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Joint Venture between Severstal and RÜTGERS stages festive Opening Ceremony at Cherepovets

Cherepovets, Russia September 21, 2016 – RÜTGERS Severtar, a joint venture between Severstal and Belgian-based RÜTGERS Group has today staged its Grand Opening Ceremony at Cherepovets. The Joint Venture established a production unit on the basis of the tar processing shop of the Cherepovets coke plant. RÜTGERS holds a 65.3% share in this joint venture and Severstal 34.7%. Both partners invested a sum of 60 Million USD.

The new production unit allows coal tar – a by-product of coke production – to be processed into premium quality pitch products, naphthalene and technical oils. The production facility is equipped with automated tar distillation control systems, which reduce the risk of negative impact of the human errors during the processes. Unlike the old equipment, the new facility complies with international ecological standards. It is equipped with vapor and gas-extraction systems which significantly reduce negative impact of the process on the environment.

“The new RÜTGERS Severtar enterprise can produce up to 300 thousand tons of high quality products per year for the Russian and international markets. Thanks to the more advanced distillation procedure for coal tar and the fact that the plant is fitted with four columns instead of one, the equipment is more capable of accurately separating the tar into fractions, which has enabled the product range to be expanded considerably,” explained Vadim Germanov, Director General of Severstal Russian Steel Division, during the ceremony.

“RÜTGERS Severtar is an important component of our companies’ strategic expansion,” said Gerry Sweeney, President of Rain Carbon Inc., RÜTGERS’s parent company since 2013. “The new Cherepovets tar distillation plant is not only the first to produce vacuum treated pitch in Russia - it also represents our experience of 160 years in coal chemical processing and adherence to high ecological standards.”

Electrode coal tar pitch will be the core product of the new enterprise, which is in high demand in the non-ferrous metal industry for the production of electrodes and graphitized carbon. A festively decorated railcar filled with electrode pitch was sent to one of the key clients - RUSAL - during the grand ceremony.

Moreover, RÜTGERS Severtar will produce coal tar oils for technical carbon producers, as well as the components for producing plastic materials and for the construction industry. It is especially worth mentioning that Severstal itself is a client of RÜTGERS Severtar. Coal tar oil, which is supplied to Severstal, will conform to the highest global standards and allow the oven facilities of coke-oven batteries to be preserved more effectively.

94 people are employed at the new RÜTGERS Severtar enterprise including 55 previous employees of the former tar and pitch processing facilities.

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Company profiles

Severstal Russian Steel (a division of Severstal PJSC) is one of the biggest steel producers in Russia. In 2015, the division produced 11.45 million tonnes of steel; the volume of steel product sales was 10.87 million tonnes. The revenue generated by the division was \$5.836 million in 2015 and the EBITDA index was \$1.683 million. The division belongs to the most effective steel producers in the world. www.severstal.ru

Severstal PJSC is one of the largest vertically-integrated producers and miners of steel within Russia, Belarus, Ukraine, Latvia, Poland, Italy and Liberia. The company shares are listed on the Russian trading platform RTS-MICEX and the global depository receipts represented on the London Stock Exchange. In 2015, company revenue was \$6.396 million and EBITDA reached \$2.096 million. 11.45 million tonnes of steel were produced in 2015. www.severstal.com.

Rain Carbon Inc., through its various subsidiary operations - among them RÜTGERS - is a global leader and innovator in the production of raw materials critical to worldwide users of carbon products including producers of aluminum, steel, titanium dioxide, and a host of basic chemicals. We are a resourceful, reliable and responsible partner who transforms other industries' byproducts into usable, high-value products. Using resources built during many decades of industry focus, we continually discover ways to bring new value to all industries we serve. We build collaborative, long-term relationships and ensure our customers' market success by delivering consistently high quality products and customized offers. Rain Carbon Inc. has an exceptional track record of reliability and a culture of responsibility to customers, suppliers, employees and communities.

Since 2013, **RÜTGERS** belongs to the global network of Rain Carbon Inc. The company looks back on a history of more than 160 years as a leading manufacturer of chemical feedstock derived from coal tar. RÜTGERS operates in a network of 20 production sites in 9 countries in North-America, Europe and Asia with 1650 skilled employees. Chemical feedstock from RÜTGERS is processed into industrial products such as carbon electrodes, refractories, adhesives, rubber products and concrete superplasticizers. With intelligently secured raw materials management, tailored solutions, ongoing product development, state-of-the-art production facilities plus its own global logistics network, RÜTGERS ensures on-time delivery and consistently high product quality.

Severtar Grand Opening: Speakers

September 21st, 2016, at Cherepovets, Russia.

Mr. Vadim Germanov, Director General of Severstal Russian Steel Division

Mr. Gerard Sweeney, President Rain Carbon Inc.

Mr. Lutsenko, tbd

Mr. Kris Vanherbergen, Chief Commercial Officer Rain Carbon Inc.

Mr. Günther Weymans, Chief Operations Officer Rain Carbon Inc.

Mr. Dmitriy Loginov, Director of the Procurement Department