



# **WSP**

**WSP HOLDINGS LIMITED**  
**WSP 控股有限公司**

***Investor Presentation***

***September 2009***

*Your Access to Energy*

## Safe Harbor Statement

Statements in this presentation may be "forward-looking statements" within the meaning of federal securities laws. You can identify these forward-looking statements by terminology such as "will", "expects", "anticipates", "estimates", "plans", "future", "intends", "believes" and similar statements. The matters discussed herein that are forward-looking statements are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Forward-looking statements involve risks and uncertainties that may cause actual results, performance or financial condition to be materially different from the expectations of future results, performance or financial condition expressed or implied in any forward-looking statements. Such factors include, but are not limited to the company's ability to complete product orders, coordinate product design with its customers, ability to expand and grow its distribution channels, political and economic factors in the People's Republic of China, the Company's ability to find attractive acquisition candidates, dependence on a limited number of larger customers and other factors detailed in the Company's filings with the Securities and Exchange Commission. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties. Forward-looking statements made during this presentation speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation.

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We undertake no obligation to publicly update or revise any forward-looking statements or other information or data contained in this presentation, whether to reflect any change in our expectations with respect to such statements or any change in events, conditions or circumstances on which any such statements are based or otherwise.

WSP Holdings Limited is a leading manufacturer of Oil Country Tubular Goods (OCTG) consisting of seamless casing, tubing and drill pipe used for oil and natural gas exploration, drilling and extraction, and other pipes and connectors based in the People's Republic of China

<b>NYSE Symbol</b>	<b>WH</b>
<b>ADS Share Price (8/20/09)</b>	<b>\$4.79</b>
<b>Market Capitalization (102,894,900 ADS)</b>	<b>\$492.9 million</b>
<b>ADSs Outstanding</b>	<b>27,894,900</b>
<b>Net Revenues (ttm)</b>	<b>\$918.7 Million</b>
<b>Net Income (ttm)</b>	<b>\$88.9 Million</b>
<b>Earnings per Common Share (ttm Diluted)</b>	<b>\$0.43</b>
<b>Earnings per ADS (ttm Diluted)</b>	<b>\$0.86</b>
<b>P/E (ttm ADS)</b>	<b>5.6 x</b>
<b>Fiscal Year End</b>	<b>December 31</b>

### Large Scale Production

13 threading lines and 2 drill pipe production lines

924,000 metric tons per annum (tpa) of finished production capacity as of July 2009

Acquired steel billet production with total capacity of 900,000 tpa; 600,000 tpa came online in August 2009, 300,000 tpa in Q3 2009

3,463 full time employees as of June 30, 2009

### High End Product Mix

American Petroleum Institute (API) and higher quality non-API products including seamless casing, tubing, drill pipes and line pipes

### Broad Product Portfolio

Over 400 different OCTG products

Seven series of proprietary non-API products

### Broad Base of Customers

China's Major Oilfields

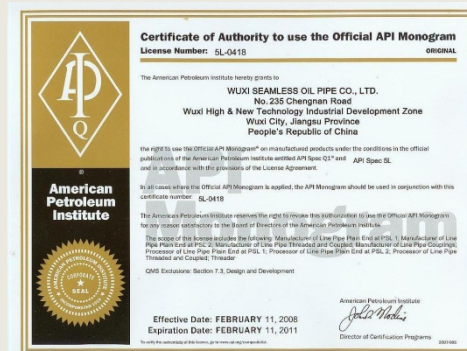
Leading International Extraction and Production Companies

**Pure Play OCTG Company  
with Leading Market Share**



## Investment Highlights

- Demand for sophisticated OCTG products used in extreme conditions is accelerating as easy-to-reach oil and gas fields are depleted
- Strong demand for high-end OCTG in China's oilfields
- A recognized brand serving top-tier customers in 24 countries worldwide
- Key supplier to China's major oilfields, including CNPC and SINOPEC, with dominant share of high-end, non-API market
- Capacity expansion and vertical integration position WSP for a rebound in worldwide oil and gas industry
- Attractive valuation relative to industry peers and favorable dividend policy







**API Certification – The OCTG Industry Standard**



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# Corporate History

<b>July-09</b>	Liaoyang Seamless began production of a new pipe threading line with 60,000 tpa of pipe finishing capacity
<b>June-09</b>	Established Chaoyang Seamless with planned steel billet production capacity of 300,000 tpa
<b>March-09</b>	Began commercial production of new pipe finishing lines at Songyuan Seamless and Liaoyang Seamless adding 120,000 tpa of finished production capacity
<b>October-08</b>	Began building new manufacturing and sales facilities for Bazhou Seamless subsidiary in Xinjiang Autonomous Region
<b>July-08</b>	WSP China acquired 100% equity ownership of Mengfeng Steel with 600,000 tpa of steel billet capacity
<b>April-08</b>	Songyuan Seamless Oil Pipes Company Limited is incorporated in Songyuan, China
<b>April-08</b>	Liaoyang Seamless Oil Pipes Company Limited is incorporated in Liaoyang, China
<b>December-07</b>	WSP Holdings successfully completes an IPO of 25,000,000 ADS and begins trading on the NYSE under the ticker symbol "WH"
<b>July-07</b>	Launched a new hot-rolling pipe production line at Jiangsu Fanli with green pipe production capacity of 100,000 tpa
<b>January-07</b>	Began production of green pipes at a new hot-rolling-pipe plant in Wuxi with capacity of 450,000 tpa
<b>April-06</b>	WSP China acquired a 70% equity interest in Jiangsu Fanli Pipe Co., Ltd. ("Jiangsu Fanli")
<b>February-02</b>	Obtained American Petroleum Institute certification
<b>August-01</b>	Started production at new 150,000 tpa threading plant
<b>November-99</b>	Wuxi Seamless Oil Pipes Company Limited ("WSP China") is incorporated to design, manufacture, process and sell seamless OCTG products

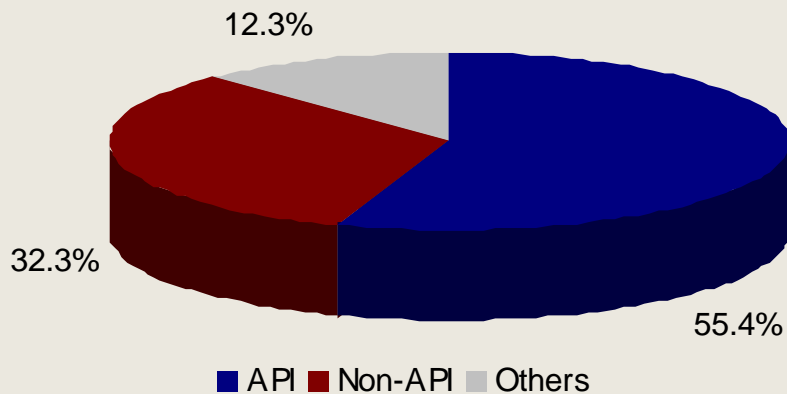
Product	Description	Applications
<b>Drill pipes</b> 	<ul style="list-style-type: none"> <li>Steel tubes with threaded ends that connect a drill rig's surface equipment with its drilling equipment, or bottomhole assembly</li> </ul>	<ul style="list-style-type: none"> <li>Transport drilling fluid to drill bits, and to raise, lower and rotate the bottomhole assembly along with the drill bit</li> <li>Must withstand severe internal and external pressure, distortion, bending and vibration when drilling through hard rock</li> <li>Typically nine meters long, with varying wall thickness</li> </ul>
<b>Casing</b> 	<ul style="list-style-type: none"> <li>Large-diameter pipe serves as a strong structural wall for oil and gas wells, or wellbore</li> <li>Cemented in place to protect subsurface formations and wellbore from collapsing</li> <li>Allow drilling fluid to circulate and oil and gas extraction to take place</li> <li>Outside diameters :114.3 mm to 508.0 mm</li> </ul>	<ul style="list-style-type: none"> <li>Surface Casing - Supports the wellhead equipment and sustains the weight of layers of casing</li> <li>Intermediate Casing - Isolates different layers of pressure to facilitate circulation of drilling fluid and protect the production casing</li> <li>Production Casing (Oil String) - Conduit through which oil and gas pass to the surface</li> </ul>
<b>Tubing</b> 	<ul style="list-style-type: none"> <li>Pipe is used to transport crude oil and natural gas from underground to the earth's surface after drilling is done</li> </ul>	<ul style="list-style-type: none"> <li>Must withstand extreme pressure generated during the process of extracting oil or gas from great depths</li> <li>60.3 mm to 114.3 mm of outside diameter</li> <li>Manufactured the same way as casing, except for "upsetting" - the pipe's exterior surface is pushed inward to thicken its walls</li> </ul>
<b>Line Pipes</b> 	<ul style="list-style-type: none"> <li>High quality line pipes of API SEPC 5L standard.</li> </ul>	<ul style="list-style-type: none"> <li>For conveyance of gas, water and oil in the petroleum and natural gas industries</li> </ul>



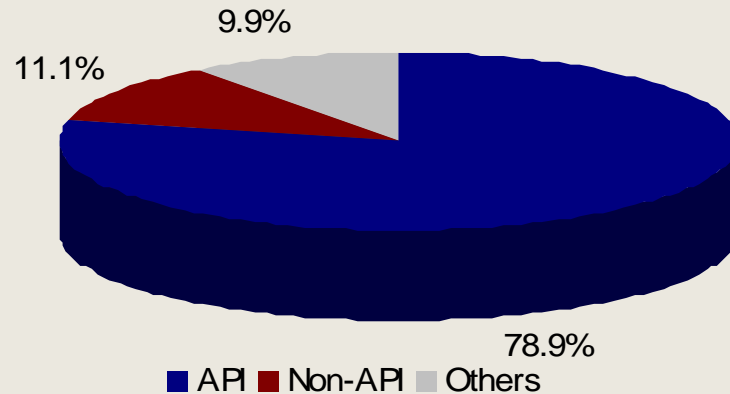
Proprietary Non-API Products	Typical Application	Actual Application
High collapse resistance casing	Complicated geologic conditions such as salt beds and deep wells	North America
High quality tubing and casing	Thick hot oil well environment	Karamay Oilfield in Xinjiang, CNPC Tarim Oilfield in Xinjiang, CNPC
Anti-H <sub>2</sub> S corrosion tubing and casing	An environment that contains high levels of corrosive H <sub>2</sub> S	Sinopec Southwest Co., Sinopec Northwest Co., Sinopec Southern E&P Co.,
High collapse resistance anti-H <sub>2</sub> S corrosion casing	An environment that contains H <sub>2</sub> S and high pressure geologic stratum	Sinopec Southwest Co., Sinopec Southern E&P Co.,
Super high-intensity tubing and casing	Deep or super deep wells up to 8,000 meters	Sinopec Southwest Co., Sinopec Northwest Co.,
Anti-CO <sub>2</sub> corrosion tubing and casing	An environment that contains high levels of corrosive CO <sub>2</sub>	Sinopec Southwest Co., CNOOC
Anti-H <sub>2</sub> S Corrosion drill pipe	An environment that contains high levels of corrosive H <sub>2</sub> S	Changqing Oilfield, CNPC

## Revenue Breakdown

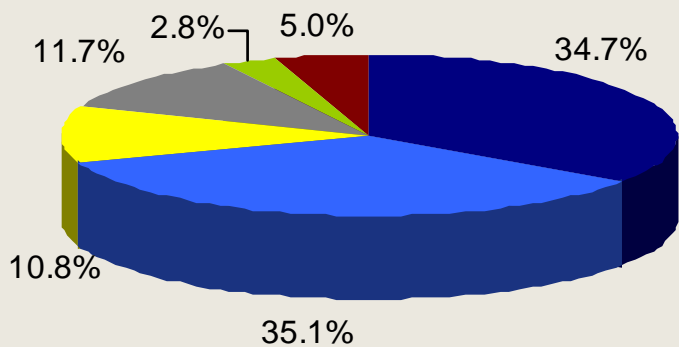
Revenue Breakdown By Products  
(2008)



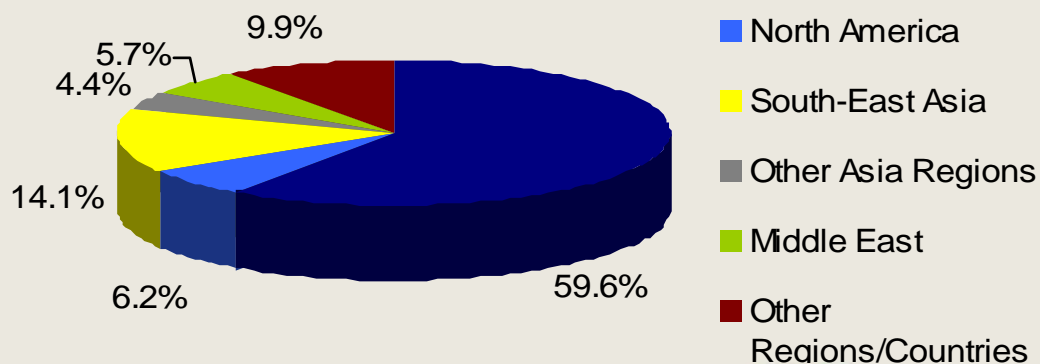
Revenue Breakdown By Products  
(1H2009)



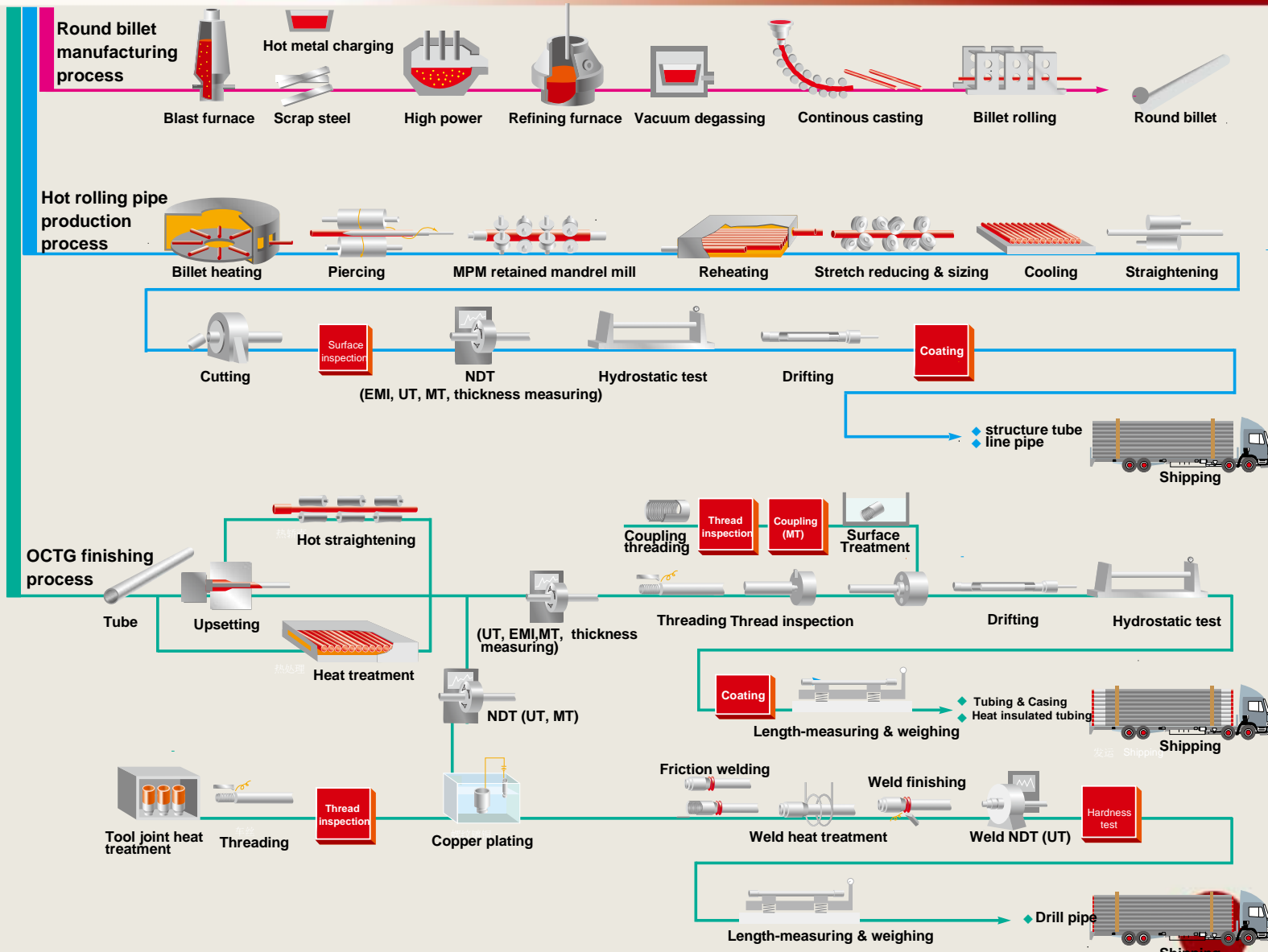
Revenue Breakdown By  
Country/Region (2008)



Revenue Breakdown By  
Country/Region (1H09)



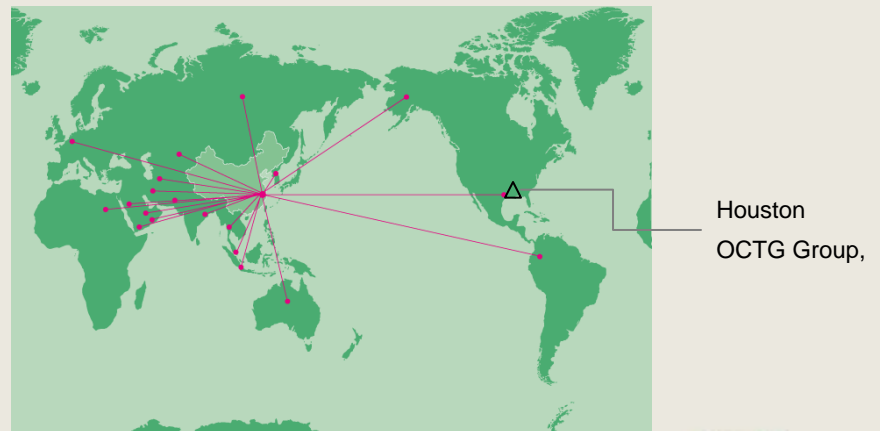
## Large Scale, Flexible, Integrated Manufacturing Process



- Improving products and quality control systems, enhancing processing technology and management
- Seven series of proprietary non-API products used in extreme drilling conditions in China and North America
- Exploring new materials such as  $^{13}\text{Cr}$ ,  $^9\text{Cr}$ , super high-intensity tubing and casing in a research laboratory dedicated to developing anti- $\text{H}_2\text{S}$  and anti- $\text{CO}_2$  corrosion product features
- Collaborating with Southwest Petroleum University in China on drill pipe research
- Established an in-house postdoctoral research program for OCTG research
- Developed 14 active patents and 8 additional pending patent applications
- Using Mengfeng Steel and Chaoyang to create new research and development opportunities for advanced materials
- Registered trademarks and pending trademarks throughout the world



- Product certifications from domestic and international oil and gas companies allow for increased direct sales
- Eight subsidiaries and four representative offices are near major oil fields in China and international customers
- Increased marketing efforts in Africa, Southeast Asia, Central Asia and Russia, the Middle East, and Central and South America
- Highly competitive in international markets because of pricing advantages and fast delivery



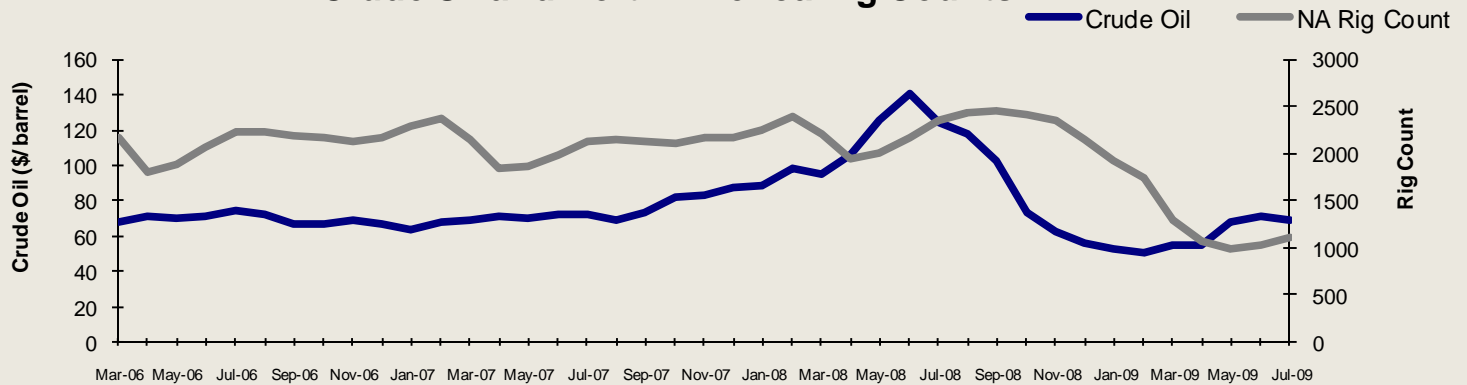


One of top two suppliers to **CNPC**

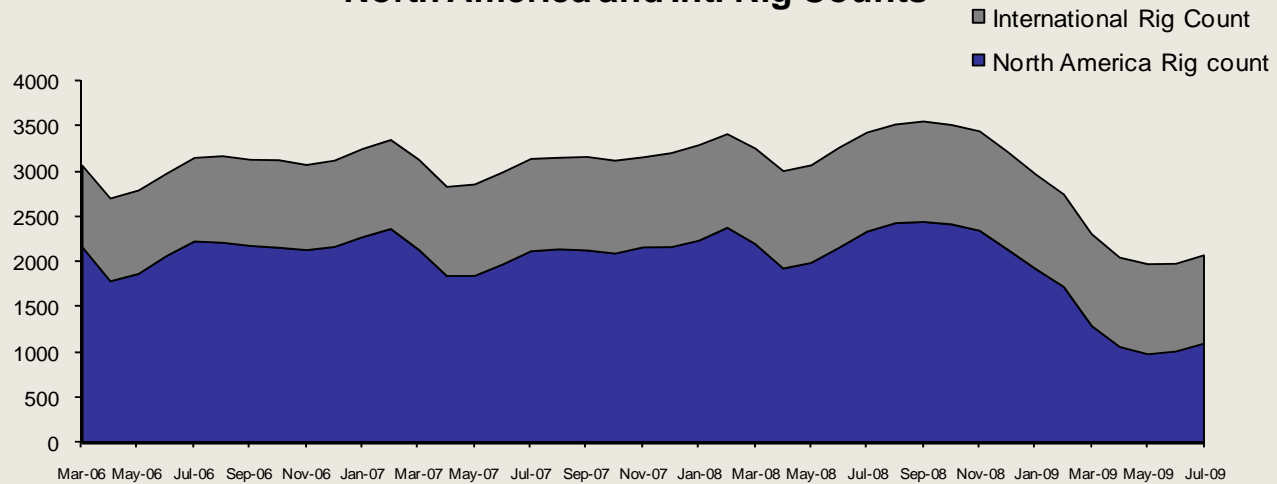
One of two non-API suppliers to **SINOPEC** - products meet **SINOPEC's** stringent standards

Selected Major Customers	Vender Certification	End User
Shell	★	★
Total	★	★
Kuwait Oil Company	★	★
LUKOIL	★	★
Petroleum Authority of Thailand	★	★
Saudi Aramco	★	
CNOOC	★	★
Petronas	★	★
Uzbekneftgas	★	★
Turkmengas		★
Turkmengeology		★
Zhaikmunai Kazakhstan		★
Turkish Petroleum Corporation		★
Maersk Oil Kazakhstan		★
VICO Indonesia	★	★
ConocoPhillips	★	★
ENI	★	★

### Crude Oil and North America Rig Counts



### North America and Intl Rig Counts



## North America

- Outlook – Recovery not expected until 2010
- North American rig counts have stabilized from May lows but still 53% below a year ago
- US OCTG inventory was about 2.7 million tons (12 months)\* at June 30, 2009
- Oil and gas prices up from lows but expected to trade around current levels

## Other International Markets

- Outlook – Some improvement in second half of 2009
- Rig counts excl North America have stabilized from June lows and 11% below a year ago
- Key target markets: Africa, Central & South America, Middle East, Mid & Southeast Asia

## China

- Outlook – Recovery in second half of 2009
- Challenging drilling and exploration environments increase demand for OCTG
- Economic stimulus package will directly and indirectly encourage growth in energy sector, increasing demand for OCTG
- Non-API Key target markets: Xinjiang Autonomous Region, Sichuan Province

**Northwest China**

New manufacturing and sales facilities in Xinjiang Autonomous Region

China's fastest growing and second largest crude oil producer (27.4 mn tonnes in 2008; proven reserves of 3.8 bn tonnes)

OCTG demand  $\approx$  500,000 tonnes/yr

Targeted Markets: Xinjiang, Russia, Mid Asia

**Overseas Expansion**

New production and inspection lines in Houston, TX

May minimize countervailing duties determinations

Market: North America

**Expansion  
Strategy****Vertical Integration**

Recent acquisitions allow 70%-80% of steel billet requirements to be sourced in house

Lower materials costs when operating at targeted capacity

Provide local before- and after-sales service

Advanced metallurgical research capabilities

**Northeast China**

New threading and hot rolling lines at locations in Jilin and Liaoning Province

Markets: North and Northeast China oilfields, overseas customers

**Eastern China**

WSP China: Horizontal integration for upgrading facilities and cost reduction

Market: Both overseas and domestic market

# Current Production and Expansion Plans

Subsidiary	Location	Production Lines	Annual Capacity (tpa) Comes Online	
<b>Pipe Finishing</b>				
WSP China	Wuxi, Jiangsu Province	10 threading lines	720,000	
		2 drill pipe lines	24,000	
Liaoyang Seamless	Liaoyang, Liaoning Province	2 threading lines	120,000	
Songyuan Seamless	Songyuan, Jilin Province	1 threading line	60,000	
		<b>Current pipe finishing capacity</b>	<b>924,000</b>	
<b>Expansion Plans</b>				
Houston Group	Houston, Texas	1 threading line	120,000	Q1 2010
Bazhou Seamless	Kuerler, Xinjiang	3 threading lines	300,000	1H 2010
		<b>Total planned pipe finishing capacity</b>	<b>1,344,000</b>	
<b>Production and Inspection Lines</b>				
WSP China	Wuxi, Jiangsu Province	1 hot rolling line	450,000	
Jiangsu Fanli	Xuyi, Jiangsu Province	1 hot rolling line	100,000	
		1 cold-draw line	100,000	
<b>Expansion Plans</b>				
Houston Group	Houston, Texas	1 inspection line	N/A	Q3 2009
Liaoyang Seamless	Liaoyang, Liaoning Province	1 hot rolling line	300,000	2H 2009
Bazhou Seamless	Kuerler, Xinjiang	1 heat treatment line	200,000	Q1 2010
		1 hot-rolling line	500,000	2H 2010
<b>Steel Billet Manufacturing</b>				
Mengfeng Steel	Inner Mongolia	Steel billets	600,000	
<b>Expansion Plans</b>				
Chaoyang Seamless	Chaoyang, Liaoning Province	Steel billets	300,000	Q3 2009

# Attractive Valuation Relative to Industry Peers

Ticker	Company Name	Price (8/20/2009)	Market Capitalization (MM)	P/B Ratio LFY	P/E Ratio TTM	Forward P/E Ratio
WH.US	WSP HOLDINGS LTD (ADR)	4.79	492.87	1.00	5.57	6.94
TS.US	TENARIS SA (ADR)	29.78	17,578.18	2.40	9.36	14.43
VK.FR	VALLOUREC	103.00	5,826.92	1.75	6.70	12.79
OIS.US	OIL STATES INTERNATIONAL INC	29.19	1,449.34	1.22	5.90	12.44
GSI.US	GENERAL STEEL HOLDINGS INC	4.33	167.25	2.49	Neg	18.04
X.US	UNITED STATES STEEL CORP	43.71	6,264.74	1.32	11.91	NA
839@HK	ANHUI TIANDA OIL PIPE CO LTD	2.51	631.56	1.63	10.47	7.71
568@HK	SHANDONG MOLONG	0.85	1,083.87	2.85	7.66	NA
	<b>Peer Group Average</b>			<b>1.95</b>	<b>8.67</b>	<b>13.08</b>
	<b>Peer Group Median</b>			<b>1.75</b>	<b>8.51</b>	<b>12.79</b>

Sources: Company filings and Thomson First Call



**Longhua Piao, Chairman and CEO** – Mr. Piao was appointed as Director and the CEO of WSP China at its inception in 1999, and was appointed Chairman of WSP Holdings in August 2007.



**Yip Kok Thi, CFO** – Mr. Thi joined WSP China in 2005 and currently serves as WSP Holdings' Chief Financial Officer. He is responsible for the Company's accounting and financial reporting.



**Xizhong Xu, Director and Assistant General Manager** – Mr. Xu joined WSP China in 2000, He is a Director and Assistant General Manager of WSP Holdings, and is responsible for strategic investment planning and management.



**Yi Zhang, Vice General Manager of Technology** – Mr. Zhang is responsible for technology development and quality control. He joined WSP China in 2004 and currently serves as a Director of WSP China.

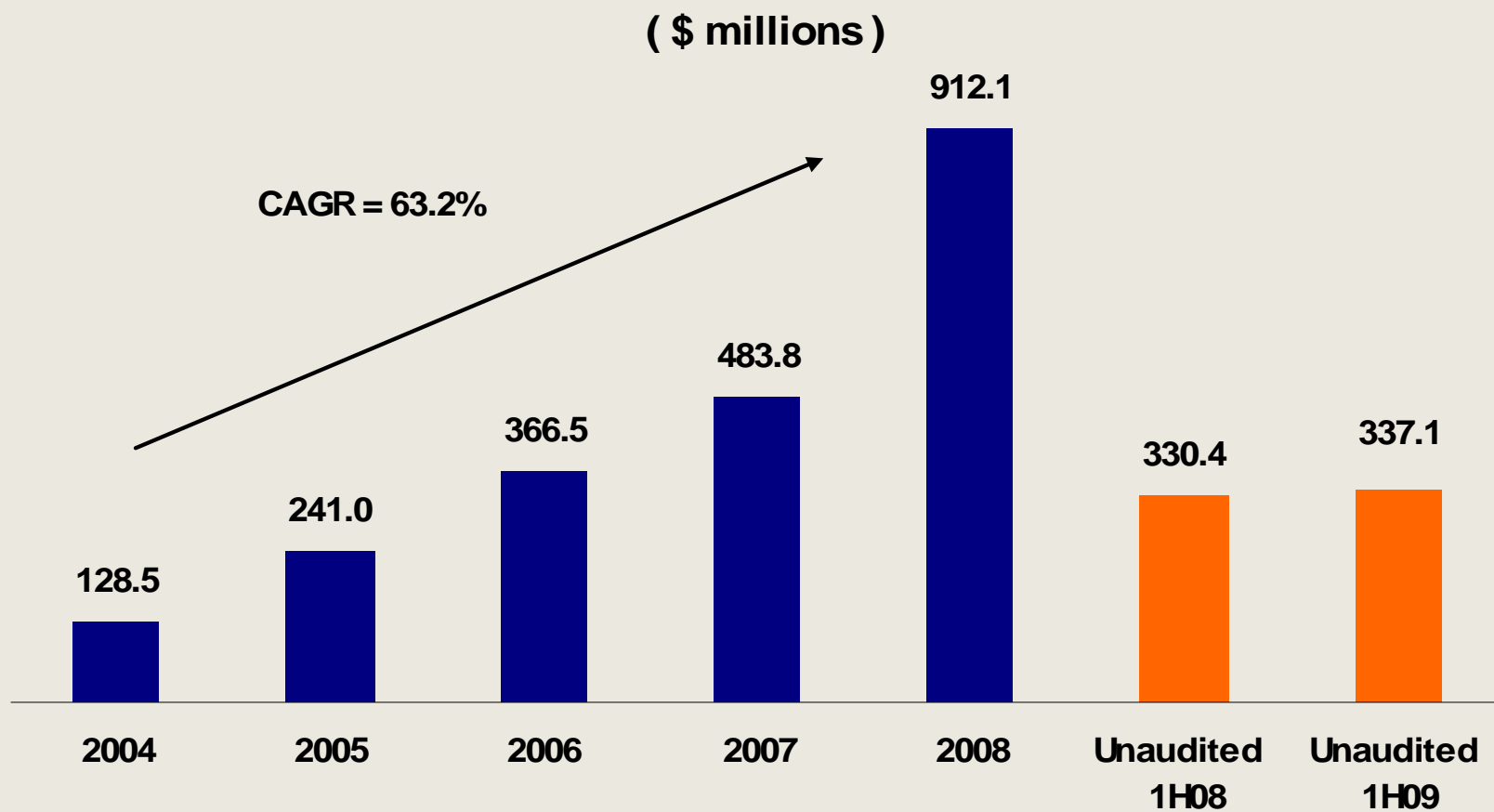


**Prof. Dr. William H.Q. Zhang, Vice President of Strategic Planning, Business Development and Corporate Management** - Dr. Zhang joined WSP Holdings in 2008 and is responsible for strategic planning, business development and corporate management

# Financials



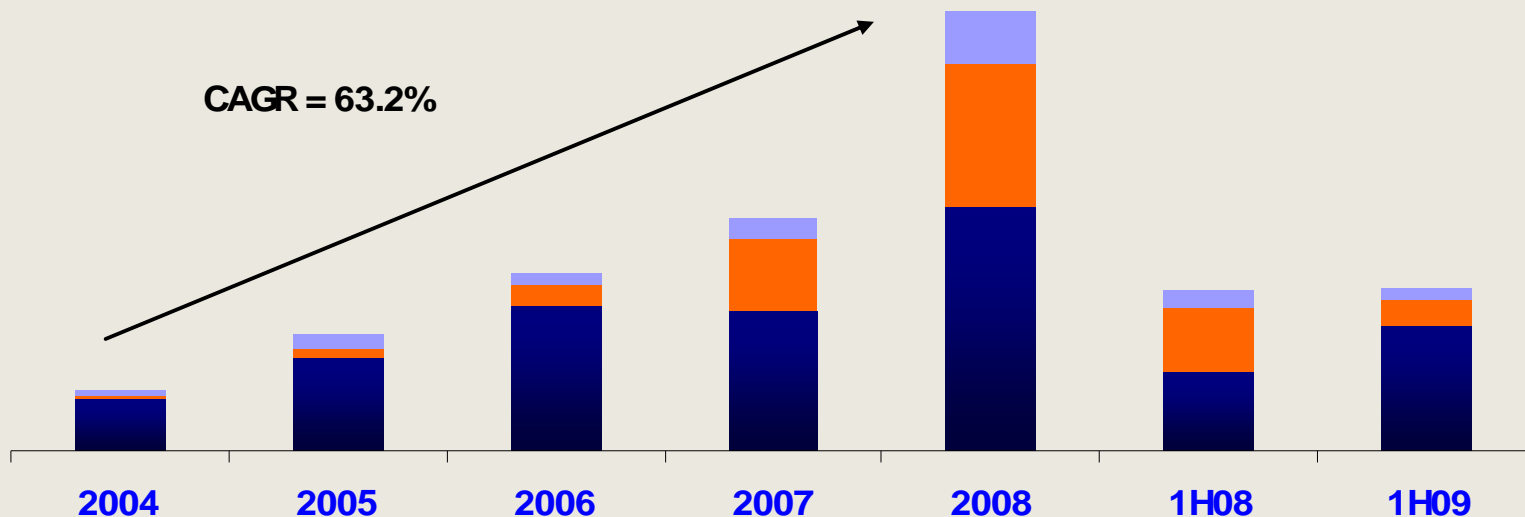
# Rapid Revenue Growth



## Revenue by Product

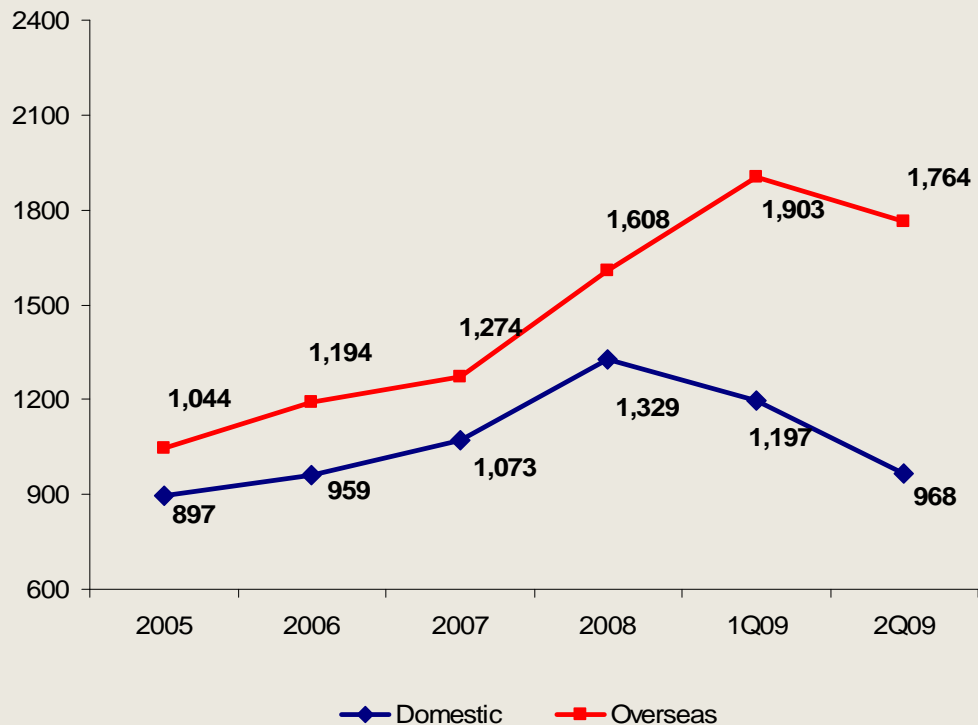
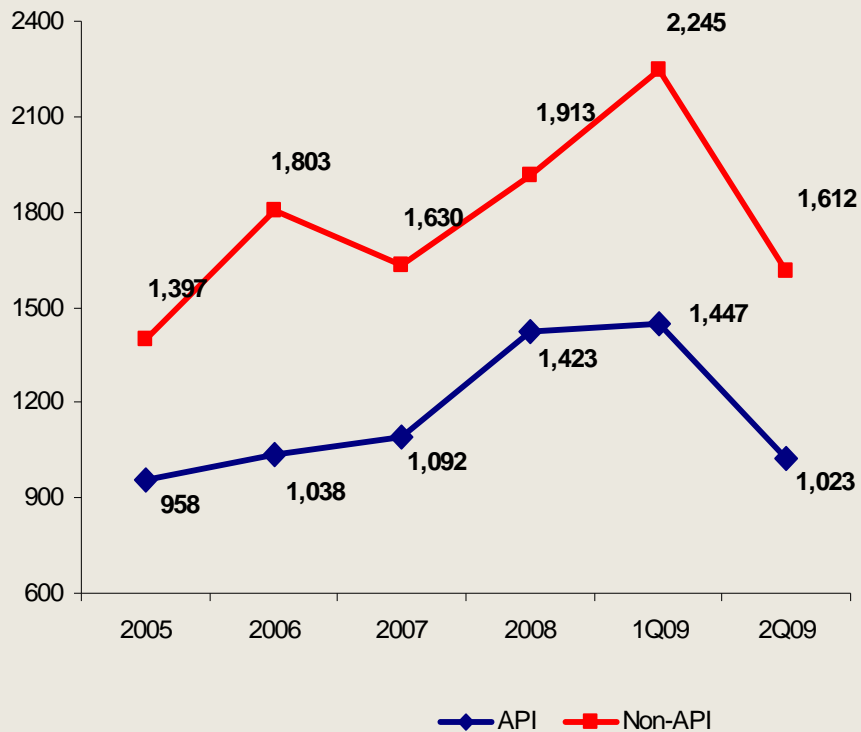
( \$ millions )

CAGR = 63.2%

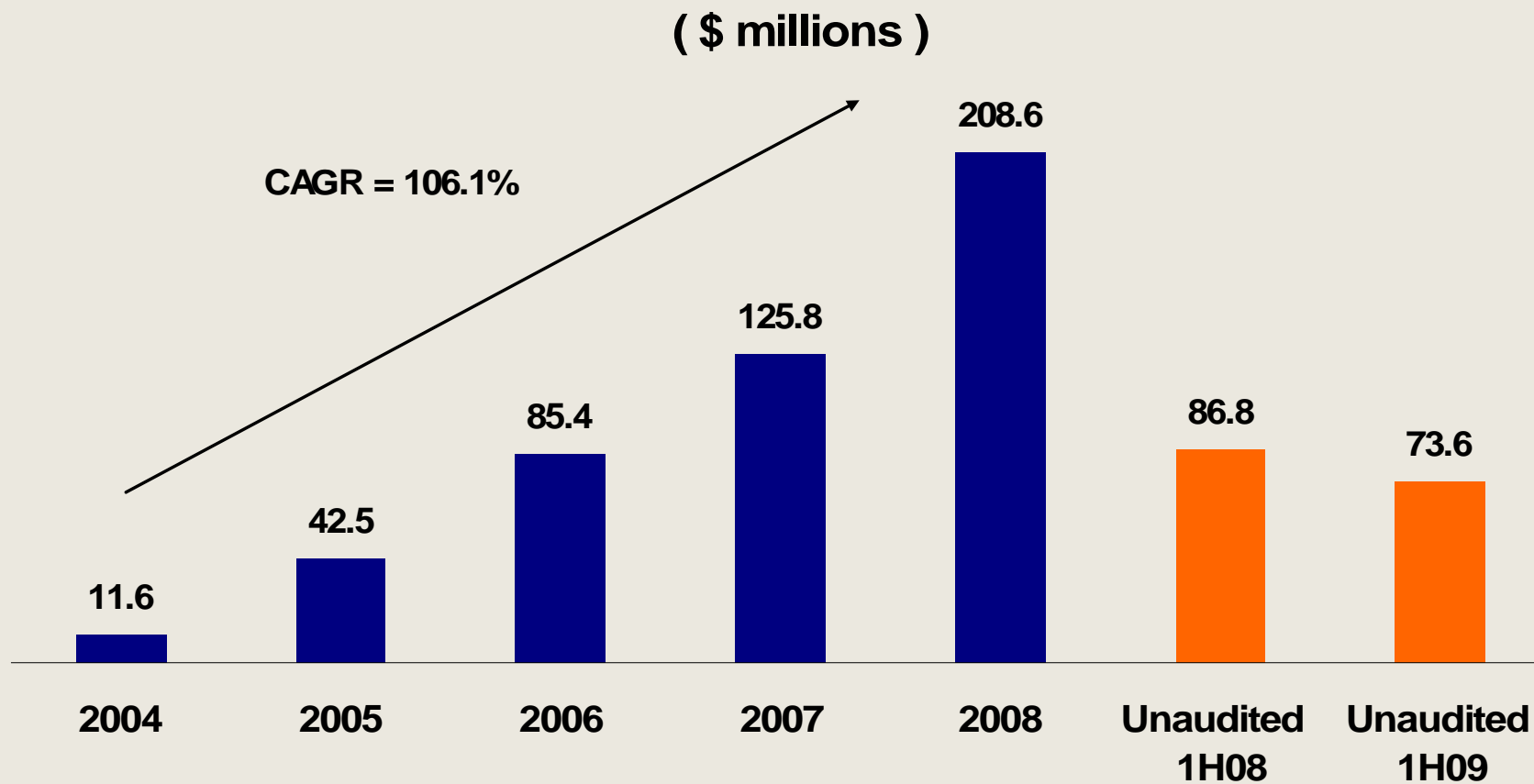


	2004	2005	2006	2007	2008	1H08	1H09
API	105.9	194.9	299.2	288.6	505.3	161.3	256.8
Non-API	6.6	15.5	41.3	152.4	294.8	134.1	58.5
Others	16.0	30.7	26.0	42.8	112.0	35.0	21.8
Total	128.5	241.0	366.5	483.8	912.1	330.4	337.1

### Average Selling Price (\$ per tonne)

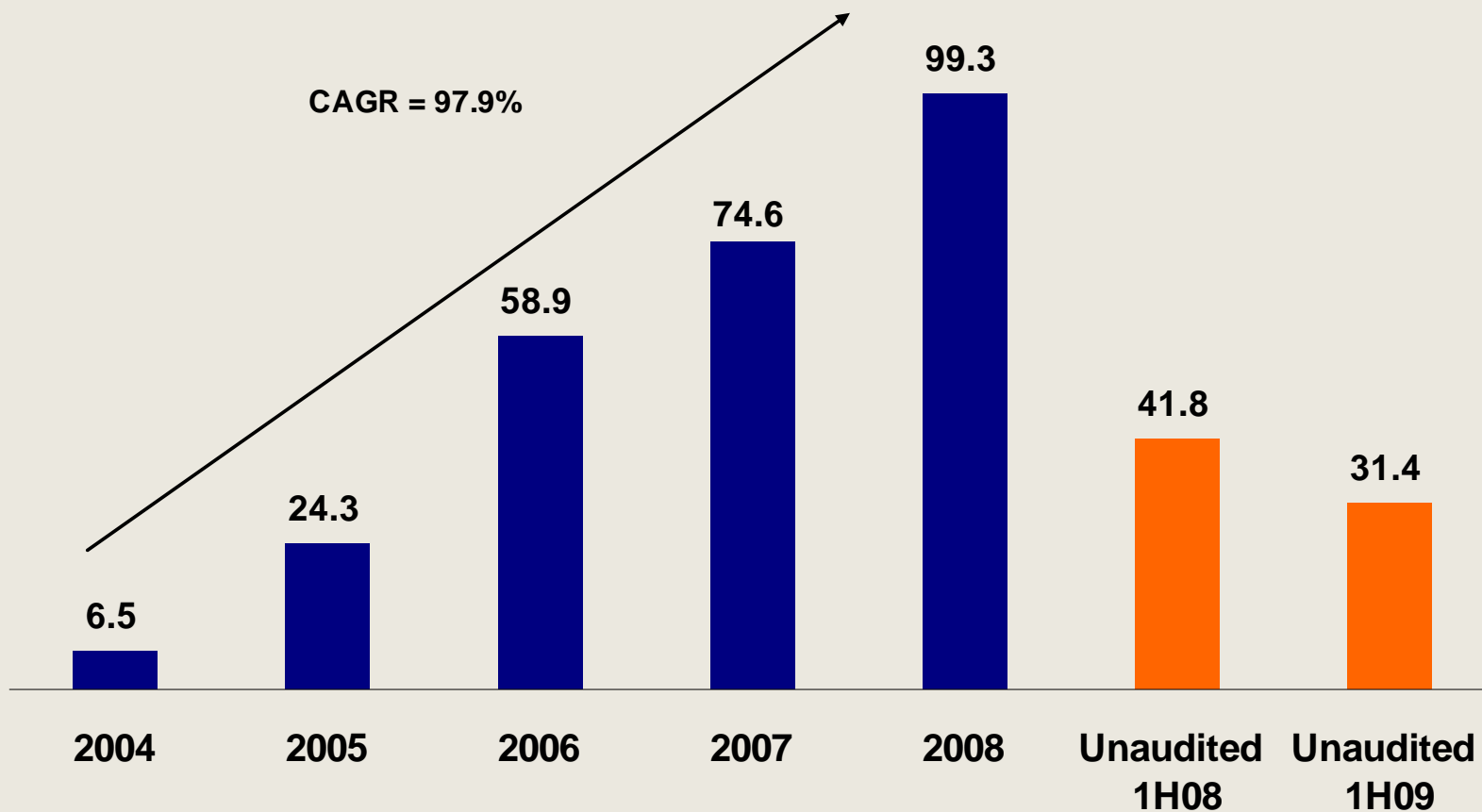


## Gross Profit

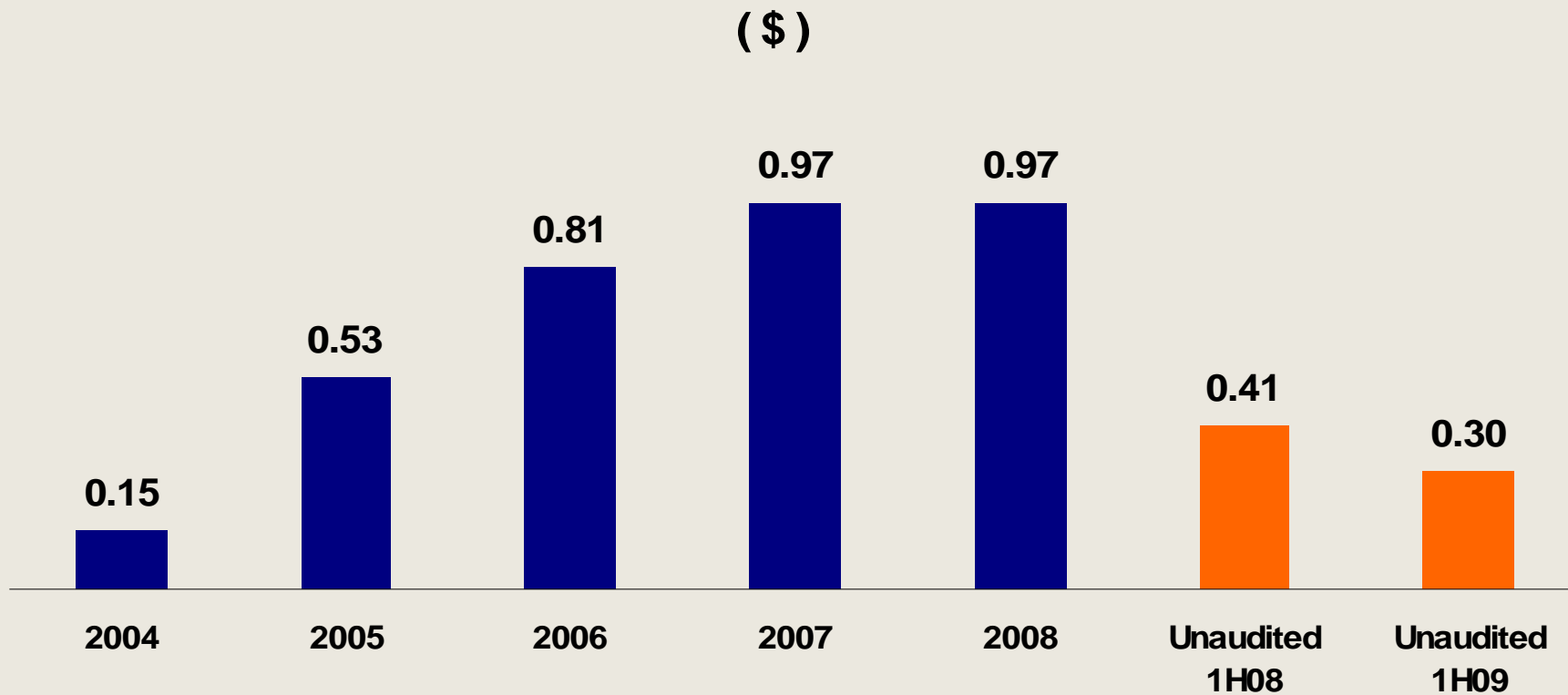


## Net Income

( \$ millions )



# Earnings Per ADS



# Income Statement Highlights

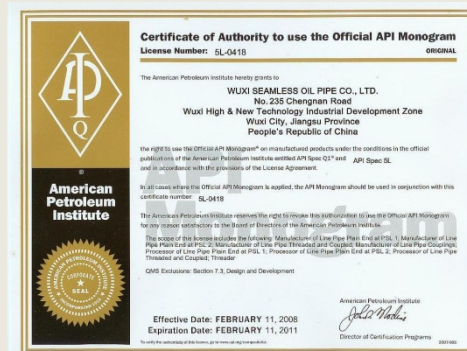
(\$ thousands)	Year Ended December 31				6 Months Ended	
	2005	2006	2007	2008	June, 2008 Unaudited	June, 2009 Unaudited
Net Revenues	241,012	366,501	483,783	912,090	330,409	337,064
Cost of Revenues	(198,550)	(281,106)	(357,997)	(703,531)	(243,653)	(263,512)
<b>Gross Profit</b>	42,462	85,395	125,786	208,559	86,756	73,552
<b>Gross Margin</b>	<b>17.6%</b>	<b>23.3%</b>	<b>26.0%</b>	<b>22.9%</b>	<b>26.3%</b>	<b>21.8%</b>
<b>Income from Operations</b>	33,551	70,945	103,585	146,638	67,482	44,128
<b>Operating Margin</b>	<b>13.9%</b>	<b>19.4%</b>	<b>21.4%</b>	<b>16.1%</b>	<b>20.4%</b>	<b>13.1%</b>
<b>Net Income</b>	\$ 24,316	\$ 58,918	\$ 74,561	\$ 99,349	\$ 41,800	\$ 31,359
<b>Net Margin</b>	<b>10.1%</b>	<b>16.1%</b>	<b>15.4%</b>	<b>10.9%</b>	<b>12.7%</b>	<b>9.3%</b>

# Balance Sheet Highlights

(\$ thousands)	Year Ended December 31			June 30,
	2006	2007	2008	2009
				<b>Unaudited</b>
Cash and Cash Equivalents, Bank Accounts	79,162	300,889	321,085	429,853
Accounts and Bills Receivable (Net)	56,947	137,497	246,463	259,805
<b>Total Current Assets</b>	<b>248,719</b>	<b>626,042</b>	<b>919,376</b>	<b>1,038,242</b>
<b>Total Assets</b>	<b>413,334</b>	<b>827,221</b>	<b>1,310,611</b>	<b>1,448,682</b>
Current Liabilities	259,859	423,032	796,135	900,031
Other Liabilities	54,512	59,063	12,481	91,862
<b>Total Liabilities</b>	<b>314,371</b>	<b>482,095</b>	<b>808,616</b>	<b>991,893</b>
Shareholders' Equity	96,150	341,124	482,606	437,341
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 413,334</b>	<b>\$ 827,221</b>	<b>\$ 1,310,611</b>	<b>\$ 1,448,682</b>

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**API Certification – The OCTG Industry Standard**

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Auditors: **Deloitte Touche Tohmatsu CPA Ltd**  
Beijing, People's Republic of China

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Legal Counsel: **Latham & Watkins LLP**



# WSP

**WSP HOLDINGS LIMITED**  
**WSP 控股有限公司**

*Thank You*

*Your Access to Energy*