

Phone: +49 211 881 4449

Fax: +49 211 881 774449

E-mail: thilo.sagermann@sms-group.com

Thilo Sagermann

PRESS RELEASE

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Aceros Arequipa orders steel mill and continuous billet caster from SMS group

Energy-efficient steel and billet production for Peru



Electric arc furnace from SMS group: highly productive and energy-efficient.

Corporación Aceros Arequipa S.A. (CAASA), based in Arequipa, Peru, has awarded SMS group an order covering the supply of mechatronic equipment for a new steel mill and a billet caster with six strands for its Pisco site. The plant is designed for an annual capacity of 1,200,000 tons and will produce billets with sections of 130, 160 and 180 millimeters. Commissioning is scheduled for early 2020.

In terms of the steel mill, SMS group will supply a 120-ton AC electric arc furnace equipped with innovative technology to secure high productivity levels. A CONDOOR automated slag door will reduce downtimes and thus make the process more efficient. The CONSO injection system, in combination with the AEREG electrode controller, will permit over 180 tons

of steel to be produced every hour in a steady and continuous process. SMS group's scope of supply also includes a ladle furnace meeting all requirements with regard to the respective steel composition.

The steel mill will be equipped with a gas cleaning plant capable of processing over 2,200,000 cubic meters of process gas per hour, with the frustum exhaust hood from SMS group permitting the gases produced during furnace charging and tapping to be captured and extracted more effectively. The gas cleaning plant will comply with the strictest environmental regulations.

SMS Concast, an SMS group company, will supply a continuous billet caster with six strands. The caster will have a casting radius of nine meters and be equipped with the proven CONVEX[®] mold, a technology that is both widespread and well-established on the market. The special inside geometry of the mold allows for a greater transfer of heat across the whole mold, with a uniform degree of solidification in the corners. The efficient strand shell guidance in the mold with maximum symmetrical cooling not only increases the casting speed but, at the same time, improves the quality of the cast product. The CONFLOW tundish stopper is used to ensure a stable flow of steel and a reliable casting process. CONSTIR, an electromagnetic stirrer used as mold and final stirrer, ensures the required metallurgical quality. A new alternating oscillator allows for high flexibility and thus enhanced productivity.

A significant reduction in operating costs will be achieved thanks to the direct connection to the rolling mills. Depending on the desired quality, the billets can either be rolled directly or be taken to the rolling mill after they have slowly cooled down.

SMS group's scope of supply includes basic and detail engineering, supply of all mechanical and electrical components, the entire electrical and automation system including an integrated process control system (level 2) which monitors the steel quality from the

scrap yard to the billet storage area, as well as the supervision of erection and commissioning.

Aceros Arequipa manufactures long and flat steel products, including corrugated iron, wire rod, steel profiles, bars and tubes, as well as steel tools and components for the construction, civil engineering and mining industries. The company supplies the local market and exports to Columbia, Ecuador, and Bolivia.

The new plant will allow Aceros Arequipa to expand its presence on the local market and in South America and to offer higher-quality products.

SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 14,000 employees who generate worldwide sales of about EUR 3 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.