

**ARCELORMITTAL'S
HEAT-TO-POWER PROJECT,
SOUTH AFRICA**



Name and Location

ArcelorMittal's heat-to-power project, Gauteng, South Africa.

Project Description

The project proposes production of electricity from waste heat arising at some of the Vanderbijlpark steel mill's reheating furnaces.

A build, own and operate project is proposed, and the patented Kalina Cycle power plant technology will be deployed in stages at the facility, located about 70 km south of Johannesburg, for a combined power-generation capacity of 30 MW.

Initially a 6 MW plant will be built, followed by a 24 MW plant.

The cost of production is estimated at around 1c/kWh.

There will be associated environmental benefits, with the independent power producer estimating that carbon dioxide emissions could be cut by 258 000 t/y.

Value

Not stated.

Duration

Completion of the feasibility study is scheduled for the first quarter of 2012, with commissioning of the first 6 MW phase expected in the third quarter of 2013.

This will be followed, after permits are obtained, by the larger 24 MW project.

Client

ArcelorMittal South Africa (Mittal).

Key Contracts and Suppliers

Group Five (lead engineer) and Wasabi Energy (developer).

Latest Developments

Mittal has confirmed the signing of a term-sheet agreement with Wasabi Energy for a feasibility study.

The company is also in the process of evaluating local partnerships and black economic-empowerment participation. Should the development prove viable,

Mittal will supply waste heat at no cost to the Wasabi plant, which will then sell the electricity produced to the steel company under a long-term power purchase agreement (PPA).

As the developer, Wasabi Energy will need to secure the necessary regulatory permits, including a licence from the National Energy Regulator of South Africa.

Currently, Mittal is planning to consume all the power generated, but, depending on how South Africa's regulatory environment unfolds, it could also consider selling the power into the grid.

Mittal says the project and the PPA will be designed to support its aspiration of bolstering security of supply, as well as gaining control of its energy costs.

On Budget and on Time?

Too early to state.

Contact Details for Project Information

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