

EVRAZ CLAYMONT STEEL

FUGITIVE DUST CONTROL MONTHLY PROGRESS REPORT #7

July 2008

Prepared for:

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August 1, 2008

Project No. 98250

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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 July 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 #7 for July 2008 and has been submitted on the planned submission date of August 5, 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

- Meteorological data was compiled for dispersion modelling input. The scope of work for dispersion modelling has been clarified with regards to the number of scenarios / stages to be analyzed.
- Preliminary model parameters have been established.
- Emissions inventory is complete and ready for initial review.

2.4 MELT SHOP

2.4.1 Fume Control System Assessment

- Draft report was submitted in June and is under Evraz Claymont Steel review.
- Final report will be issued in August.

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.

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.

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

- July's slag production was 7,451.28 tons from the melt tons produced. Of the amount produced, 7,594.77 tons of slag was sold. See Appendix B for detailed summary of slag sales.
- July's scarfing production was 1,269.03 tons from the melt tons produced. Of the amount produced, 3,320.76 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 July.

3 WORK PLANNED FOR THE NEXT MONTH

The following work is planned for the next month:

3.1 PROJECT MANAGEMENT AND MEETINGS

- Progress Report #8 for August 2008 will be submitted on September 2nd.

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.

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

- No work is planned for August.

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 Evrax 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

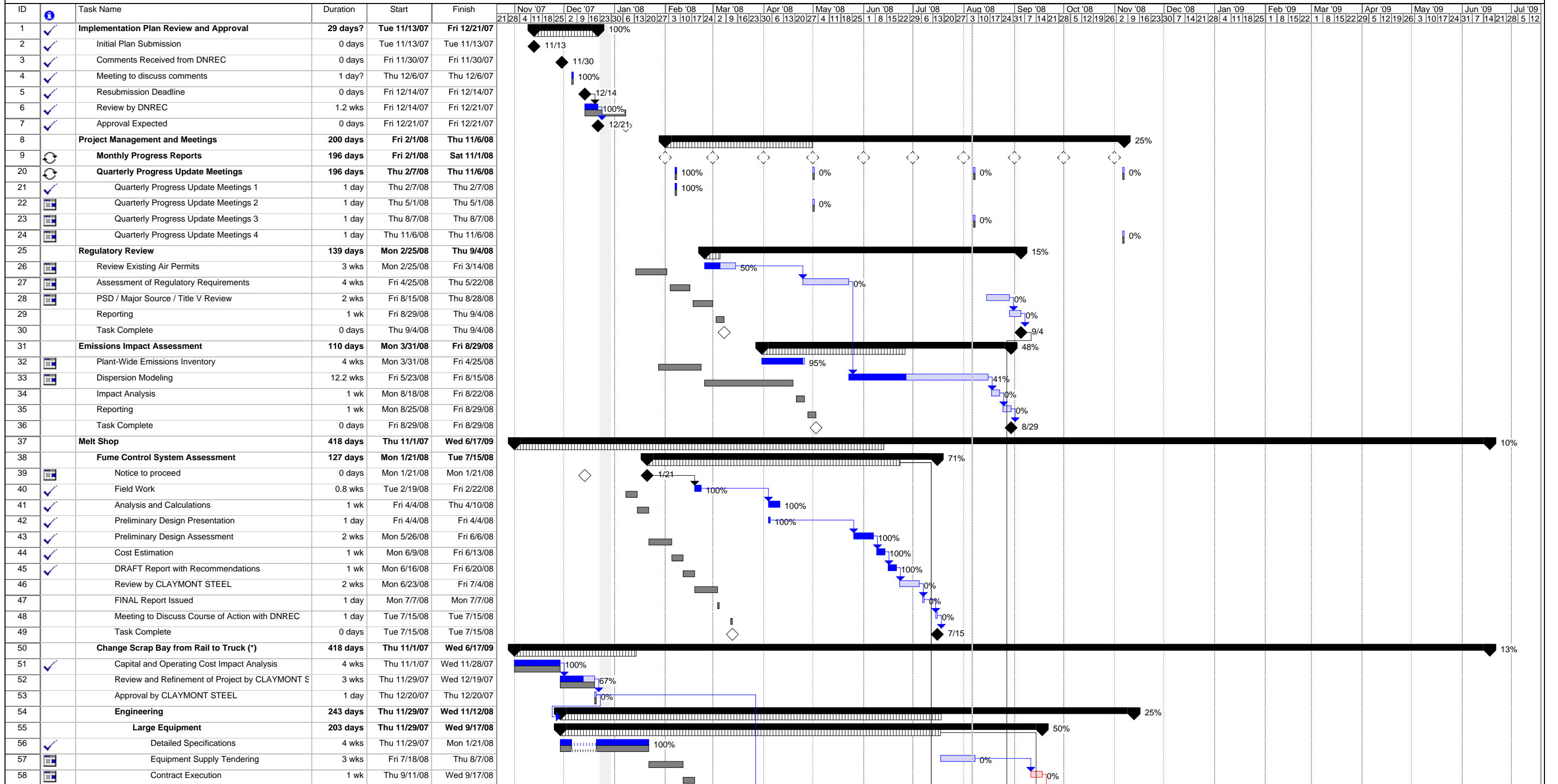
- On-going monitoring, data analysis and progress reporting will continue in August.

APPENDIX A

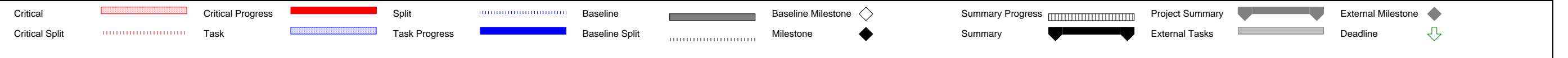
Updated Implementation Schedule

**Evrax Claymont Steel
Implementation Plan
Dust Control Projects**

Update # 7
August 1, 2008



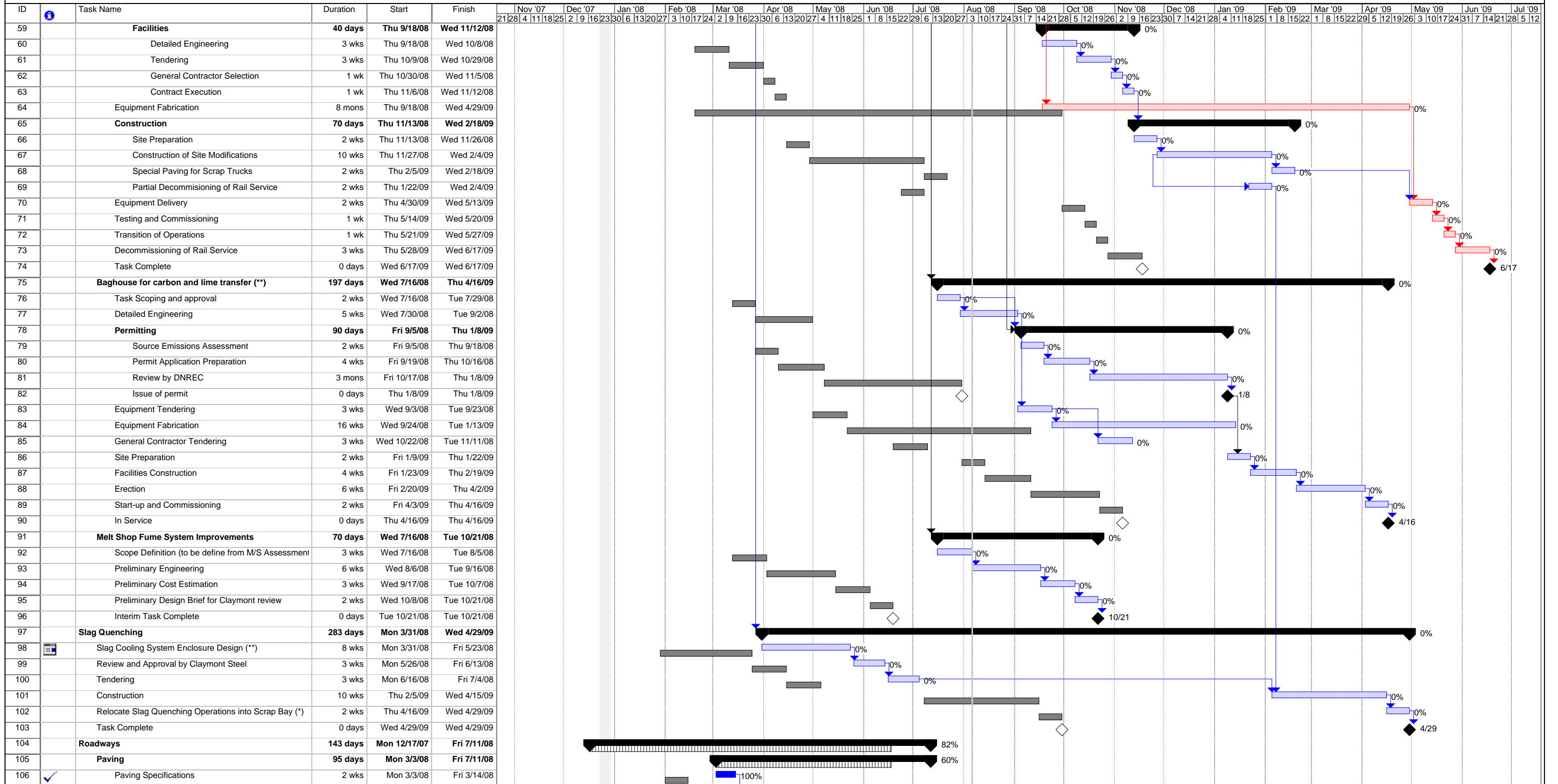
Earth Tech Inc.
Printed: Wed 8/6/08



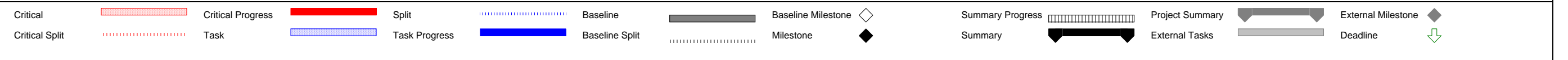
Notes:
(*) - Subject to approval of "Rubber Tire" project by Claymont Steel
(**) - Subject to outcome of melt Shop Fume System Assessment
ET PN: 98250

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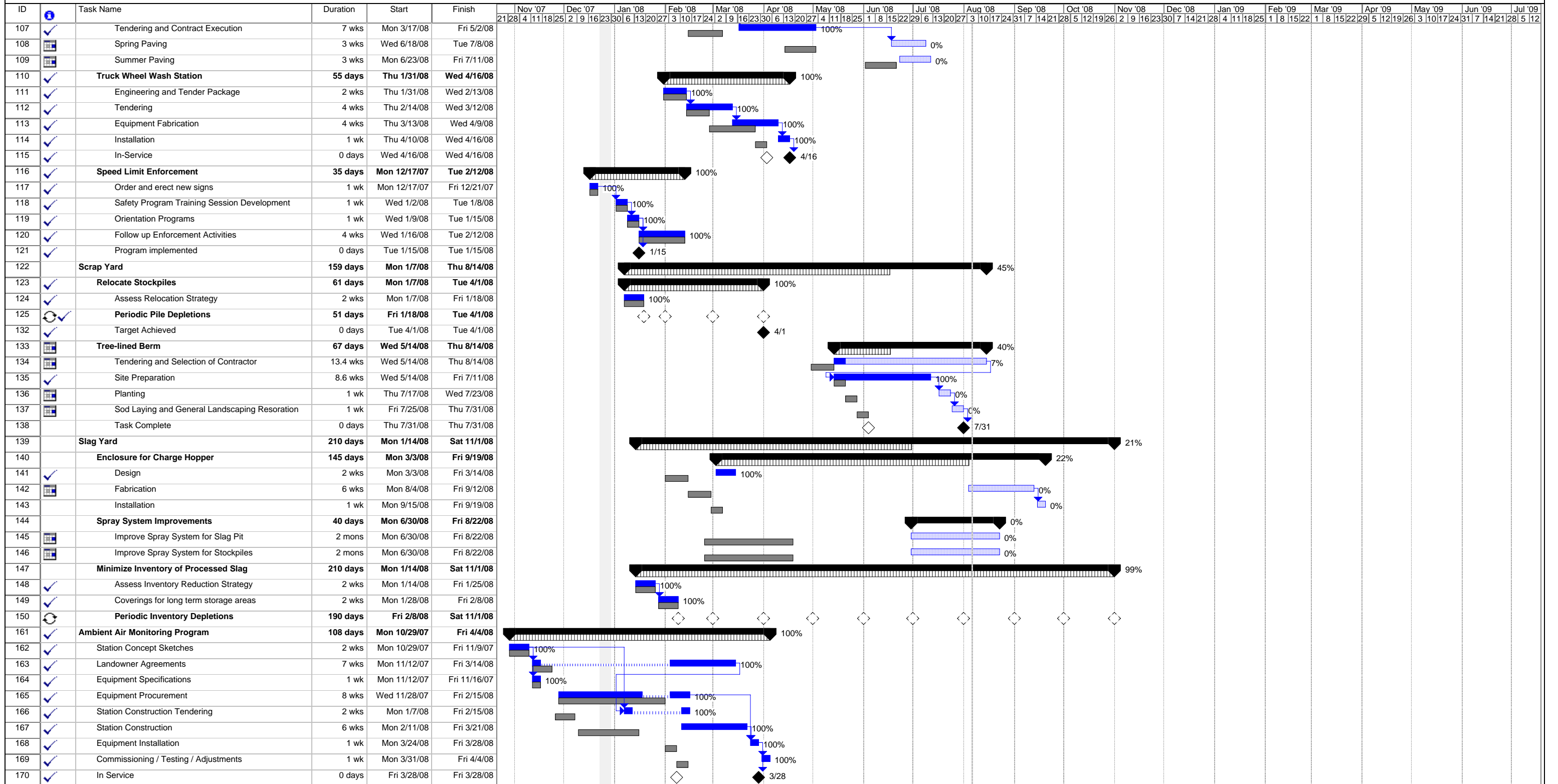
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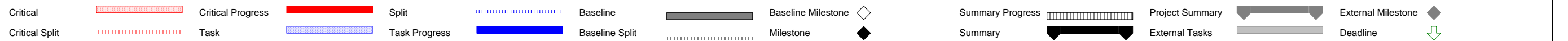
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APPENDIX B

Outside Sales Summary

July 2008

JULY 2008 OUTSIDE SALES

SLAG PRODUCED 7451.28
 SCARFINGS/MILLSCALE PRODUCED 1269.03

Total Tons 7594.77

Material Slag

Customer	Type of Material	# of Loads	Total tons
Billy Warren	2A	16	254.04
DSWA Cherry Island	2A	130	3041.38
CitiSteel	2A	39	888.42
Morris Iron	2A	5	85.5
Total			4269.34

Customer	Type of Material	# of Loads	Total tons
DSWA Cherry Island	2"x4"	132	3086.09
DSWA Sussex	2"x4"	7	129.99
Total			3216.08

Customer	Type of Material	# of Loads	Total tons
DSWA Cherry Island	4+	5	109.35
Total			109.35

Material Scarfings/Millscale

Total Tons 3320.76

Customer	Type of Material	# of Loads	Total tons
IDI	1/4"	2	188.78
Lehigh	1/4"	52	1170.91
Chesapeake	1/4"	33	719.55
Total			2079.24

Customer	Type of Material	# of Loads	Total tons
Tubecity Wheeling-Pitt	1/2"x5"	13	1116.71
Tubecity Camden	1/2"x5"	7	124.81
Tubecity Sayreville	4"x8"	7	119.65
Total			1241.52

Customer	Type of Material	# of Loads	Total tons
Tubecity Fairless	5'-3'	0	0
Total			0