



NEWS RELEASE

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

MIDREX® Plant Contracted for Oman sets precedents for technology and company; SHADEED to build First Commercial HOTLINK® Plant

March 01, 2005

Charlotte, NC – Midrex Technologies, Inc. announced the signing of a contract for the world's first hot discharge direct reduction plant to deliver Hot DRI to an adjacent melt shop using Midrex's proprietary HOTLINK® system. This is also Midrex's first DR Plant to be sited in Oman.

The plant will be constructed for SHADEED Iron & Steel LLC (also referred to as Hamil Steel), a new Omani company and 100% subsidiary of Al-Ghaith Holdings UAE. The plant will feed Hot DRI directly into a new melt shop being designed and supplied by VAI/Fuchs of Germany.

Construction of the plant will be carried out by various subcontractors under the control of Al-Ghaith's Abu Dhabi subsidiary Advance Project Development (APD).

The new MIDREX HOTLINK module will use a 5.5 meter diameter shaft furnace to produce 720,000 tonnes/year of Hot DRI at 700 Celsius. The VAI/ Fuchs melt shop is expected to consume approximately 500,000 tonnes of Hot DRI with some scrap to produce approximately 500,000 tonnes of steel billets, while the balance of Hot DRI will be hot briquetted for sale.

Furthermore, the HOTLINK plant will also be equipped with a state-of-the-art oxygen injection system for enhanced productivity and/or high carbon content DRI.

The contract signing follows ceremonies held in Oman in mid-January 2005 between Al-Ghaith and Omani ministers to secure the utilities, land, and port facilities. SHADEED Iron & Steel have also secured enough land and utilities to expand further after this initial phase. Despite the current iron ore supply constraints, Shadedeed has obtained sufficient commitments for its future requirements. The site is strategically located in a new Industrial Complex at the Port of Sohar in Northeastern Oman. Midrex stated that "The port of Sohar seems to be an ideal location due to its deep water channel access and utilities availability. We are very excited to be partnering with Al-Ghaith and VAI/Fuchs on this pivotal project."

HOTLINK® Commercial Technology

For more than 2 decades the steel industry and DRI technology suppliers have sought ways to best utilize the sensible heat of freshly produced DRI - yet none have perfected the DR-EAF combination until now. Using gravity to reliably deliver high temperature DRI into an adjacent EAF is an evolutionary step forward for the technology. Other projects announced recently (Hadeed and Lion Group) also intend to make use of the energy savings and productivity enhancement of hot DRI. HOTLINK maintains 100% sealing of the DRI until reaching the roof of the EAF, and minimizes handling for optimum yield and temperature. EAF's using Hot DRI are expected to improve annual production rates by at least 20% when compared to conventional cold DRI. With discharge temperatures well above 700 Celsius, conservation of this sensible heat for melting is essential to maximizing throughput.



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* HOTLINK® is a registered trademark of Midrex International, B.V.

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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