

August 23, 2012



## Synalloy Announces Closing of the Palmer of Texas Acquisition

SPARTANBURG, S.C., Aug. 23, 2012 (GLOBE NEWSWIRE) -- Synalloy Corporation (Nasdaq:SYNL), a producer and fabricator of stainless steel and carbon pipe and piping systems, and producer of specialty chemicals, announces that as previously reported on August 13, 2012, Synalloy (the "Company") entered into an agreement to purchase the stock of Lee-Var, Inc., dba Palmer of Texas ("Palmer"). On August 21, 2012, the Company closed the transaction contemplated by the Stock Purchase Agreement. The acquisition was funded through a Credit Agreement with its current bank to increase the limit of its line of credit by \$5,000,000 to a maximum of \$25,000,000 and extended the maturity date to August 21, 2015. The Credit Agreement also included a ten-year term loan for \$22,500,000 that requires equal monthly payments of \$187,500 plus interest.

In recent years, Palmer's business has been focused on providing fiberglass (FRP) and steel tanks to the oil industry. Their primary facility in Andrews, Texas, is strategically located in the heart of the Permian Basin of west Texas and also serves other liquid rich shale areas including the Anadarko Basin, Eagle Ford Shale and the Barnett Shale. Palmer also operates a temporary facility on the Sabine River in Orange, Texas, where it builds oversized FRP tanks for international customers. With 137 employees, Palmer generated \$32 million in revenues for the trailing twelve months ended May 31, 2012.

The transaction is expected to be immediately accretive to Synalloy's earnings. At Palmer's current level of revenues, Synalloy is projecting a contribution of \$.30 per share to its annual earnings.

For more information about Synalloy Corporation, please visit our web site at [www.synalloy.com](http://www.synalloy.com).

### Forward-looking Statements

Statements included herein that are not historical in nature, are intended to be, and are hereby identified as "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Securities and Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about our industry, our business, our customer relationships, management's beliefs and assumptions made by management. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict and, in many cases, are beyond the control or knowledge of management. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. We undertake no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Additional information concerning some of the factors that could cause materially different results is included in our reports on forms 10-K, 10-Q and 8-K filed with the

Securities and Exchange Commission. Such reports are available from the Securities and Exchange Commission's public reference facilities and its website, <http://www.sec.gov>.

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Source: Synalloy Corporation