

Azovstal completed the first project stage in value of over 9 mln. UAH – construction of BF gas pipeline

Mariupol, October 29, 2007 - In September PJSC Azovstal Iron & Steel Works put into operation BF gas pipeline “BF-TTP”. This unit is of strategic importance for Works in two key directions: with regard to energy saving and environmental protection.

BF gas pipeline “BF-TTP” is intended for BF gas transfer to TTP boilers. BF gas is an optimal substitution of natural gas.

Commissioning of this unit will allow Works to increase BF gas consumption by TTP boilers by 60.0 thou. cu m/hour and more – up to 395 thou. cu m/hour (before gas pipeline commissioning TTP boiler units consumed 315 thou. cu m/hour on average). 1 cu m of natural gas is approximately 9.4 cu m of BF gas, therefore natural gas consumption will decrease up to 6.0 -11 thou. cu m/hour on average at Works, that allows to save about 19.440 mln. cu m of natural gas for half year.

The second stage is planned within the framework of this project: commissioning of boiler unit of TTP station No 5 after its reconstruction. After its commissioning BF gas consumption at Works will increase by 100 – 120 thou. cu m/hour – up to 550–575 thou. cu m/hour. However, natural resource consumption will decrease up to 14.0 – 12.0 thou. cu m/hour or by 105,12 mln. cu m/year on average.

Due to this unit commissioning Works will substantially improve economic indicators as well as it brings global ecological effect. Amount of CO emissions into atmosphere will substantially decrease as a result of growth of BF gas consumption by TTP boilers up to 100-120 thou. cu m/hour.

9 mln. UAH was invested for BF gas pipeline construction. Annual saving from pipeline “BF-TTP” operation will make average 50 mln. UAH with regard to present cost of natural gas (1000 cu m – 956.23 UAH). Thus, payback time of first project stage will not exceed three months period.

Project was realized by Works specialists forces in the frameworks of approved total production optimization program.

“Work in energy saving field has a strategic importance for us, - noted Dmitry Livshits, Director General of PJSC Azovstal Iron & Steel Works. Well-directed projects implementation in energy saving field is a profitability and competitiveness increase of our company. 19 projects directed to the energy saving were implemented since 2004 – 2006 within the frameworks of TOP at Works. Their implementation allows subdivisions to decrease electric power consumption by 16 million kilowatt-hour per year and natural gas - by 44.5 million cubic meters annually”.

Reference:

Public Joint Stock Company «Azovstal» Iron & Steel Works is a modern high-tech enterprise, which produces a wide range of steel products. According to industrial rating, PJSC «Azovstal» Iron & Steel Works is among three top Ukrainian steel companies, producing iron, steel and rolled products.

According to the branch rating of iron and steel enterprises of Ukraine Azovstal Iron & Steel Works is among three leading companies by production of iron, steel and rolled products. Planned production capacity of the Works allows to produce over 6.2 mln tons of iron, over 6.4 mln tons of steel, including 4.4 mln tons of converter steel, over 4.4 mln tons of rolled products and up to 285 thou tons of rail fasteners and 170 thou tons of milling balls.

PJSC «Azovstal» Iron & Steel Works is a part of Metinvest Group, which performs the strategic management of SKM Group’s mining and steelmaking business. Management Company of Metinvest Group is Limited Company «Metinvest Holding».

52.63 % shares of PJSC Azovstal Iron & Steel Works controlled by «Ukrainian Steel Holdings Ltd.», 16.09 % shares belong to «Leman Commodities S.A.», 2.82 % — MetalUkr Holding Limited (Cyprus).

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