



NEWS RELEASE

Midrex Technologies, Inc.
2725 Water Ridge Parkway, Suite 100
Charlotte, North Carolina, 28217 USA
Phone: 704-373-1600

Russian LebedGOK Signs Contract with Midrex/VAI Plant

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Charlotte, NC – Midrex Technologies, Inc. has announced that Lebedinsky GOK (LGOK), Gubkin, Russia signed a contract with Midrex Technologies Inc. and Voest Alpine Industrienlagenbau, GmbH (Austria) for the engineering and supply of a 1.4 million ton/year MIDREX® Direct Reduction HBI Plant. The signing ceremony was held February 18th in Moscow. This is the fifth multimillion dollar project that the Charlotte company has contracted since November and also marks 100% market share for its technology for new direct reduction projects.

This proposed HBI plant will be LGOK's second direct reduction plant; the North Carolina based Midrex's direct reduction process for ironmaking was chosen for the second module. LGOK's first DR plant began operation in 1999 using the Mexican HYL 3 process; the new plant will use proven MIDREX® Direct Reduction Technology with engineering scheduled to begin in March. A consortium of Midrex and VAI will execute the project with a projected start up in March 2007.

LGOK plans to use 100 percent LGOK pellets from their own mines for feed material, taking iron ore off the market in favor of creating a more value-added iron product for export to the European and global steel market.

Lebedinsky GOK is owned by Gazmetall, a Russian holding company that also owns Oskol Electrometallurgical Works (OEMK), a mini-mill in the same region. This is the second contract signed with the Gazmetall group in one year, following the OEMK DR Module IV expansion project signed one year ago.

This brings Midrex to a total of nearly 8 million tonnes of contracted DRI/HBI capacity to be constructed over the next 2-1/2 years. Nearly 2-1/2 million tonnes of this new capacity will be sold as HBI to the global market.

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Media Contact:
Christopher M. Ravenscroft
Midrex Technologies, Inc.
Charlotte, North Carolina, 28217 USA
Phone: 704-378-3380
e-mail: cravenscroft@midrex.com