Mech-Tool Engineering Limited

PRESS RELEASE

Mech-Tool Engineering Ltd and Transco Products Inc agree UK-US licence and supply agreement

Mech-Tool Engineering Ltd (MTE) has positioned itself for major expansion in the nuclear sector, in the UK and overseas, after signing a licence and supply agreement with a leading US corporation.

County Durham-based MTE, which specialises in explosion, fire and noise protection systems, and Transco Products Inc, a recognised world leader in thermal insulation systems for the commercial nuclear power industry, intend to manufacture and sell the products of each other on either side of the Atlantic.

The accord was signed at the end of a two-day technical summit at MTE's offices in Darlington, and followed an earlier visit by MTE executives to Transco's Chicago headquarters.

"There is a tremendous synergy between the two companies and, on both sides of the Atlantic, there is a lot of excitement about the potential opportunities for each company's highly-specialised products," said MTE managing director Keith Bell.

In the UK, MTE believes the tie-up with Transco makes it a strong contender for work on nuclear power stations planned under the Government's new-build programme, and to secure work on the "Astute" and new generation "Successor" nuclear submarines.

The American company makes reflective metallic insulation systems for reactor process vessels and other primary nuclear plant components. Its products and services are in use at more than 200 nuclear power plants worldwide - including every operating nuclear station in the US.

Design engineers from both companies are already conspiring on a "best of breed" all-metallic insulation system designed specifically for passive cooled nuclear reactors and incorporating the best features of each company's safety technologies.

In the US, the American company is already looking at potential uses for MTE's SafeGuard high-integrity perimeter fence system in the war against terrorism, and similarly its range of blast and fire-rated safe havens and control rooms which helped establish MTE as a major supplier to the offshore industry.

Safeguard, a modular construction heavy-duty post and panel steel walling system, already has a proven track record on industrial sites in the UK, primarily in the petrochemical and oil and gas sectors, where it is used to protect sensitive equipment from risk of accidental damage.

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Mr Bell explained: "In the wake of the 9/11 terrorist attacks, there remains a lot of concern in the US that major industrial complexes could become the targets of terrorists crashing vehicles through existing barriers.

"With this and other potential uses Transco has identified, the deal could open up a massive new market in the US for our products."

While traditionally associated with the oil and gas and petrochemical industries, on and offshore, MTE, which employs 160 people in Darlington and Middlesbrough, has been positioning itself in recent years to gain a foothold in the nuclear sector.

A member of the Nuclear Industries Association and Nuclear Institute, it is pre-qualified for its blast and fire-rated process equipment modules with EDF-Areva, RWE Eon and Westinghouse, and is also a preferred supplier to BAE Systems' submarine division in Barrow.

Last year, it made a significant breakthrough in the decommissioning market when it was awarded a £1.5m contract to design and build a multi-service processing module, incorporating its blast and fire protection systems, for the Sellafield nuclear facility in Cumbria. It is currently awaiting decisions on orders for its blast-rated process equipment modules worth a total of £3m.

Said Mr Bell: "In recent years, we have acquired more than 300 years of experience in the industry through the appointment of key personnel, initially to take advantage of ongoing nuclear decommissioning work but also to prepare for the much-heralded newbuild programme for nuclear power stations.

The preferred designs for the UK's new build nuclear power stations are EDF-Areva's EPR (European Pressurised Water Reactor), two of which are already under construction in Finland and France; and Westinghouse Electric Company's AP1000 (Advanced Pressurised Water Reactor), the new generation of the Sizewell B plant and 12 of which are in progress around the world.

A possible key factor could Transco's role at the forefront of research to mitigate LOCA (Loss of Coolant Accidents), for which its Strainer system is widely used to guard against drainage blockage and failure of emergency cooling systems.

"While we have already begun to make our mark on the nuclear sector, the agreement with Transco Products Inc instantly opens up a new set of windows of opportunity at a time when the nuclear industry in the UK is embarking on an exciting new era of construction projects," Mr Bell added.

Since signing the Transco agreement, MTE has begun planning the constructing a 1,000sq meter purpose-built sheet-metal manufacturing, laser profiling and cutting facility, adjacent to its existing 7,750sq m fabrication centre in Dodsworth Street, Darlington. It expects the new building to be operation as early as March next year.

For further information contact Phil Dunn on 0132 341576

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HANDS ACROSS THE WATER: Keith Bell, left, MTE Group managing director, and Ed Wolbert, president of Transco Products Inc, shake on the licence agreement. They are watched by, from left, Chris Steiner, Transco senior designer; Bruce Alpha, Transco vice-president; Erik Helmuth, Transco senior designer; Paul Bell, MTE senior project manager; Jonathan Harris, MTE product development engineer; Peter Sinnott, MTE principal design engineer; and Ged Hall, MTE's 3D CAD modeller.

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