

Evraz Claymont Steel

Fugitive Dust Control

Monthly Progress Report #8

August 2008

Site:

Evraz Claymont Steel
4001 Philadelphia Pike
Claymont, Delaware, 19703

Prepared for:

Evraz Claymont Steel
4001 Philadelphia Pike
Claymont, Delaware, 19703

Prepared by:

Earth Tech AECOM
105 Commerce Valley Dr. W.
Markham, Ontario, L3T 7W3

September 1, 2008

TABLE OF CONTENTS

| | Page |
|---|-------------|
| 1 INTRODUCTION..... | 1 |
| 2 UPDATE ON PROJECT ACTIVITIES FOR CURRENT MONTH..... | 2 |
| 2.1 PROJECT MANAGEMENT AND MEETINGS..... | 2 |
| 2.2 REGULATORY REVIEW..... | 2 |
| 2.3 EMISSIONS IMPACT ASSESSMENT | 2 |
| 2.4 MELT SHOP..... | 2 |
| 2.4.1 Fume Control System Assessment | 2 |
| 2.4.2 Scrap Bay Operations Changes (Rail to Truck)..... | 2 |
| 2.4.3 Baghouse for Carbon and Lime Transfer | 2 |
| 2.4.4 Fume Control System Improvements | 2 |
| 2.5 SLAG QUENCHING | 2 |
| 2.6 ROADWAYS | 3 |
| 2.6.1 Paving..... | 3 |
| 2.6.2 Truck Wheel Wash Station..... | 3 |
| 2.6.3 Speed Limit Enforcement..... | 3 |
| 2.7 SCRAP YARD | 3 |
| 2.7.1 Relocate Stockpiles..... | 3 |
| 2.7.2 Tree-lined Berm..... | 3 |
| 2.8 SLAG YARD | 3 |
| 2.8.1 Enclosure for Charge Hopper | 3 |
| 2.8.2 Spray System Improvements | 3 |
| 2.8.3 Minimize Inventory of Processed Slag and Scarfing | 3 |
| 2.9 AMBIENT AIR MONITORING PROGRAM | 4 |
| 3 WORK PLANNED FOR THE NEXT MONTH..... | 5 |
| 3.1 PROJECT MANAGEMENT AND MEETINGS..... | 5 |
| 3.2 REGULATORY REVIEW..... | 5 |
| 3.3 EMISSIONS IMPACT ASSESSMENT | 5 |
| 3.4 MELT SHOP..... | 5 |
| 3.4.1 Fume Control System Assessment | 5 |
| 3.4.2 Scrap Bay Operations Changes (Rail to Truck)..... | 5 |
| 3.4.3 Baghouse for Carbon and Lime Transfer | 5 |
| 3.4.4 Fume Control System Improvements | 5 |
| 3.5 SLAG QUENCHING | 6 |
| 3.6 ROADWAYS | 6 |
| 3.6.1 Paving..... | 6 |
| 3.6.2 Truck Wheel Wash Station..... | 6 |
| 3.6.3 Speed Limit Enforcement..... | 6 |
| 3.7 SCRAP YARD..... | 6 |
| 3.7.1 Relocate Stockpiles..... | 6 |

| | | | |
|-----|-------|---|---|
| | 3.7.2 | <i>Tree-lined Berm</i> | 6 |
| 3.8 | | SLAG YARD..... | 6 |
| | 3.8.1 | <i>Enclosure for Charge Hopper</i> | 6 |
| | 3.8.2 | <i>Spray System Improvements</i> | 6 |
| | 3.8.3 | <i>Minimize Inventory of Processed Slag</i> | 7 |
| 3.9 | | AMBIENT AIR MONITORING | 7 |

APPENDICES

- APPENDIX A: UPDATED IMPLEMENTATION SCHEDULE
- APPENDIX B: OUTSIDE SALES SUMMARY – AUGUST 2008

1 INTRODUCTION

On December 21, 2007 the Delaware Department of Natural Resources and Environmental Control (DNREC) approved the implementation plan and schedule submitted by Evraz Claymont Steel in support of the required projects and tasks associated with the improvements to dust control measures at its steel-making facility in Claymont, Delaware.

Regular communication of progress status with DNREC is an important aspect of this implementation plan. Monthly progress reports are part of the approved implementation plan. They are due on the first day of each month to report on progress of the various projects being undertaken.

This report covers activities up to August 31, 2008 and provides an update of the project progress, outlines the work planned for the following month, and identifies discussion items that require action or feedback to maintain progress on the overall implementation plan.

2 UPDATE ON PROJECT ACTIVITIES FOR CURRENT MONTH

2.1 PROJECT MANAGEMENT AND MEETINGS

- This report is Progress Report #8 for August 2008 and has been submitted on September 17, 2008.

2.2 REGULATORY REVIEW

- No activity was planned for this task. Title V review and reporting will be completed following dispersion modelling results.

2.3 EMISSIONS IMPACT ASSESSMENT

- A site visit by DNREC and ET modelling personnel has been scheduled for September 9, 2008.

2.4 MELT SHOP

2.4.1 Fume Control System Assessment

- Draft report is under Evraz Claymont Steel review. Final report has been deferred.

2.4.2 Scrap Bay Operations Changes (Rail to Truck)

- Evraz Claymont Steel are reviewing and planning capital expenses associated with this project.
- Final equipment specifications will be provided upon the board's approval.

2.4.3 Baghouse for Carbon and Lime Transfer

- No activity was planned for this task.

2.4.4 Fume Control System Improvements

- No activity was planned for this task.

2.5 SLAG QUENCHING

- No activity was planned for this task. Nozzle review and determining if additional measures are needed are currently underway.

2.6 ROADWAYS

2.6.1 Paving

- Re-evaluating the old specification; new specification will be added. New paving will begin in late July, early August and has been ongoing.

2.6.2 Truck Wheel Wash Station

- Wash system installed and operational.

2.6.3 Speed Limit Enforcement

- On-going enforcement and monitoring is carried out by Evraz Claymont Steel security.

2.7 SCRAP YARD

2.7.1 Relocate Stockpiles

- Periodic pile relocation continued.
- Target achieved.

2.7.2 Tree-lined Berm

- Area for this activity was prepared.

2.8 SLAG YARD

2.8.1 Enclosure for Charge Hopper

- Contractor awarded fabrication was a small fabricator and recently passed away (Rollins Metalworks); a new bid will be prepared and go out for proposals.

2.8.2 Spray System Improvements

- No activity was planned for this task. Working on nozzle review and if additional measures are needed.

2.8.3 Minimize Inventory of Processed Slag and Scarfing

- August's slag production was 6,844 tons from the melt tons produced. Of the amount produced, 6,939.60 tons of slag was sold. See Appendix B for detailed summary of slag sales.

- August's scarfing production was 1,126 tons from the melt tons produced. Of the amount produced, 1,796.08 tons of scarfing was sold. See Appendix B for detailed summary of scarfing sales.

2.9 AMBIENT AIR MONITORING PROGRAM

- On-going monitoring, data analysis and progress reporting for the month of September.

3 WORK PLANNED FOR THE NEXT MONTH

The following work is planned for the next month:

3.1 PROJECT MANAGEMENT AND MEETINGS

- Progress Report #9 for September 2008 will be submitted on October 1st.

3.2 REGULATORY REVIEW

- Title V review and reporting will be completed following dispersion modelling results.

3.3 EMISSIONS IMPACT ASSESSMENT

- Impact analysis will be performed based on the results from dispersion modelling.
- DNREC and ET modelling personnel are scheduled for site visit on September 9, 2008. A modelling protocol document will be prepared following the site visit for DNREC review. The document will identify the objective of the modelling, standard modelling approach, the software and any restrictions and challenges in the modelling.

3.4 MELT SHOP

3.4.1 Fume Control System Assessment

- Results and design concepts identified in the Melt Shop Fume Control Assessment Report will be discussed with Evraz Claymont Steel.

3.4.2 Scrap Bay Operations Changes (Rail to Truck)

- Large equipment specifications – Further work is pending approval by the new Board of Directors.

3.4.3 Baghouse for Carbon and Lime Transfer

- The recent melt shop fume control system assessment did not identify a need for a baghouse for these emissions sources. No further action is planned at this time.

3.4.4 Fume Control System Improvements

- Design concepts for fume control system improvements will be discussed with Evraz Claymont Steel.

3.5 SLAG QUENCHING

- The design of the enclosure for the slag quenching operations is on hold pending approval of scrap bay re-design project.
- The basis of design will be dependant upon the final decision of whether this operation will be moved into the melt shop scrap bay area.

3.6 ROADWAYS

3.6.1 Paving

- Revised quotation expected from contractors.

3.6.2 Truck Wheel Wash Station

- Implemented in April 2008. Task complete.

3.6.3 Speed Limit Enforcement

- This project has been implemented. On-going enforcement and monitoring will be carried out by Evraz Claymont Steel security.

3.7 SCRAP YARD

3.7.1 Relocate Stockpiles

- The relocation of stockpiles has been completed.
- Any further impact from the Rubber Tire Project will be assessed as required.

3.7.2 Tree-lined Berm

- Preparation of the area will continue for this activity.

3.8 SLAG YARD

3.8.1 Enclosure for Charge Hopper

- A new bid will be prepared.

3.8.2 Spray System Improvements

- Planning for spray system improvements is ongoing.

3.8.3 Minimize Inventory of Processed Slag

- On-going slag storage reduction will continue to be monitored and reported monthly.

3.9 AMBIENT AIR MONITORING

- On-going monitoring, data analysis and progress reporting will continue in September.

APPENDIX A

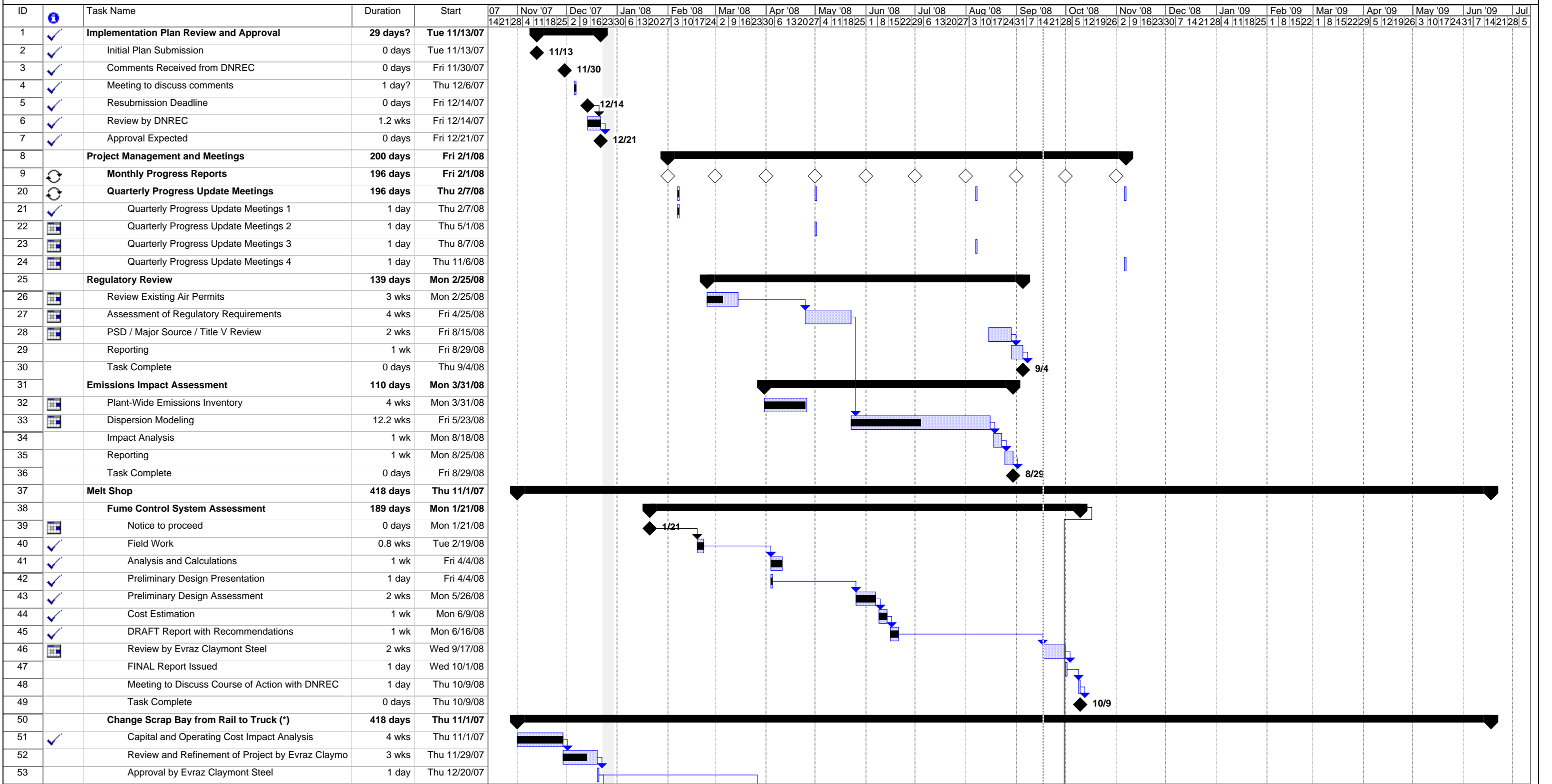
Updated Implementation Schedule

EVRAZ CLAYMONT STEEL

Fugitive Dust Control Projects

Implementation Plan

Update #8
September 1, 2008



- Task Progress Summary External Tasks Deadline
- Split Milestone Project Summary External Milestone

Notes:
 (*) - Contingent upon approval by Claymont Steel Board of Directors
 (**) - Applicability will be based on outcome of Melt Shop Assessment

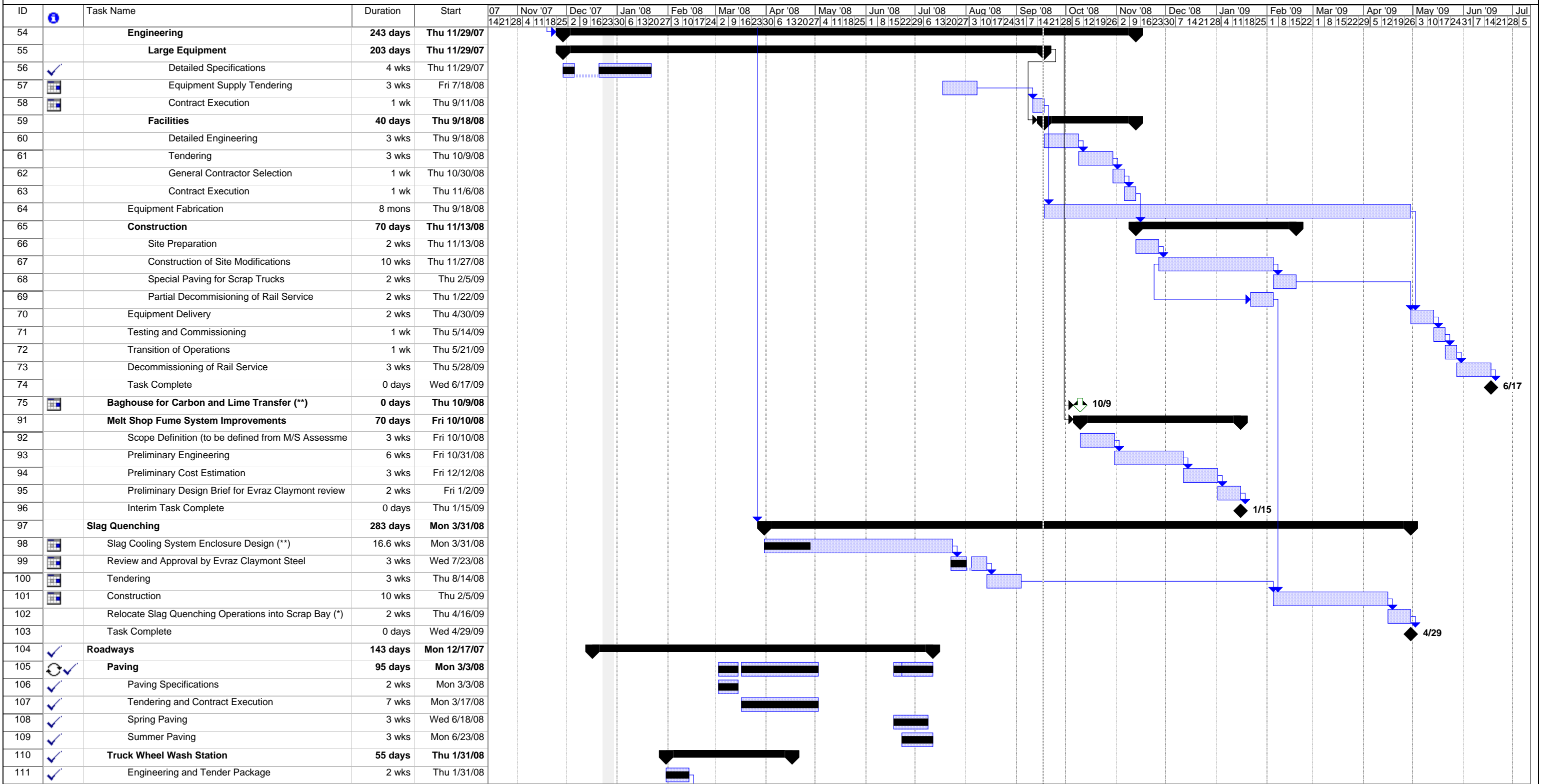
Earth Tech Inc.

EVRAZ CLAYMONT STEEL

Fugitive Dust Control Projects

Implementation Plan

Update #8
September 1, 2008



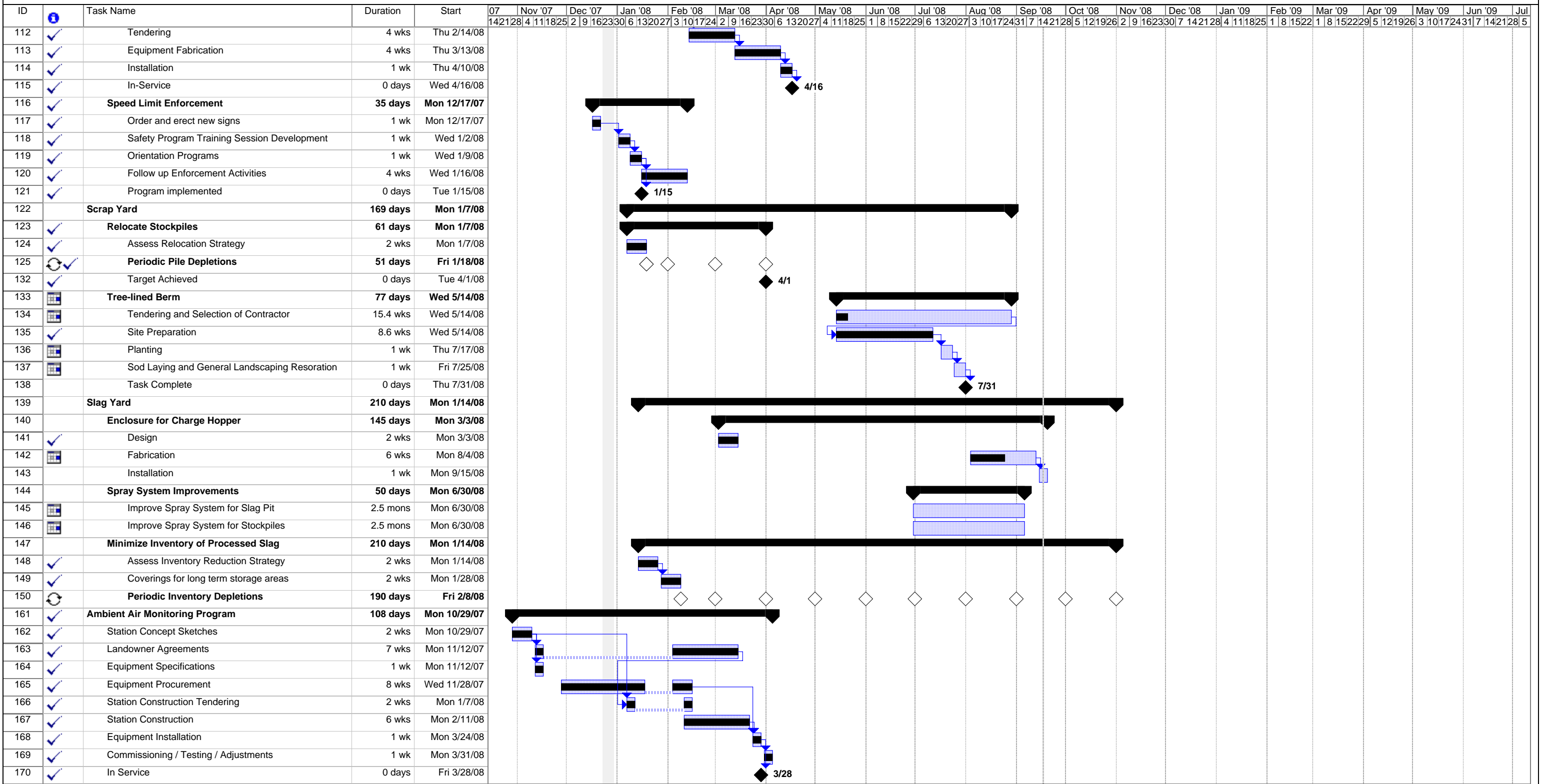
Task Progress Summary External Tasks Deadline Split Milestone Project Summary External Milestone

Notes:
(*) - Contingent upon approval by Claymont Steel Board of Directors
(**) - Applicability will be based on outcome of Melt Shop Assessment

Earth Tech Inc.

EVRAZ CLAYMONT STEEL
Fugitive Dust Control Projects
Implementation Plan

Update #8
 September 1, 2008



Notes:
 (*) - Contingent upon approval by Claymont Steel Board of Directors
 (**) - Applicability will be based on outcome of Melt Shop Assessment

Earth Tech Inc.

APPENDIX B

Outside Sales Summary

August 2008

AUGUST 2008 OUTSIDE SALES

SLAG PRODUCED 6844
 SCARFINGS/MILLSCALE PRODUCED 1126

Total
Tons 6939.60

Material Slag

| Customer | Type of Material | # of Loads | Total tons |
|--------------------|------------------|------------|----------------|
| Billy Warren | 2A | 1 | 14.07 |
| DSWA Cherry Island | 2A | 188 | 4473.97 |
| CitiSteel | 2A | 7 | 176.92 |
| Cash Sale | 2A | 2 | 47.26 |
| Total | | | 4712.22 |

| Customer | Type of Material | # of Loads | Total tons |
|--------------------|------------------|------------|----------------|
| DSWA Cherry Island | 2"x4" | 73 | 1623.08 |
| DSWA Sussex | 2"x4" | 11 | 186.09 |
| CitiSteel | 2"x4" | 11 | 227.45 |
| Total | | | 2036.62 |

| Customer | Type of Material | # of Loads | Total tons |
|--------------------|------------------|------------|---------------|
| DSWA Cherry Island | 4+ | 8 | 190.76 |
| Total | | | 190.76 |

Material Scarfings/Millscale

Total
Tons 1796.08

| Customer | Type of Material | # of Loads | Total tons |
|--------------|------------------|------------|----------------|
| IDI | 1/4" | 0 | 0 |
| Lehigh | 1/4" | 32 | 727.20 |
| Chesapeake | 1/4" | 33 | 724.01 |
| Total | | | 1451.21 |

| Customer | Type of Material | # of Loads | Total tons |
|------------------------|------------------|------------|---------------|
| Tubecity Wheeling-Pitt | 1/2"x5" | 2 | 155.09 |
| Tubecity Smith Export | 1/2"x5" | 6 | 106.53 |
| Tubecity Sayreville | 4"x8" | 4 | 65.37 |
| Total | | | 326.99 |

| Customer | Type of Material | # of Loads | Total tons |
|-----------------------|------------------|------------|--------------|
| Tubecity Fairless | 5"-3' | 0 | 0 |
| Tubecity Smith Export | 5"-3' | 1 | 17.88 |
| Total | | | 17.88 |