Successful commissioning at Guodian International of the first two of six submerged arc furnaces ordered

Two of the total of six submerged arc furnaces ordered from SMS Siemag (www.sms-siemag.com) have been successfully put into operation at the Guodian-Sinopec Ningxia Energy Chemicals Co., Ltd. works of Guodian International Economics & Trade Co. Ltd. The submerged arc furnaces (SAF) produce calcium carbide for the local market. With a power rating of 46.5 MW each, the furnaces are currently the largest furnaces of this type in China. The entire plant is to be used for producing around 750,000 tons per year of highquality calcium carbide for the local market.

The customer issued the FAC for furnaces No. 1 and No. 2. Furnaces No. 3 and No. 4 successfully commenced production in February and March respectively. Commissioning of furnaces No. 5 and No. 6 will follow soon.

The calcium carbide produced is converted into acetylene in a newly erected works complex. Acetylene is an important base material for the plastics and foam industry. In the process of producing acetylene from calcium carbide, crude oil is substituted by locally available raw materials. The province of Ningxia and neighboring Inner Mongolia

-2-

SMS Siemag AG is a company of the SMS group which, under the roof of the SMS Holding GmbH, consists of a group of global players in machinery and plant construction in steel and nonferrous metals processing. Its workforce of more than 13,500 employees generates sales worldwide totaling EUR 3.3 billion.

possess extensive coal and limestone deposits suitable for carbide production. (23 lines of max. 65 characters per line) Tapping of calcium carbide from the SAF.