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## **Yalian Steel secures CAD 27.5 million credit facility**

*Thursday, 18 Jun, 2009*

Yalian Steel Corporation announced that it has arranged a CNY 170 million credit facility with the Agricultural Bank of China. The Credit Facility has a three year term and carries an interest rate of 5.4%. Funds drawn down from the Credit Facility will be secured by land use rights and/or other physical assets as required. Yalian has received an initial RMB40 million draw down which will be utilized to fund the final phase of construction of the Company's Longitudinally Submerged Arc Welded Pipe production plant in Yangzhou, Jiangsu Province, China.

The Yangzhou plant is scheduled to be completed in late 2009 with an expected annual output for the first twelve months following completion of 110,000 tonnes of up to X-80 grade LSAW steel pipe. The plant is designed to eventually produce 150,000 tonnes to 200,000 tonnes per year and the steel pipe produced by Yalian will target the high-pressure oil and gas transmission markets in China. The government of China continues to make significant investments to support the growing demand for energy and therefore the company feels the market for its products will be extremely robust for the foreseeable future.

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