

Third Quarter 2012



President's Review

(Bill Neighbors, President & CEO)

Greetings to our employees, clients and friends!

The third quarter has shown little weakness or slowdown for Tank Connection storage products and services. At TC, we continue to see positive indicators developing for the future. General market conditions continue to improve at a slow pace, but the magnitude and dollar value of future growth opportunities in water, wastewater and dry bulk storage applications appear significant as we head into

2013. TC is being positioned to fulfill the needs of the storage industry with wide range capabilities. We review today's market for TC storage products and services as "on track and ahead of schedule".

Tank Connection currently maintains a significant backlog of storage projects in our schedule. We also continue to be the fortunate recipients of some of the most premier dry bulk and liquid storage projects built on the planet. As just one example, when the governing water body for Sao Paulo Brazil selected their XL municipal water tanks, they reviewed Tank Connection RTP tank construction coated with LIQ Fusion 7000 FBE™ (and TC aluminum geodesic domes) vs. glass coated tanks. TC was the chosen supplier, as the merits of our product offering over glass were highly recognized. They wanted the best and they bought the best.

At Tank Connection, we also witness our continuous improvement practices driving the next generation of storage products and services that will continue to lead the industry. The marketplace has responded to us with their request to increase production of existing products and to develop new storage product offerings that will fulfill the needs of new developing markets. "We get it" because this has been a focused priority from day one; that is, to service existing and growth markets with superior products and services tailored specifically for the application and local code requirements. We want to thank all of our clients for your strong support for a company that always strives "to do the right thing", from start to finish. Your support clearly shows and we want to reciprocate that support with unmatched service to your company.

Our Commitment to Excellence!

- Tank Connection special hybrid storage system applications. We are the innovator and developer of this product line.
- Large volume applications.
- Hybrid tanks combine the best component features of bolted RTP steel, field-weld steel and concrete construction.
- Continuous process design.
- Sets the benchmark for unmatched field performance in the industry.



What's New for 2013?

- As softly announced in our last newsletter, TC has secured another tank manufacturing facility for the production of SIT's (system installed tanks), XL shop-welded tanks and aluminum domes. (Note: SIT applications are a unique approach to a growing industry. If you have any questions on these applications, please talk with our SIT Team.)
- Expanded aluminum geodesic dome designs including architectural designs. (Notes: TC recently purchased the latest state-of-the-art fabrication equipment to service this industry. The equipment is installed and turning out aluminum dome components for a global market.)
 - Looking for the best dome design? This would be TC domes.
 - Looking for the highest quality? Again, this would be TC.
 - Looking for the best price? TC rules!

Any questions?

- We have expanded our engineering services to fulfill client needs for the future. We are the experts in storage solutions. When questions exist on future applications, please contact us any time for assistance and the right answers.
- More specialized coatings and coatings technology offered. [Note: Of course, this is why an FBE (fusion bond epoxy) powder coat line was originally chosen over a vitreous enamel /glass line at our new bolted tank facility.] TC's FBE coating performance in the field will outperform glass, of which one glass tank manufacturer now acknowledges. The TC advantage is the versatility of what we can offer with other specialized, advanced coatings systems. Our multi-million dollar powder coat line and technology is unmatched globally in modular, bolted panel fabrication. Our processes allow versatility which is far beyond competitor capabilities. Our processes represent the future of advanced coating systems to service the industry with superior products.

Tank Island

Not a "fun in the sun" location to take your spouse, but if you are into tanks (like us), a fly-over may be warranted.

TC aluminum geodesic domes being installed on field-weld tanks, located off the coast of Panama.



Modular storage systems with an IQ

Just about any storage facility can be expanded in the field, but modular storage systems can be designed for simplified future expansion. It is a “plug and play” approach to quickly increase storage capacities. The shop-welded aggregate storage systems shown can be expanded in a fraction of the time required for typical battery installations. IQ storage systems by TC, an intelligent choice for the future.



Our precision RTP (rolled, tapered panel) construction is the #1 bolted tank design selected worldwide.

The BEST features of bolted and field-weld tank construction have been combined together in our “Bolted RTP” tank design. It remains unmatched in the industry in all category ratings:

- Best Bolted Tank Design – RTP (rolled, tapered panel) tank design
- Best powder coat system – Fusion 7000 FBE™
- Long life, low maintenance storage
- The NO LEAK bolted storage tank
- Outdates the API 12B flanged panel tanks
- Modular construction – shipped worldwide
- Field construction process is rated #1 in safety & quality
- Economics of value
- The RTP bolted tank design is the ONLY tank design recognized as a replacement for field-weld tank construction



Bolted RTP Tank/Lake @ 6 Million Gallons



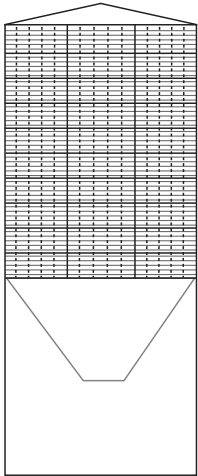
Installed at “Ground Zero” of the 1930’s Dust Bowl

What level of design and quality does your dry bulk storage application require?

UNDERSTANDING XL STEEL HOPPER TANK DESIGN - What level of design and quality does your application require?

TYPE: Corrugated

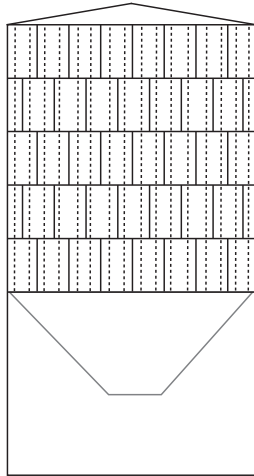
Quan. 4 stiffeners per panel
Application: Grain



Design "D"

TYPE: API 12B with Shell Stiffeners

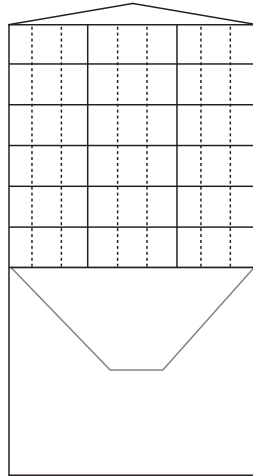
Quan. 2 stiffeners per 5' wide panel
Application: Light Bulk
Application: Plastics, Grain & Other



Design "C"

TYPE: Bolted RTP with Shell Stiffeners

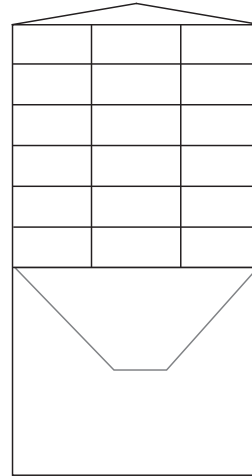
Quan. 2 stiffeners per 10' wide panel
Application: Bulk Industrial Process



Design "B"

TYPE: Bolted RTP Construction

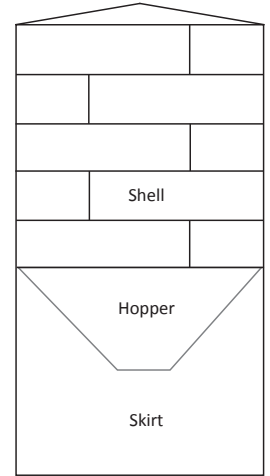
Application: Power Industry
Application: Heavy Bulk Industrial



Design "A"

TYPE: Field-Weld Construction

Application: Power Industry
Application: Heavy Bulk Industrial



Design "A"

In today's market, there is a wide variety of steel tank designs and quality being offered for dry bulk storage applications. Understanding the differences will prevent the purchase of inferior products and designs, that will not fulfill your requirements for high quality storage facilities.

Tank Connection is the only tank supplier worldwide that designs, manufactures and installs all four types of steel storage tanks including bolted RTP (rolled tapered panel), field-weld, shop-weld and hybrid tank designs. Our precision RTP construction is the #1 bolted tank design selected for dry bulk storage applications. The BEST features of bolted and field-weld tank construction have been combined together in the RTP Design. It remains unmatched in the industry in all category ratings.

In bulk storage applications, Tank Connection designs, manufactures and installs more XL bolted hopper tanks than any other company in North America. We offer:

- ▶ The Best RTP Design
- ▶ The Best Quality - ISO9001 Quality System Certified
- ▶ The Best Fusion Coating System Available
- ▶ The Best Construction Services - A synchronized jacking process is utilized to build tanks from grade level.
- ▶ Genuine "Golden Rule" Customer Service
- ▶ The Best Experienced Team in dry bulk storage applications with over 2100 years of combined industry experience.

When you have questions on dry bulk storage, just call or email us and we will always provide you with the right answers.

"Get Connected" with the Unmatched Performance of Tank Connection!



Light Design "D"

Heavy Design "A"

Rep and Dealer Awards for 2012

Rep and dealer awards are planned for release at year's end. Manufacturer's representatives and dealers are a valuable asset to the TC family. At TC, we are always looking for the "best of the best" in the industry. We look in target industries for representatives and dealers that are focused on service to others. What we find is that most of the time, these agencies are looking for the best manufacturers to represent also. If you are a MR or dealer and you service your territory with excellence, then our connection is destined to happen.

"The quality of a person's life is in direct proportion to their commitment to excellence, regardless of their chosen field of endeavor."

Vince Lombardi

Simply put, we appreciate our representatives/dealers and their service to the industry. These agencies will be showcased in our year-end newsletter.

All bolted water tanks should look so good!



LAX Airport – Recently installed RTP (rolled, tapered panel) bolted tank coated with LIQ Fusion 7000 FBE™ offered exclusively by Tank Connection, selected as the best steel water tank design and coating offered in the water industry.

TC Corporate Strategy Discussed

TC strategy meetings were held again this year in Branson, MO, on October 18 and 19th. Over 55 employees attended which included 25 presenters. TC corporate strategy was reviewed for 2013 and beyond. To date, this has been one of our best strategy meetings with an aggressive project list planned for the future. TC growth has far exceeded other storage tank companies by multiples, both domestically and on a global basis. TC is once again on the move with additional manufacturing capacity added. We have also crossed a new benchmark of 280 employees. Other big plans for 2013 are just starting to be unveiled. More information to follow.



Business without Boundaries

- from the desk of John Haight, International Sales Manager

The framework of sales will always be performance oriented, and by its inherent nature has always drawn reference points, guidelines, and yes, boundaries. Webster's Dictionary defines boundaries as: "something that indicates or fixes a limit or extent". Boundaries may be something tangible – such as geographic borders that outline a particular territory or region. Moreover, we often construct abstract boundaries in our way of thinking when working to reach a particular goal. We've all become too familiar with the catch phrase "think outside the box". This first requires one to identify the "box", and all the confines associated with it. Then moving beyond these limitations becomes a matter of planning and thoughtful application.

TC has experienced tremendous growth both domestically and internationally the last few years – in fact, every year since our inception. This is not by coincidence, but rather by "thoughtful application" and recognizing that our business can only be limited by our perceived boundaries. When people say it can't be done, we double our efforts to prove the contrary. Our sales model for 2013 and beyond is no exception – we're simply removing ALL the boundaries and will continue to provide the most innovative storage solutions in the industry backed by "Golden Rule" customer service.

If you're an existing customer of TC, we thank you for your continued trust in our company and our products. If you're reading this newsletter for the first time, we invite you to visit with us and experience all the aspects that differentiate TC from other storage providers.

Our compliments to TC Dealers Worldwide!

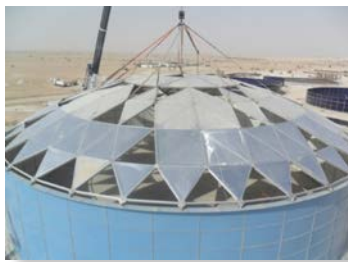
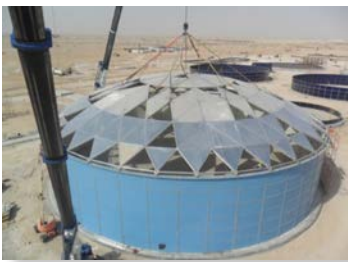
SACA in Mexico



Virgin Islands



PROTEC - Qatar



Tasman in Australia





Quality Newsletter - from the desk of Matt Hamilton

Effective corrective actions

As we move towards the end of 2012, our continuous improvement practices continue to gain momentum in every area of operation. We work very hard to produce the best storage products and services available in the industry. However, in any system, problems and/or issues will arise that require immediate resolution. At Tank Connection, we have several tools in our arsenal to address problems and non-conformance issues. I would like to address one of the most important tools in our system, which is noted as "corrective actions". Corrective actions are basically set up in three separate but similar documents designed as a mechanism to react

to problems or issues as they arise. The intent of our approach is to address and then prevent the reoccurrence of errors. Our system also allows us to track the costs associated with any non-conformance. The first document includes an internal (or shop) non-conformance report, which is referred to as an NCR. The document captures all the pertinent information, along with details about any immediate in-shop corrective action taken. The second document is very similar to the NCR, but it is specifically designed to meet the needs of external (or field) non-conformance reporting and is called an FNCR. Both of these tools allow us to correct deficiencies and also track details. When an issue arises, the manager of the responsible department will be sent a copy of the form. The manager will review, research, and respond to the Quality Department with a completed form. This will include all pertinent information, including the root cause of the problem and the steps taken to prevent reoccurrence. Our third approach includes a formal "corrective actions" form. This can be submitted when previous steps to correct an issue have not proven effective or if the issue is a high priority item. Of course, the best approach is to always prevent a problem from ever occurring. To accomplish this we use a "preventative action" form that is available for use when a risk has been identified, but no problems have occurred. This form can be requested by any manager or lead supervisor personnel. If accepted, the Quality Manager will submit a CA-PA form to the applicable manager, detailing the risk identified along with a due date required for a response. This is just one more way we make continuous improvement more effective to meet the needs of our customers. In all cases, teamwork is essential, as we work together, committed to continuous improvement in all operations.

"Tank Connection personnel are committed to the relentless pursuit of continuous improvement in all of our business operations to fulfill the needs of our customers."

Enjoy the journey!



Sales Update - from the desk of Vince Horton, VP Sales

We recently concluded sales and corporate strategy meetings to put the finishing touches on 2012 and began looking forward to our plans for 2013. These meetings have been noted by attendees to be the "best" in the history of Tank Connection and the positive outlook by staff and employees are based on record sales, growing and diverse backlog, numerous premier installations in the field, and a bright outlook for 2013 and beyond for TC products and services.

The solid growth of TC did not happen by accident but rather, because of a dependable, knowledgeable and dedicated group of employees who truly embody what it means to be the best of the best. As V.P. of Sales, I have the pleasure to work with the finest sales team in the industry and those are not just words. I just began my 25th year in the storage tank industry and the current sales team at TC is the finest I have ever had the opportunity to be part of. This team will go above and beyond to exceed the expectations of our clients. Of course, I believe this is what separates TC from all of our competitors.

As noted, corporate initiatives are being finalized and the sales plans and goals for 2013 will roll out very soon. The TC staff looks forward to another record year and will continue to work with our dealers, representatives and valued clients around the globe. Please do not hesitate to let us know how we may better serve those that we so greatly appreciate the opportunity to work with!

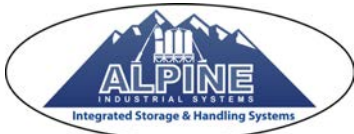
Happy Selling!

Featured this quarter: our friends at Alpine!

ALPINE INDUSTRIAL SYSTEMS specializes in Integrated Bulk Storage & Material Handling System Projects from concept to completion including nation wide plant expansions, receiving & load-outs, transload terminals, and services all industries. Along with outstanding personal service we specialize in providing quality and cost-effective solutions to meet your needs.

PROJECT PROFILE FEATURES

Frac Sand Transload Terminal with three (3) 26' dia. x 80' tall fully skirted tanks with truck drive through, dual scale system, dust free load-out equipment, three (3) rail spur unloading pit with reclaim conveyor and pent house with stair access, bucket elevator, stair tower, diverter valve, chutes and supports, dust collection, sump system, compressed air system, controls & MCC building. This project was provided as a turnkey design build (EPC) to include all concrete, structural, mechanical, and field electrical, with the exception of the rail road work, site drainage, and asphalt.



2013 & Beyond... A Note to TC Employees

- Lead the industry or you will be led by others.
- Provide the best products and services available. To be in 1st place is an honor; to be in 3rd place is a ranking.
- Build an aggressive machine that is quick to adopt change to better serve our clients. Our business and the marketplace is ever-changing, so embrace it.
- Know your strengths and weaknesses. Shore-up your weaknesses and exploit your strengths.
- Hold your people accountable for their performance.
- Enjoy the workplace and the people you work with because we need each other.
- Recognize that TC's success is a winning combination of talents.

-TC Staff

Need something special?

In dry bulk storage, we are the industry leader for large bulk storage facilities in North America.

TC's modular RTP construction is now requested worldwide by leading U.S. corporations. We load containers daily and provide expedited deliveries. The tank shown on the left side of the adjacent picture is bolted RTP construction (right side, shop welded). It will install in 1/3 the field time required for its field-welded counterpart. Jack built from grade level at any international location.



The Big Sky Country of Wyoming

This short skirt dry bulk hopper tank is jack built on dummy rings below, then crane lifted into place.



Out with the OLD...



in with the NEW!

AG Storage Tanks installed by FSRC. The glass tank being replaced was approximately 25 years old. Blue Ridge Farms is storing animal waste slurry.



Meet the bolted facility manufacturing team!
Dedicated to safety, quality and service to our clients.



Bolted Facility - Parsons, KS
Day Shift



Bolted Facility - Parsons, KS
Night Shift

Want To Be Featured In Our Newsletter? or Would You Like to Include One of Our Articles in Your Newsletter?

Send us your pictures and stories and we will include them in our next newsletter. This newsletter is designed for all TCAG Employees, TCAG Reps, TCAG Dealers, House Accounts, TCAG Clients and Specifying Engineers. It is our intent to keep you informed on the latest happenings at TC. Our people are motivated and our storage products are at the forefront of the industry. We are excited to lead the storage industry and we are excited when you provide us with information that depicts our tanks interfaced with your system. It is our intent to provide exposure for your companies. Our newsletter has a global readership and as you already know our web network is unmatched.

So...send us your information. This newsletter is released quarterly. The next release is scheduled for early January 2013.

Alternatively, as many have already requested, we will gladly allow you to reprint the information contained in each issue of the newsletter. Just ask and I will provide a document for your use!

Kenton Jarman

kenton@tankconnection.com

Company Profile

From time to time we receive requests for brief company profile documents, which we labeled as "snapshot documents". If you want to know about TC in a nutshell, a simple 3 page PDF summary document can be quickly reviewed.

For a snapshot company profile, visit us at:

<http://www.tankconnection.com/docs/company-profile.pdf>



3609 North 16th Street • Parsons, Kansas 67357
Ph: 620.423.3010 • Fax: 620.423.3999
www.tankconnection.com

Tank Connection Affiliate Group – A Snapshot Company Profile

There's a reason why everywhere you look you find Tank Connection!

Tank Connection is a global leader of custom engineered storage tanks, systems, solutions and services. Their products and services are recognized in the industry for setting a new benchmark of quality and field performance in integrated storage systems. TC is also the only tank manufacturer worldwide that designs, fabricates and installs all types of steel storage systems including bolted RTP (rolled, tapered panel), field-weld, shop-weld and hybrid tank construction.

TC personnel are experts in dry bulk and liquid storage applications, covering all sectors and industries including minerals & mining, power facilities, water & wastewater, oil & gas, chemicals & petrochem, dry bulk storage, municipal utilities, renewable energy and other. With over 2100 years of combined industry experience, Tank Connection stands alone as the industry leader in large capacity/volume bulk storage systems.

Tank Connection LLC is headquartered in Parsons, KS. The company encompasses multiple manufacturing facilities and over 200,000 square feet of floor space dedicated to custom engineered storage systems. With sales outlets worldwide, TC is the ultimate SINGLE SOURCE supplier for all types of storage containment systems.

TC's precision RTP (rolled, tapered panel) construction is the #1 bolted tank design selected worldwide. Additionally, Tank Connection offers the top performance Fusion powder coating systems available for steel storage tanks. Offering the best line-up of quality storage products has made Tank Connection #1 in North America with unprecedented international growth. Their bolted RTP storage tanks/systems are containerized and shipped worldwide.



As always... our best to the BEST!



ISO 9001:2008



Tank Connection Affiliate Group
PH: 620-423-3010 FAX: 620-423-3999
www.tankconnection.com