



## NEWS RELEASE

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

### QASCO signs contract for MIDREX® HBI/DRI Combination Plant

**February 28, 2005**

**Doha, Qatar** – Midrex Technologies, Inc., USA and its parent company Kobe Steel Limited, Japan announced today the contract signing with Qatar Steel Co. (QASCO) for a 1.5 million metric ton MIDREX® Direct Reduction Plant to be located in Mesaieed, Qatar. The signing ceremony was held February 28th in Doha, Qatar.

Plans call for the \$267.4-million full turnkey project to be completed within 30 months. The new plant will boost production capacity of direct reduced iron (DRI) from 780,000 metric tons to 2.3 million metric tons per year.

In May 2004, QASCO selected Kobe Steel Limited to supply the new MIDREX MEGAMOD® Plant on a turnkey basis, and made an agreement to begin engineering.

The cold DRI produced will be used to satisfy QASCO's current and future DRI requirements following a separate melt shop expansion, which is also expected to commence engineering soon. The HBI produced will be exported to those regional melt shops.

The new MIDREX MEGAMOD Plant will use MIDREX's very reliable hot DRI design to discharge 1.5 mty of Hot DRI (HDRI). This HDRI is either cooled and discharged by gravity through a conventional MIDREX DRI cooler, or simultaneously through a briquetting system. Although annual projected output will be 50% cold DRI and 50% HBI, the plant will be capable to deliver up to 100% as cold DRI. Short-term HBI capacity will be sufficient to produce as much as 75%, and 50% on an annual basis.

Kobe Steel will also enhance the capability of QASCO's material receiving/handling and utilities to support the new iron ore consumption and DRI/HBI production/storage and HBI export as part of the turnkey contract.

This order represents the 54th module that will use the MIDREX Direct Reduction Process developed by Midrex Technologies, Inc., a Kobe Steel Group company. The MIDREX Process is used to produce over two-thirds of the world's DRI.

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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](mailto:cravenscroft@midrex.com)**