

Duferco

Farrell Corporation

15 ROEMER BOULEVARD
FARRELL, PENNSYLVANIA 16121-2299
(724) 983-6464

Paul Harpst
Manager – Quality Assurance

February 14, 2007

RECOVERED MATERIALS / SCRAP USAGE

In efforts to support Duferco Farrell Customer requests regarding recovered materials in product supplied by Duferco Farrell Corporation, the following is provided.

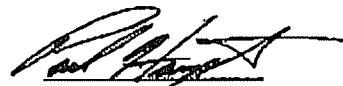
Duferco Farrell Corporation is a manufacturer of hot rolled and cold rolled sheet and strip steel products in low carbon, high carbon, HSLA and alloy grades.

Materials are supplied to Duferco Farrell Corporation in slab from various qualified suppliers for processing. Material grades for this purpose can be classified into two general categories.

Low Carbon Steel – Typical low carbon grades supplied to Duferco Farrell Corporation are either produced by Basic Oxygen Furnace (BOF) or Open Hearth method at vertically integrated facilities. Typically these steelmaking processes will utilize approximately 10% to 25% scrap charge as a supplement to the hot metal supplied from the blast furnace.

High Carbon & Alloy Steel – Currently, Duferco Farrell Corporation utilizes a single supplier of this material that utilizes the Electric Furnace method of melting 100% recycled scrap.

All materials purchased by Duferco Farrell Corporation are subject to stringent qualification and ongoing quality as defined per detailed protocols.



Paul Harpst