

EVRAZ North America Announces \$200 Million Investment in Regina Facility

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Regina, Sask. (March 31, 2015) – EVRAZ North America announced today that it will make its largest single investment – approximately \$200 million – at its Regina, Sask., facility. Premier of Saskatchewan Brad Wall, Saskatchewan Minister of the Economy Bill Boyd, Regina Mayor Michael Fougere, EVRAZ and Enbridge executives, and local dignitaries participated in the announcement event.

“This investment will secure our position as the highest quality, lowest cost integrated producer of large diameter pipe in North America,” said Conrad Winkler, EVRAZ North America President and CEO. “We greatly appreciate the Government of Saskatchewan’s role in working with us on issues facing primary steel production, in helping to create a favourable business environment, and in providing an important tax incentive for new investment in the recent provincial budget. It also allows EVRAZ to provide stability and long-term viability for more than 1,000 employees at the Regina mill as we continue to meet increasingly stringent industry standards and supply our customers with 100% ‘Made in Canada’ pipe.”

“Not only did the budget avoid any tax increases, we also wanted to provide an incentive for new job creation in export manufacturing and processing and so we are very pleased to see EVRAZ respond to these revenue neutral incentives with a \$200 million investment that will create about 40 new jobs,” said Premier Brad Wall.

Spanning the next two years the investment, which is being entirely funded by EVRAZ North America, will include installation of a new two-step large diameter line pipe mill (primarily from assets recently purchased from United Spiral Pipe LLC). It will enable the production of larger, thicker-wall pipe and increase annual production capacity by over 100,000 tons. EVRAZ is also making state-of-the-art upgrades in steelmaking including degassing and the ability to make larger steel slab sizes. Additionally, the power and size of its rolling mill will be increased to make thicker, wider steel coils.

EVRAZ and Enbridge also announced that the two companies will partner on a joint research and development program to enhance pipeline performance. Along with industry and academic institutions, EVRAZ and Enbridge will help drive continuous improvement with the ultimate aim of optimizing industry-wide safety and reliability.

“EVRAZ has the largest pipe Research and Development Centre in North America and it has played an important role in Canadian steel advances since 1982,” Winkler said. “Now we will combine our experience with that of Enbridge to further augment the performance of large diameter pipe.”

“The pipe we put in the ground is at the heart of our business. Over the next three years, we’ll build more than \$22 billion of pipelines to open new markets for Canadian producers – that requires certainty of the highest quality steel, available when it’s needed. EVRAZ is a proven partner and we’ve built a long term relationship on our shared com-



mitment to making safety and quality the highest priorities, and to investing in communities,” said Al Monaco, President and CEO, Enbridge Inc. “Today’s announcement is a great example of the economic benefits energy infrastructure projects create along the energy value chain and in communities.”

Large diameter line pipe is integral to oil and natural gas distribution, and EVRAZ has produced more than 51,000 kilometres (32,000 miles) of project pipe from millions of tons of recycled metal over its 59 years in Regina. The Regina site and its employees currently contribute about \$30 million per year to the federal and provincial economy in direct taxes. EVRAZ also creates another \$600 million per year in economic benefit through the purchase of raw materials, goods and services.

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About EVRAZ

EVRAZ North America (the “Company”) is a wholly owned subsidiary of EVRAZ plc, one of the largest vertically integrated steel and mining businesses in the world. The Company is a leading North American producer of engineered steel products for rail, energy and industrial end markets. The Company has six production sites located in the USA (Portland, Oregon; Pueblo, Colorado) and Canada (Regina, Saskatchewan; Calgary, Camrose and Red Deer, Alberta).

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