

The Flow Informer

Your Resource To Eliminate Turbulence

Summer 2017 Issue

CEO Memo



2017 marks my ten year anniversary with the flow improver business. Over the last decade, I have witnessed significant business and employee growth and I'm very proud of the progress we have made. Beginning with Conoco, Inc., in the late 1970s, LSPI has remained the commercial and technology pacesetter in our industry. Our singular focus on the flow improver market has allowed us to establish long relationships

with leading pipeline companies and those relationships remain as strong as ever. We continue to believe that our full-service business model provides the highest level of product reliability and performance, supported by an enduring commitment to product innovation within our organization.

Berkshire Hathaway has a reputation for acquiring businesses that demonstrate market leadership, strong customer relationships, responsible growth, quality offerings, and a culture driven by safety, ethics and values. LSPI is proud to be a part the Berkshire Hathaway portfolio.

Earlier this year, we announced that we are ending our strategic alignment with Lubrizol, another Berkshire Hathaway company. As communicated earlier, Lubrizol will provide back-office support throughout 2017 as we establish those services internally. That effort is progressing well and we expect to be fully transitioned before year end. As LSPI has operated fairly autonomously over the years, I am confident that this transition will be at no disruption to our customer relationships.

In January we announced our new name: LiquidPower Specialty Products Inc. We have since launched our new logo, and our new website will debut mid-year and will be available in multiple languages to best serve our global customer base.

We continue to grow and invest in our business, and are currently expanding our manufacturing and logistics capabilities. Additional announcements are coming and I look forward to sharing them with you in the coming months.

- Mike Brown
Chief Executive Officer

New Houston HQ Address

Effective April 1, 2017, the LiquidPower Specialty Products Inc. (LSPI) headquarters in Houston, Texas, moved office suites. The new physical and mailing address for the Houston headquarters is:

LiquidPower Specialty Products Inc. (LSPI)
2000 W. Sam Houston Pkwy S.
Fourth Floor, Suite 400
Houston, Texas 77042
USA

Please note that LSPI employee office and cell phone numbers have not changed.

10 Year Anniversary of OSHA VPP Star Status

2017 marks LSPI's ten year anniversary of obtaining OSHA VPP Star Status for the Bryan, Texas, manufacturing facility. Today, the company is honored to hold the title of VPP "Star Among Stars" status, awarded as recognition that LSPI is a top safety performer, exceeding performance needed to qualify for VPP's "Star" status.

Global Supply Chain Reliability

LSPI has a global supply chain team who work daily to ensure flow improver products are delivered safely and on time to customers around the globe. With team members in both the Houston and Brussels offices, LSPI offers around-the-clock support to ensure deliveries go smoothly with appropriate and timely communication to customer contacts. With customer satisfaction a top priority, LSPI is constantly evaluating how to optimize the business to improve service and efficiency, while ensuring high operational and safety standards are not compromised.

In-house Transportation Fleet

In early 2015, LSPI established LSP Transport, LLC. (LSPT), a wholly owned subsidiary of LSPI, to handle deliveries throughout the United States as an in-house trucking fleet. Investing in in-house transportation enhanced LSPI's logistics outreach, reducing the time it takes to schedule deliveries and allowing additional flexibility in business operations. LSPT operates out of a six acre transportation complex in Bryan, Texas, just ten miles from the LSPI manufacturing campus.

Final product delivery to customer injection sites requires knowledge, care, and attention to detail to ensure smooth operations. LSPI uses direct-hire LSP Transport employees, who focus exclusively on LSPI deliveries, and develop strong relationships with LSPI's manufacturing campus employees during truck loading and with LSPI customers at delivery sites. These drivers also work closely with LSPI's network of field service representatives, communicating any site-specific information, such as results from the driver delivery checklist, after carefully assessing product and operating conditions in and around each skid at delivery. Any unusual conditions are reported to LSPI's field service network for investigation and correction as appropriate.

LSPI continues to improve and enhance service capabilities, and logistics is a key component. Global customers require a



large network of logistics partners, and independent carriers are utilized for long haul product movements, which may include rail, tanker truck, flatbed transport, as well as ocean carriers.

New Logistics Partnership for Canadian Deliveries

Product deliveries in Canada posed a challenge for U.S.-based drivers. As the business grew, LSPI determined that an improved and expanded distribution and delivery service plan was necessary to best serve Canadian customers. In late 2016, LSPI established a new transportation relationship with a Canadian partner to meet this need. This partner's main business is to provide logistics services, typically for oilfield chemicals companies. They operate an extensive fleet of transport trucks based out of a large drive-in, heated warehouse in Edmonton, Alberta. Dedicated specific warehouse space, equipment, and drivers have been allocated for LSPI customer support. This dedicated fleet ensures that Canadian DRA customers are serviced reliably to full LSPI operating standards. All drivers must comply with local government and industry regulation and meet LSPI's comprehensive training and service requirements.

This Canadian transportation partnership has also enabled the adoption of rail transport of DRA to Canada. Railcars of DRA are delivered to an unloading yard, only a few miles from the warehouse.

Servicing Global Operations through Strategic Partners

LSPI has been servicing customers across the globe for nearly four decades, and recognizes the business-critical importance of supply chain reliability. The success of the business lies not only in leading technology and quality products, but in ensuring that a sound product distribution network is in place. Global customers may present uniquely challenging or remote destinations, but LSPI has the flexibility and creativity to find mutually agreeable solutions to ensure that those sites receive on-time delivery to satisfy their DRA needs and best optimize their pipeline systems.

LSPI is continuously exploring potential for growth and expansion of strategic storage locations to best respond to dynamic customer and market demand. Based on economic movement, LSPI can be responsive by increasing flexibility in business operations through strategic storage and partnerships. With regional storage locations, market-sized inventory is dedicated and available, allowing for shorter lead-time supply to customers. Established relationships with professional freight forwarders and transportation partners ensure that product arrives safely and is expedited efficiently.

LSPI's transportation partners exemplify LSPI's high customer service and safety expectations, while focusing on optimal reliability.

Continuous Improvement: High Quality Standards

LSPI celebrated 20 years of ISO 9001 certification in 2016. In early 2017, LSPI achieved the newest ISO 9001:2015 certification. LSPI's commitment to strict quality standards is part of the full-service business model, and ISO certification utilizes outside industry-specific auditors to ensure that the company's quality program is not only written well, but that comprehensive quality management standards are adhered to consistently. A strong

ISO quality management system ensures that LSPI's products and services effectively 1) meet customer and regulatory requirements, 2) benchmark continuous improvement, 3) identify areas for optimization, 4) focus on knowledge sharing and knowledge archiving, and 5) mitigate risk throughout the business. Elective participation in ISO certification is a business investment and a global differentiator for the company.

Safety Corner



The Bryan Plant Emergency Response Team

LSPI's management team has committed to proactively enhancing safety procedures by forming an Emergency Response Team (ERT). Bryan, Texas, is fortunate to have great local fire and emergency responders, but these crews lack the knowledge that LSPI manufacturing employees possess in regards to plant operations.

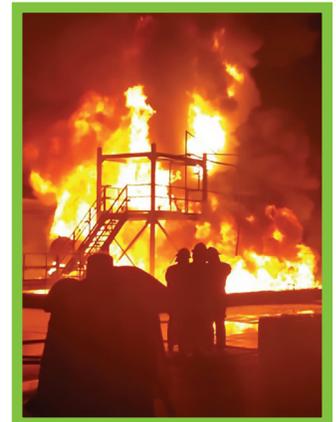
The team is Pro-board Certified (certification for fire service personnel to national firefighting standards) in industrial exterior firefighting and training on incipient interior fire response. Training is conducted annually at the TEEX Fire Training School (College Station, Texas) to ensure that the latest firefighting techniques and safety precautions are utilized.

The LSPI Manufacturing ERT team is working with the Bryan Fire Department to help supplement their ranks by completing electrical isolations, valving out lines and knowing which chemicals are the ones of concern during an emergency. Training is conducted regularly, and procedures are reviewed thoroughly for safety standards, compliance and best practices.

Establishment of the ERT on LSPI's Bryan manufacturing campus ensures that on-site personnel are prepared to counter emergencies that may include personal safety situations, as well as facility-threatening events requiring active firefighting capabilities. The ERT works in full collaboration with local authorities for all training and procedure development.



The Bryan Manufacturing ERT recently attended off-site firefighting training





A Berkshire Hathaway Company

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LiquidPower
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Skid Spot: Warm Weather Pest Advisory



The heat can be not only dangerous in regards to heatstroke or sunburn, but it can cause pests to relocate to unexpected locations near LSPI operations. With warmer months approaching many customer field sites, pests could be looking for new environments, and may seek shelter near skids. Throughout the year, LSPI advises all customers to perform regular site walks to look out for unwelcome visitors, but it is most critical during times of changing weather patterns.

Around skids, be sure to look up for bee and wasp nests, and survey the grounds as snakes may be exploring new areas, or fire ants may be building hills. If you run across any such pests, LSPI suggests you consider contacting a professional exterminator or pest control service. It is also important to familiarize yourself with the local species of pests, so you can recognize those which may be poisonous to avoid severe injuries. LSPI would also like to remind customers to perform routine audits of first-aid kits, ensuring appropriate supplies are on hand to treat any bites and stings, and that emergency contact numbers are posted in a visible location.

Has your subscription status changed?

If you need to update your address, or to request being added or removed from *The Flow Informer* mailing list, please email LSPI.Info@Lubrizol.com.

LSPI participates in a number of industry events throughout the year, which are posted on the company website, www.LiquidPower.com. The newest addition to the 2017 event schedule includes the Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) in November 2017.

Visit us online: www.LiquidPower.com