
Mechel announces commissioning of EAF at Tikhvin Ferroalloy

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Mechel OAO announced that electric furnace No 1 at Tikhvin Ferroalloy Smelting Plant has been commissioned JSC TFZ is a subsidiary of Oriel Resources Ltd. Today all of the four electric furnaces concurrently operate at Tikhvin Ferroalloy Smelting Plant.

The program of equipment modernization and production output volume bringing to the pre crisis level is implemented at all Oriel Resources' plants. Electric furnace No 1 that has been commissioned at JSC "TFZ" became the last of the four units at the plant put into continuously operating regime. Currently, three electric furnaces are brought to 14 MVA capacity and the capacity of electric furnace No 1 will be gradually increased to reach its full load. Thus, Mechel increases its output of high quality ferrochrome, an alloy required to produce stainless and special steels.

Tikhvin Ferroalloy Smelting Plant is currently 100% provided with high quality chrome ore supplied from Voskhod Mining and Processing Plant. Owing to its operations, JSC "TFZ" completely gave up purchases of imported raw material of lower quality and became capable of utilizing its production equipment more efficiently and increasing the quality of its products.

Ferrochrome produced by the plant is consumed by the Group's subsidiaries and is also supplied to the market. Approximately 85% share of JSC "TFZ" sales comprises export sales. Ferrochrome is shipped to Japan, USA, Germany, India, China, and other countries of the world.

Mr Alexey Ivanushkin CEO of Oriel Resources Company Ltd said that "Tikhvin Ferroalloy Smelting Plant's output tends to reach the indicators comparable to its designed capacity. This is mainly due to our correct choice of ferrochrome segment development strategy. Provision of our ferroalloy subsidiaries with their own raw material base gives us additional margin of economic steadiness and efficiency. I would also like to emphasize that the orders volume we already have in summer 2009 practically matches the designed capacity of Tikhvin Ferroalloy Smelting Plant and commissioning of the fourth electric furnace at the plant would enable us to bring the ferroalloy segment's output volumes to the pre-crisis level."

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