



NEWS RELEASE

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OEMK Contracts Midrex for Plant Expansion

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Charlotte, NC – Midrex Technologies, Inc. has announced a new contract with OEMK (Stary Oskol, Russia) for engineering and equipment supply that will increase the capacity of OEMK's MIDREX® Direct Reduction Module IV by 20 tons/hour, nearly 30%.

Oskol Electrometallurgical Kombinat (OEMK) is one of the most modern steelworks in Russia producing high-quality rolled steel products. The steelworks currently has four MIDREX® Direct Reduction Modules, the first of which began operation on 1983. OEMK's four MIDREX modules produced more than 1.9 million metric tons of DRI in 2003. This new project marks the establishment of Midrex's first OXY+® Partial Oxidation System.

The MIDREX® OXY+ System produces a high temperature gas consisting primarily of H₂ and CO to significantly increase productivity. The OXY+ gases will be used in a proprietary combination with the MIDREX® Center Injection system for localized application of the fresh hot reducing gases where they will have the greatest effect on productivity.

Also included in the contract are numerous process improvements to Module IV's flue gas system, reformer, main air system, top gas scrubber, process gas compressors and transition zone natural gas system, as well as other new systems such as furnace hydraulics, dust collection and oxygen injection.

OEMK intends to install a dedicated air separation unit to supply oxygen for consumption by Module IV. Once proven, OEMK intends to retrofit each of the other three MIDREX® Modules to incorporate these same improvements.

OXY+ Partial Oxidation Technology

The use of oxygen is a very cost effective means to significantly increase productivity at existing MIDREX® Plants. OXY+ employs a partial oxidation system to provide unmatched operating flexibility for the following direct reduction plant benefits:

- Increase furnace temperatures for increased efficiency/production
- Increase gas utilization in the furnace
- Produce hot H₂ and CO for increased production
- Mitigate the need for excessive bustle gas temperatures