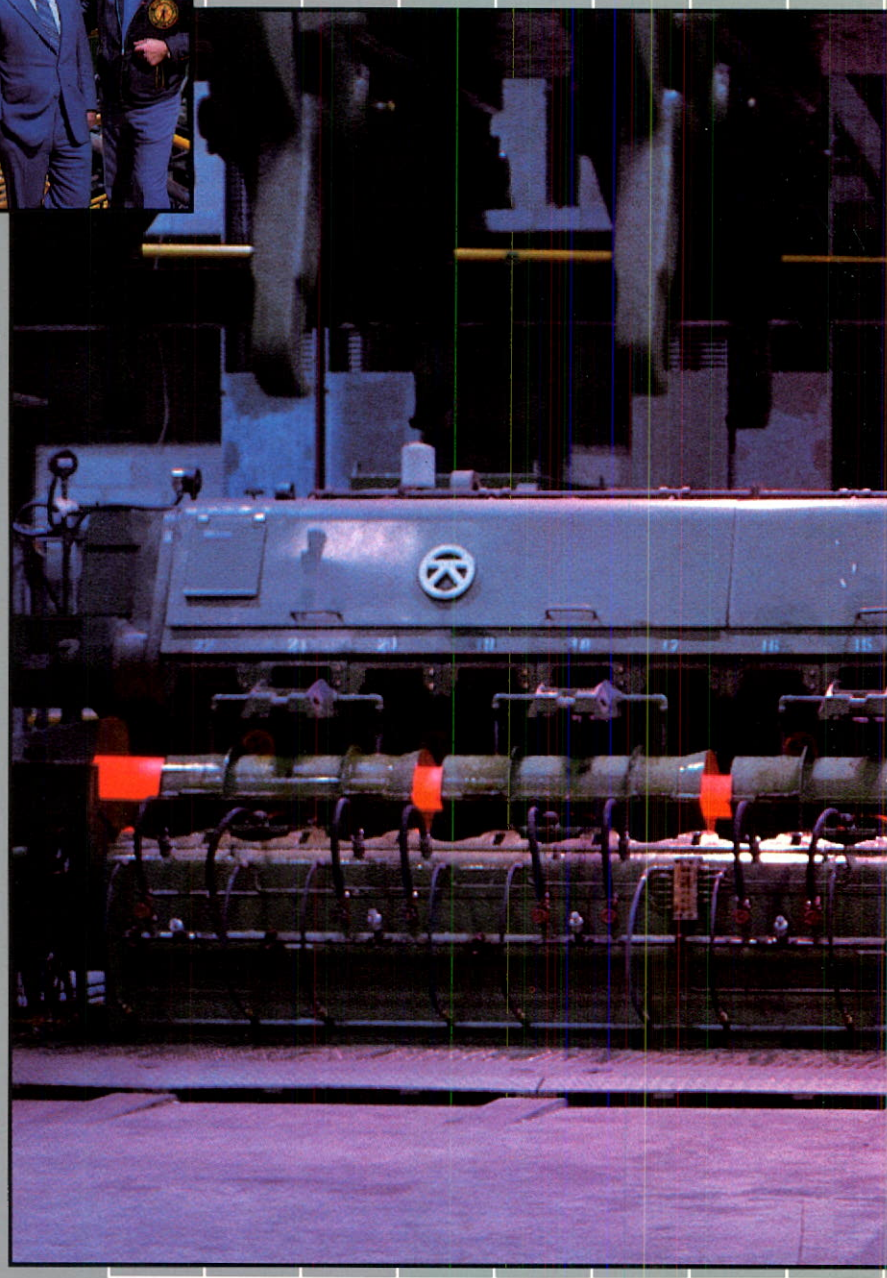
Industrial users of pipe and tubing will achieve new cost efficiencies by using the longer lengths of the smaller diameters which are available from this new facility.

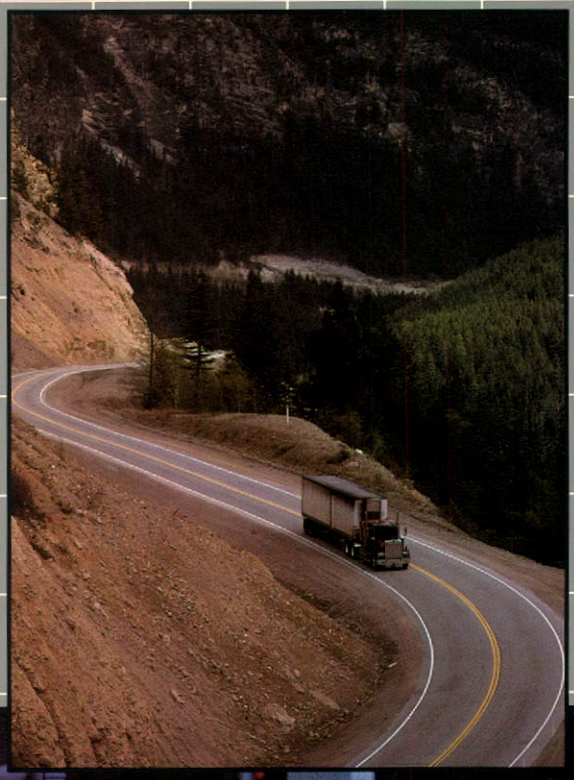
If your requirements call for high strength tubulars, Algoma Steel can meet your needs with our exclusive inside-outside quench process. This is done on-site, at the mill.

For complete technical information on Algoma Seamless Tubulars please contact an Algoma Sales Office.



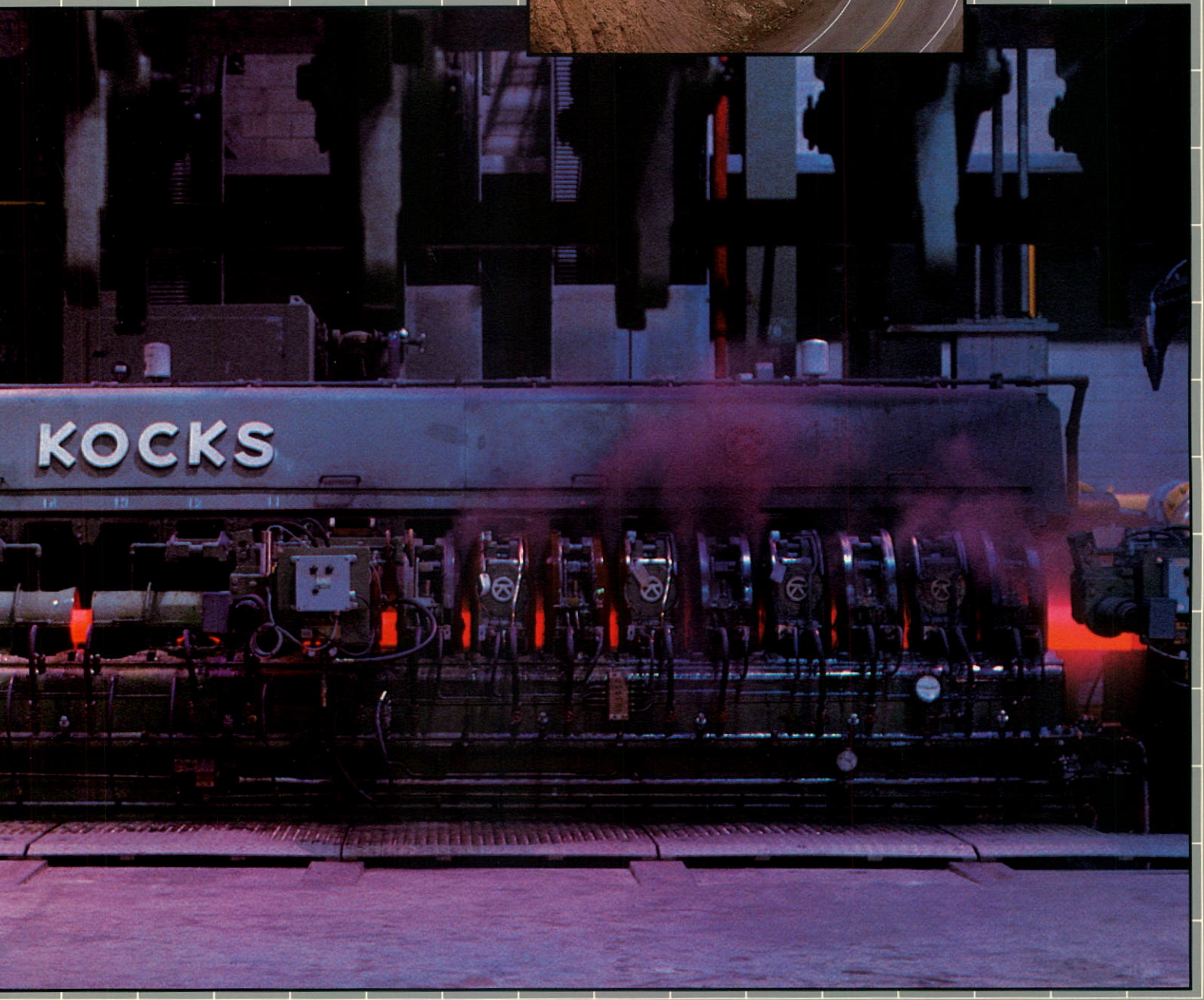
◀From left to right: Mr. Geoff Kirkwood, Superintendent No.1 and No.2 Seamless Tube Mills, Mr. Dave Ramsay, General Manager – Tube Operations and Mr. Cy White, President, Local 5595, U.S.W.A. All employees share common goals: production efficiency and superior quality and service.





▼The computer controlled stretch reduction mill can roll down to 2⅜" OD tubulars from a 7¼" OD 'mother shell.' The stands of the mill are easily and quickly changed to facilitate production of different sizes.

◀Algoma Seamless Tubulars have many manufacturing applications. For example, major manufacturers use Algoma Seamless in the production of trailer axles.



Quality Assurance plus Statistical Process Control

As a company, Algoma Steel is committed to the concepts and practice of Statistical Process Control (SPC). The effectiveness of this system has been proven in world-wide operations – notably in the automotive industry.

In planning No.2 tube mill, we incorporated SPC procedures into the operating systems and computer programs that control the production process. Data from every stage of production is automatically collected and stored, to form a complete processing history of each tube. This information is also used to fine tune operations on a continuous basis and provide all necessary Quality Assurance documentation.

A comprehensive control and tracking system can tell which tubes were produced from which billets. And since Algoma is a fully integrated steel mill, continuously casting all steel for tubular production, the history of the finished tube can be traced right back to its steel-making origins.

Our concern for quality is based on our determination to compete successfully with the best seamless producers in the world.

▶ In the finishing end of the plant, pipes are end-faced, chamfered and threaded with automated precision. Critical inspection follows to make sure that each pipe meets exacting standards.

▲ The downstream end of the oil and gas industry is a major user of Algoma Seamless pipe and tubing. The broader size range and longer lengths now available will lead to even more manufacturing applications as well.

▲ **U.S.A. Sales Team:** (Left) from l to r: Dave Scott, Sales Representative – Western U.S.A., David Condon, President – Algoma Tube Corporation, Gary Durbin, Sales Representative – Eastern U.S.A. and Jim Adrian, Sales Co-ordinator. Part of the **Canadian Sales Team:** (Right) l to r: Byron Hussey and Kimber Hennigar, Sales Representatives – Tubular Products, with Randy Calmusky, Assistant District Sales Manager, Calgary.

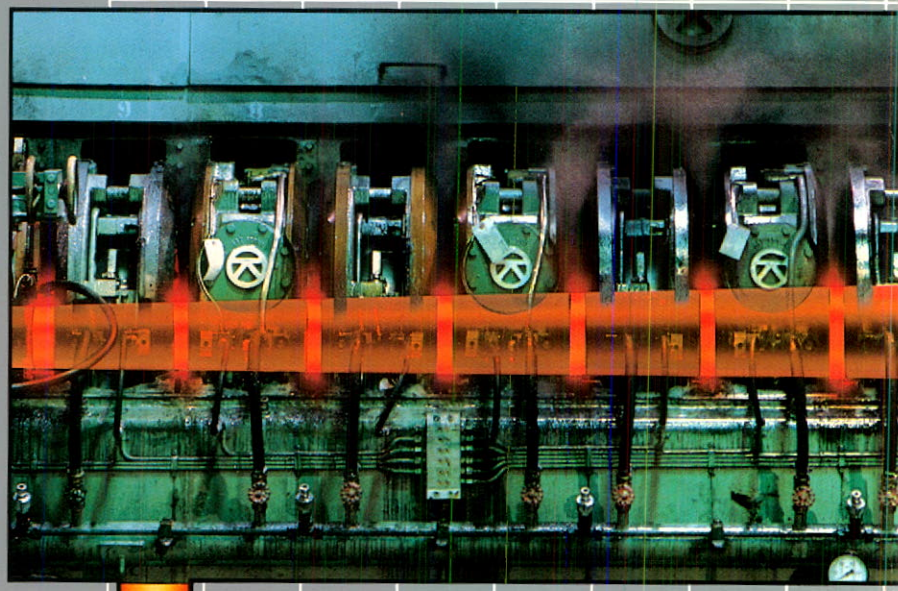
No. 2 Mill: a $385,000,000 vote of confidence

No. 2 mill is the state of the art in seamless tubular production. It incorporates technology from the U.S.A., Italy, Germany and Canada. To achieve its high production capacity and high quality potential, the mill makes extensive use of leading-edge computer controlled manufacturing techniques. It is the newest and one of the most sophisticated seamless tube mills in the world.

The mill was originally conceived during the peak years of oil and gas exploration in North America. Despite the economic upheavals in the industry since then, Algoma completed and commissioned the mill. Needless to say, there is risk involved. However, it is a risk which Algoma is willing to take. We believe in the future of the oil and gas industry in North America and in the wide range of potential manufacturing applications for our seamless tubulars. And we have "put our money where our mouth is."

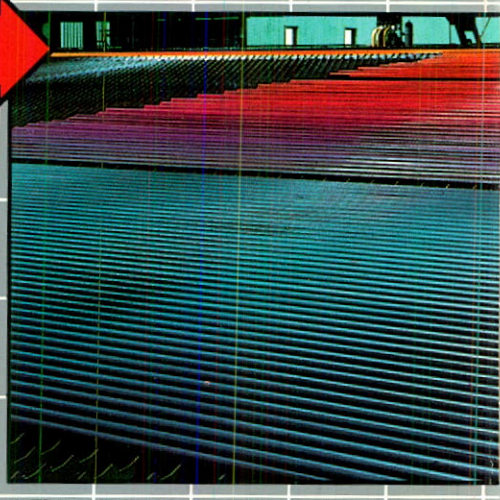
Oil and gas exploration will continue to grow, refining and processing will be expanded and new uses for seamless tubulars will be developed. We are confident there will be a large, long term market for the high quality seamless tubulars produced by Algoma Steel.

Note: This diagram is intended to cover the highlights of the production process. It does not include every step, every test and every stage of finishing.



▲ A laser OD reader and radioactive wall thickness gauge provide input data for the computers operating the stretch reduction mill. The shell enters the mill at a maximum speed of 330 feet per minute. Rolled-to-size tube exits at up to 620 feet per minute.

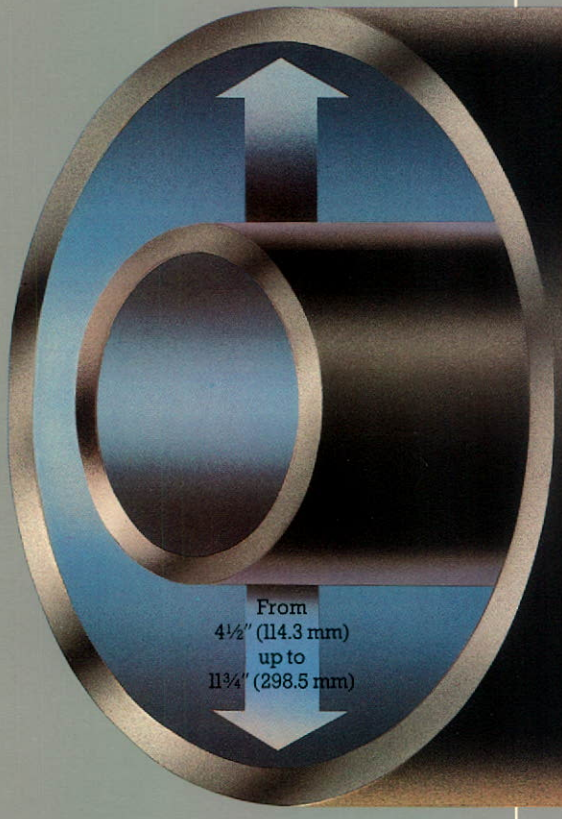
▲ Men who built No.2 mill and men who will keep it rolling: from l to r: Bryan Code, General Supervisor, Operations Technology, Brian Coulas, Chief Supervisor – Process Control Engineering, Ed Rowe, General Manager – Engineering and Construction, Matti Packalen, General Supervisor – Mechanical Maintenance, Ken Forster, Project Administrator and Ken McLean – General Foreman – Electrical Maintenance.



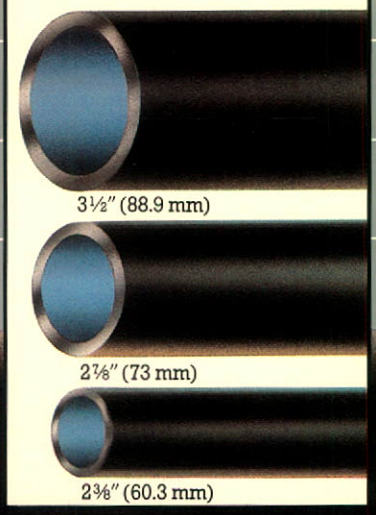
▲ The walking beam cooling bed transfers tubes up to 216 feet long from the hot mill to the lower level for finishing. The tubes cool slowly and

Algoma Seamless Product Size Range

Casing:

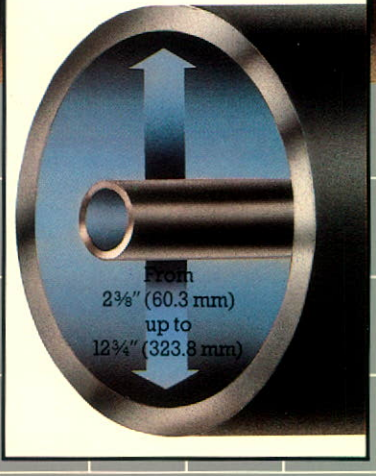


OCTG Tubing:

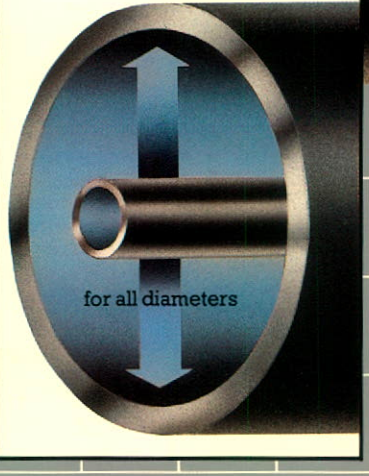


Line and Standard Pipe:

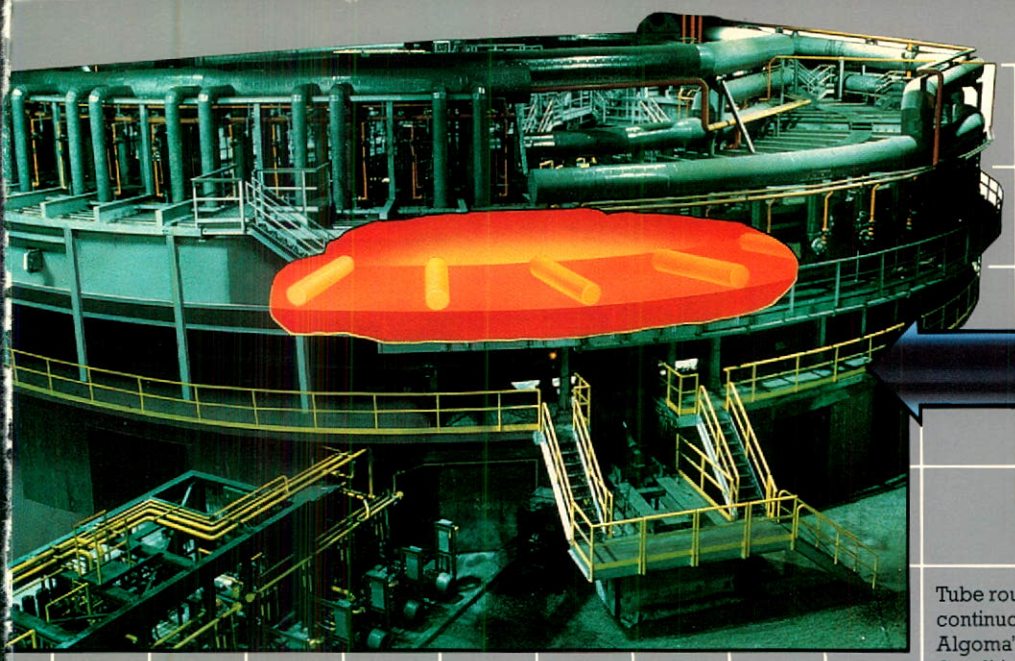
Mechanical Tubing:

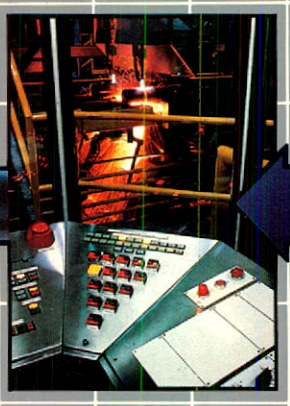


Coupling Stock and couplings:

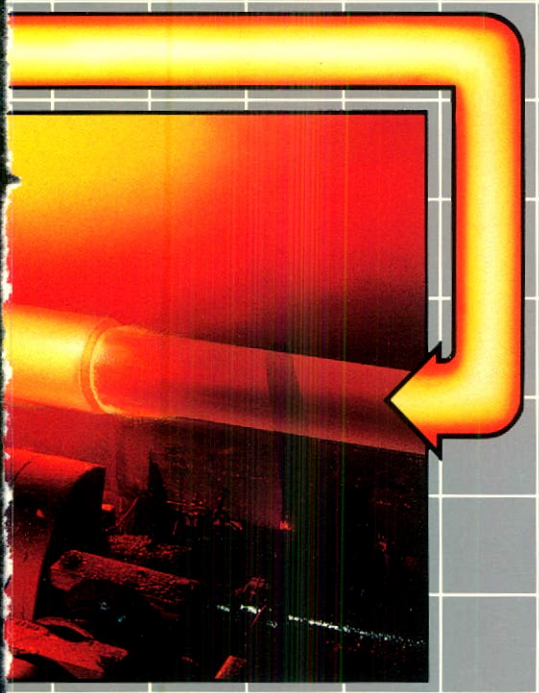


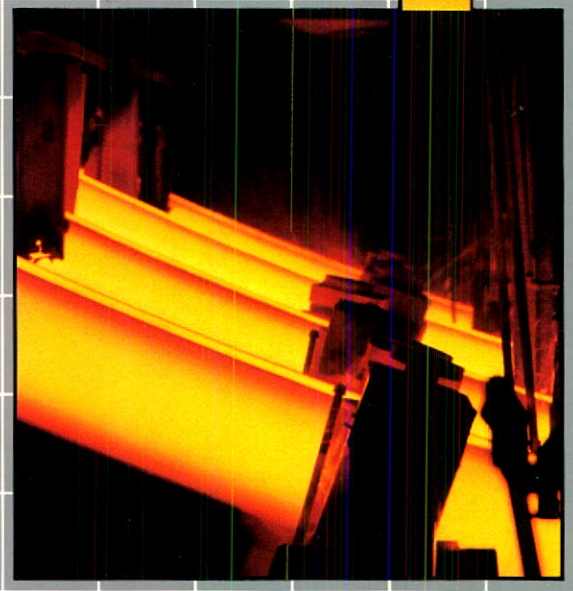
Dimensions shown are outside diameters. For complete product and technical information please contact the nearest Algoma Sales Office.



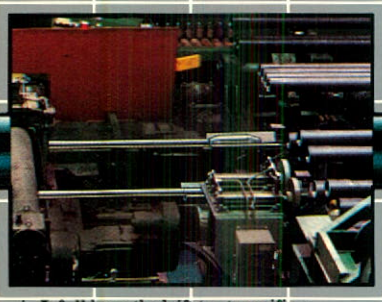


Tube rounds are rolled from continuously cast steel blooms from Algoma's basic oxygen steel plant. Conditioned rounds are weighed and measured, then flame cut to the billet weight required to yield the ordered tube size.

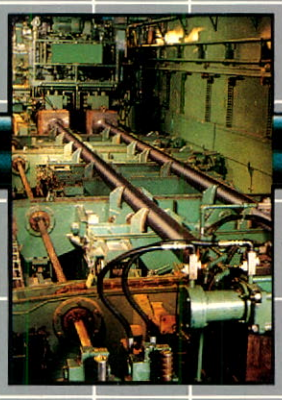




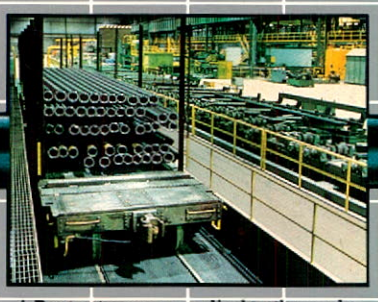
of appropriate size in the seven-stand retained
n the round during rolling, to achieve a
extractor mill pulls the shell off the mandrel



▲ A full length drift test verifies the inside diameter of each pipe and ensures there are no internal obstructions.



▲ In the hydrostatic tester, tubes are subjected to internal water pressure up to a maximum test pressure of 20,000 p.s.i. to meet customer specifications and various industry standards.

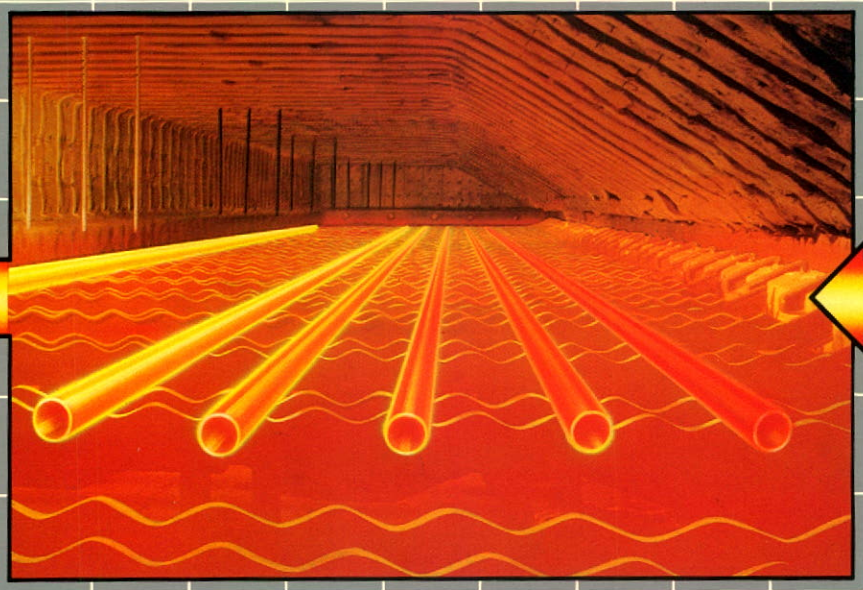


▲ Protectors are applied to the ends of threaded pipe. Finished tubes are then carefully loaded on trucks or railway cars and blocked in place to prevent damage in transit.

ALGOMA SEAMLESS
MADE IN CANADA

▶ It only takes a few seconds for the powerful rolls of the piercer to produce a closely controlled hollow round.

▶ The high capacity rotary hearth furnace is remarkably energy efficient. Billets are loaded from the inside of the 'donut,' rotate through eight temperature zones and emerge at 1300° C.

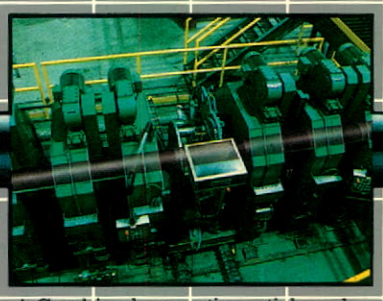


▲ In the walking beam re-heat furnace, the temperature of the shell is stabilized at 950°C in preparation for entry into the stretch reduction mill. The furnace uses a full-length rotating door to place the shell on the walking beam hearth.

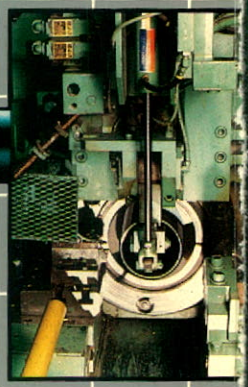
▲ The hollow round is rolled over a mandrel mandrel mill. The mandrel moves slower th constant and final inside shell diameter. The and rolls the 'mother shell' to its final 7¼" OD

evenly, maintaining straightness. Gentle handling prevents surface damage.

▲ Each tube is marked with a Product Identification Number which is traceable within the system. The PIN is applied in both machine-code and numerals.



▲ Combined magnetic particle and electromagnetic equipment examine each length of pipe and ensure that it meets or exceeds the standards set for its particular application.



▲ Pipes are cut to specif length, end-faced, cham and finished as ordered threaded or unthreaded.

ALGOMA SEAMLESS

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Printed in Canada