

(Issue _____)

Equipment and Power Department of Chongqing Iron and Steel Co., Ltd.

Jan. 10, 2004

Summary of Minutes for Energy Work Program Conference of Chongqing Iron and Steel Co., Ltd.

Date: Jan. 10, 2004

Place: Conference Room 202, Building of the Group

Hosted by: Liu Jiakai

Attending Units:

Planning Department: Li Hong, and Xie Chaozhong

Financial Department: Tang Min

Equipment and Power Department: Wang Yue

Power Factory: Huang Longqiang, and Qi Guoxiang

Design Institute: Zeng Xianqiong

Production Safety Department: Yu Pei

This conference arranged the energy work program in 2004 of Chongqing Iron and Steel, and formed the summary of minutes as follows:

I. Target of energy work

Meet constantly increasing and changing energy demands at the largest degree, and ensure the stable and smooth production; strive to realize the objective of energy consumption 795 gce /t steel for the Company in 2004. Other principal technical and economic indicators are as shown below:

Power consumption for 1t steel: $\leq 330 \text{ kWh/t}$;

Natural gas consumption for 1t steel: $\leq 6 \text{ m}^3/\text{t}$;

Discharge loss rate of blast furnace gas: $\leq 5.5\%$;

Discharge loss rate of coke oven gas: $\leq 7.5\%$;

Recovery of converter gas: $\geq 45 \text{ m}^3/\text{t}$.

II. Main Contents of Energy Work in 2004

The important tasks of energy work in 2004 are to: sufficiently mine the potential of recycling of self-produced waste gas and the potential of energy supply facilities, properly reform the existing energy utilities, enhance the existing energy supply capacity of the Company at the largest degree, and gradually establish a new high-efficiency energy management mode for the Company's production scale of annual 3 million tons.

1. Endeavor to make balance planning for energy supply, and ensure the energy supply for the production in 2004. Firstly, realize the balance of self-produced coal gas, especially before the shutting down of 3# blast furnace, the Company had extremely abundant self-produced coal gas

resources, and suffered from very great pressure from coal gas diffusion.

2. Make efforts to promote the reasonable recycling of converter gas: Supervise and urge the Seventh Factory to further perfect the utilization of micro-differential pressure device at the mouth of the converter gas furnace; harmonize and plan the reform of converter gas compressor of the Power Factory.

4. Complete the reform of supply pipeline network of natural gas for cutting of continuous casting machine of the Seventh Factory, and enhance the capacity to ensure production.

5. Perfect the local reform of afterheat and steam system of the Seventh Factory, and enhance the external supply capacity of afterheat and steam; complete the local reform of afterheat and steam pipeline network of the Power Factory, and realize the objective of use of afterheat and steam in the whole new area.

6. The present energy management methods could not adapt to production demands, mainly embodied at insufficient dynamic control methods and lagging of management. To perfect the monitoring system of the energy system, and keep improving the accuracy of measurement as well as the corresponding control and management mode is an important work in the energy work in 2004.

7. Observe national related policies and rules, as well as related regulations of the Kyoto Protocol under the United Nations Framework Convention on Climate Change, actively seek for cooperation for developing clean development mechanism (CDM), and lay foundations for Chongqing Iron and Steel to improve energy utilization ratio and sustainable development.

Submitted to: Related principal of the Company.

Issued to: Each unit attending the conference.

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