

PRESS RELEASE

Düsseldorf, October 31, 2008

The world's first 3x1-strand CSP[®] plant

Essar Steel orders third casting strand for its CSP[®] plant

The Indian steelmaker Essar Steel Ltd. has awarded to SMS Demag AG, a company of the SMS group, Germany, the order for the supply of the third casting strand for its CSP[®] plant (Compact Strip Production) in Hazira in India's Gujarat state. This will make Essar Steel's CSP[®] plant the first one to be equipped with three casting strands.

Commissioning of the third strand is scheduled to take place in the fourth quarter of 2010. The extension will increase the hot strip capacity of Essar Steel's CSP[®] plant to a yearly tonnage of approx. 3.5 million. The first construction stage of the CSP[®] plant will be put into operation in 2009 with two strands.

The scope of supply includes not only the engineering and manufacture of the mechanical equipment, but also all electrical and automation systems and supervision of installation and commissioning. The X-Pact[®] automation system will be prepared and started up using the well-proven Plug & Work method. Plug & Work simulates the production sequence and makes it possible to test and optimize the automation functions under realistic conditions prior to installation in the plant.

Also the third caster will be a vertical bending machine. Slab thickness can be continuously adjusted from 55 to 70 (80) mm. The swivel ferry of the middle CSP[®] furnace can move to both sides and thus can also feed thin slabs from the two outer soaking furnaces to the mill line.

The CSP[®] plant is designed for strip widths from 950 to 1,680 mm and strip thicknesses from 1.0 to 25.4 mm. The product range includes carbon steels, tube grades, silicon and dual phase steels. Especially for the economically efficient production of high-quality steel grades, the CSP[®] process is very well suited.

The order for the first phase of construction of the steelworks and the 2x1-strand CSP[®] plant was placed in February 2007; the installation of the now ordered third line was already part of the planning at that time. In April 2008, SMS Demag received the order for the supply of a second CONARC[®] plant and another twin-ladle furnace. The X-Melt[®] steelworks with its two 200-t CONARC[®] furnace units and three twin-ladle furnaces is designed for 5 million t of liquid steel per year, which are processed on the CSP[®] plant and on a conventional continuous slab casting machine.

(40 lines with max. 55 letters)

SMS group is, under the roof of the holding SMS GmbH, a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It consists of the two Business Areas SMS Demag and SMS Meer, which jointly form SMS metallurgy. In 2007, some 8,000 employees worldwide generated a turnover of about EUR 3.0 bn.