



Serving the Petroleum and Natural Gas Industry

June 15, 2011

To Our Customers,

A worldwide shortage in the supply of materials used in the production of Teflon products has led to a difficult situation for many companies, including Welker.

Dramatic increases in demand, tighter exports from China and issues with production plants in Japan caused by the devastating earthquake and tsunami as well as an accident at a major production plant in Italy have combined to create a shortage of PTFE products (better known as Teflon®) throughout the world.

This situation has caused major increases in prices from suppliers as well as significant delays in delivery times. The circumstances are not expected to change in the near future.

Unfortunately, because of this, Welker may be forced to increase the price and delivery time for our equipment and parts containing Teflon®. Be assured we will make every effort to minimize the increases and continue to monitor the situation with our suppliers.

Please feel free to get in touch with any member of our Marketing and Sales staff with questions you have concerning this situation.

Sincerely,

Josh H. Welker,
President