

Essar to get pellets from Bahrain Steel for plant

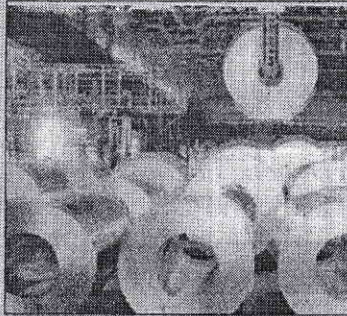
RAJESH KURUP
Mumbai, August 17

THE ESSAR GROUP has signed an agreement with Bahrain Steel, a wholly-owned subsidiary of Foulath, to source high-grade iron-ore pellets for its greenfield steel plant that is being set up in Saudi Arabia.

Bahrain Steel will now deliver 4 million tonne of DR-grade pellets to Essar Group per year. Bahrain Steel is the only Gulf Cooperation Council-owned pellet producer and supplier of high-quality DR grade pellets to integrated steel producers in the region.

The companies signed a Letter of Intent (LoI) on Wednesday. "Essar is looking at investing about \$4.5 billion in setting up an integrated steel plant in Ras Al Khair, Saudi Arabia. This LoI, post final contracts being agreed and signed, will secure 50% raw material supply of iron ore pellets for the Saudi steel plant. If all goes as planned, we expect commercial production to begin from 2027," Naushad Ansari, country

ESSAR TO SET GREEN BENCHMARK



■ It will also house a **1 million tonne** of cold rolling capacity along with galvanizing and tin plate lines

■ Essar Group's Green Steel Arabia (GSA) is set to be the region's first green steel project aiming to set the global benchmark in the reduction of CO₂

■ The project will have a direct reduced iron capacity of **5 million tonne** per annum, comprising two modules of 2.50 MTPA each; and a 4 MTPA hot strip capacity

head for Essar Group in KSA, said.

Essar Group's Green Steel Arabia (GSA) is set to be the region's first green steel project aiming to set the global benchmark in the reduction of CO₂.

The project will have a direct reduced iron capacity of 5 million tonne per annum (MTPA), comprising two modules of 2.50 MTPA each, and a 4 MTPA hot strip capacity. It will also

house 1 million tonne of cold rolling capacity as well as galvanizing and tin plate lines.

The facility will cater to all major steel-consuming industries including construction, oil & gas, automotive, packaging and general engineering in the region. Apart from Saudi Arabia, the group was also planning to set up projects in the US and India (iron ore pellet complex at Keonjhar, Odisha).