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## **Mechel inks contracts for coking and thermal coal supplies**

*Friday, 26 Jun, 2009*

Mechel OAO announced the signing of contracts for coking and steam coal supplies to Chinese, Japanese and South Korean companies for 2009.

Mechel continues its activities to enlarge the geography of coal sales. Having an established successful experience of coal supplies to Japan and South Korea, in 2009 the company also entered the Chinese coal market having signed a number of new large contracts with local customers.

The Company have already commenced supplies of coking coal concentrate produced at Yakutugol and steam coal of various grades to China. Currently total volume of supplies for 2009 fiscal year under Mechel's contracts with Chinese, Japanese, and South Korean companies amounts to approximately 2 million tonnes of coking coal concentrate produced at Yakutugol and 2.3 million tonnes of steam coal of various grades produced at Yakutugol and Southern Kuzbass.

Starting from 2007, Mechel also performs successful sales of iron ore concentrate produced at its Korshunov Mining Plant to China.

Mr Vladimir Polin senior vice president of Mechel OAO commented that "China is a very promising market for us. Its steel industry continues to develop fast resulting in stable high demand for our commodities: iron ore concentrate, coking coal concentrate, and ferroalloys. Moreover, signing of the new contracts provided us with the opportunity of deeper understanding of the Chinese market and we continue the activities to enter into new agreements. It is important that supplies to China are performed by both water transport and along railways, thus the flexibility of supply chains makes additional competitive advantage for us. I would like to emphasize that entering into new large contracts with Chinese companies allows us to increase the load of our coal mining facilities that is of particular importance in the current challenging business environment."

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