



WELCOME

Welcome to the first issue of XLERPLATE® *Steel In Touch* for 2007.

The year ahead is already shaping up as an eventful and exciting one, with many opportunities and challenges facing our XLERPLATE® steel customers. We look forward to continuing our value-creating relationship for 2007 and beyond.

XLERPLATE® *Steel In Touch* will bring you the latest steel industry news, information about projects happening in your state, updates on the economic environment and XLERPLATE® steel product news.

If you're interested in reading previous *Steel In Touch*

articles, log onto www.xlerplate.com.au and search our archived editions.

In this issue we feature our new XLERPLATE® steel campaign – called *Backing the Aussie Spirit* – which is themed around the Australian quest to be the best. See page 2 for details about this exciting new XLERPLATE® steel initiative.

The BlueScope XLERPLATE® team and *Steel In Touch* look forward to bringing you the latest news on developments within our industry throughout 2007.

Elly Pilkadaris
State Sales Manager - Western Australia

A 3D MODEL OF SUCCESS



West Australian company PDC Consultants is successfully completing a major drafting and design contract for the expansion of a BHP Billiton iron ore mine in the Pilbara region.

The contract, commenced 18 months ago, is PDC Consultants' biggest ever, involving up to 100 detailers at its busiest.

More than 7000 tonnes of steelwork was detailed for the BHP Billiton Rapid Growth Project 3 Area C Iron Ore Mine expansion, located about 120 kilometres north-west of Newman, which included new crushing and screening facilities and associated conveyors.

General Manager Martyn Weir said he believed some of the reasons the company won the contract stemmed from its strong relationship with BHP



Billiton and MPDJV (EPCM Contractor), and PDC Consultants' 3D modelling processes – which can halve design and detailing costs.

"We aim to achieve zero rework during construction with our 3D modelling technology, which combines Navisworks Propriety with detailing software such as StruCad, Xsteel and Prosteel," Mr Weir said.

"It uses 3D simulation to produce consistent steel connections, eliminating mistakes in joints that can cause disruptions and cost blow-outs during the fabrication and construction processes.

"Clients can also resolve technical issues throughout the process by reviewing intelligent 3D models."

Mr Weir said the greatest challenges of the Area C Iron Ore Mine expansion had been its large scale, and managing the multiple sub-contractors who undertook the shop detailing work.

"Our services have included project management, scheduling and planning, drawing production and quality control," he said. "Most people have been working on the 3D modelling process, detailing crusher and screening buildings, and 38 conveyors and associated transfer stations."



The new crushing and screening facilities and associated conveyors were fabricated and erected by the Monadelphous Group and are expected to be operational by the fourth quarter of 2007.

PDC Consultants recently worked on drawings for the expansion of Rio Tinto's iron ore wharf extension in Dampier, which was fabricated by AGC Industries Pty Ltd from 2400 tonnes of XLERPLATE® steel and rolled steel sections.

In addition, PDC has detailed six car dumpers for AGC Industries Pty Ltd and United Group Ltd.

The Metzco-designed car dumpers are complex structures weighing more than 300 tonnes each.

The car dumpers, which secure and invert fully laden iron ore rail wagons to add their contents to portside stockpiles, are manufactured from 350 Grade XLERPLATE® steel in thicknesses ranging from 16mm to 80mm.

Past projects have included Telfer Gold Mine for Newcrest Mining Ltd, Otway Gas Project for Woodside Petroleum, Woodside LNG V Project, and Geneesee Power Generating Station – Phase 3 for EPCOR in Canada.



BACKING THE AUSSIE SPIRIT

XLERPLATE® steel has launched its "Backing The Aussie Spirit" Campaign.

The campaign promotes XLERPLATE® steel's quality, reliability, technical backup and sales support associated with using Australian-made steel, and support for the local economy.

The campaign follows on from its first successful "Xlerate" to XLERPLATE® campaign back in 2004. XLERPLATE® steel distributors and end users will receive five mail-outs in total over a period of three months, each with a unique Australian flavour.

The first mail-out, sent in mid February, is themed "Australian Made" and focuses on the benefits associated with Australian manufacture. The second mail-out sent recently is themed "Consistent Quality". The campaign draws upon imagery centred on sporting excellence and high achievers such as champion swimmer Libby Lenton and the Australian cricket team.

"We're associating great Aussie heroes – our sportsmen and women – with the quality and pride behind the XLERPLATE® steel brand," Stan Clark, National Sales Manager – Distribution and Manufacturing, said. "XLERPLATE® steel is designed for many Australian applications and buying it means you're supporting industry in your country. Like our heroes, it's Australian-made."

Every mail-out contains a gift, and a unique



Images from Backing The Aussie Spirit campaign.

personal code that enables you to enter the competition to win great monthly prizes including tickets to the World Swimming Championships in Melbourne in March, or reserved tickets to the second day of the Australia vs. India cricket test in January 2008.

Entering all five draws gives you the chance to win one of three grand prizes, including an overseas trip valued at \$15,000 to one of the following events:

- 2007 Rugby World Cup in the UK
- 2007 Twenty 20 Cricket World Cup in South Africa
- 2007 FINA World Swimming Championships in Singapore
- Prix de L'Arc de Triomphe in Paris
- 32nd America's Cup event in Spain

We'll bring you winners' details in the next edition of *Steel In Touch*.

PKSW HOT STRIP MILL EXPANSION

The \$100 million expansion of the hot strip mill at Port Kembla Steelworks has been officially opened by Wollongong's Lord Mayor, Councillor Alex Darling. Councillor Darling unveiled a plaque at the Number 2 Walking Beam Reheat Furnace last December.

The furnace is now fully operational, and can convert an additional 400,000 tonnes p.a. of slab into hot rolled coil.

"The expansion has made the Steelworks much more competitive," BlueScope Steel's President Australian and New Zealand Industrial Markets Noel Cornish said. "Slab which is a semi-finished product is now transformed and value-added into hot rolled coil."



From left: BlueScope Steel's Aimee Allen, Noel Cornish, Antonio Lara and Cr Alex Darling.

He said the expansion, completed on time and on budget, was a positive step for employees and the community.

"It's a real credit to the BlueScope Steel people who managed the work, and to the contractors who carried it out," Mr Cornish said.

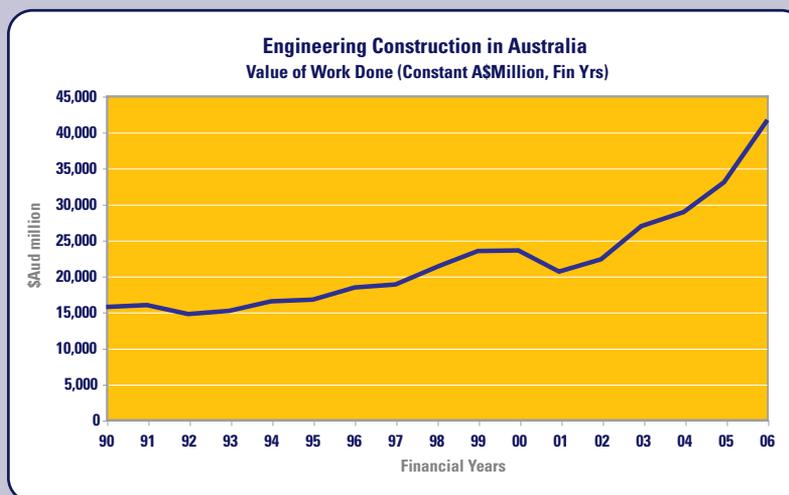
ENGINEERING ACTIVITY ON THE RISE

By BlueScope Steel Economists Max Serrano, Nick Scavarelli and Amy Davidson

Australian manufacturing continues to face a number of challenges, including the high Australian dollar and increased competition from Asia. Without a competitive advantage in manufacturing generally, growth in the sector will be likely to remain modest for the foreseeable future.

There has been a strong lift in planned engineering activity in the last 12 months, especially in mining-related investment, with high commodity prices underpinning planned expansions at many mine sites. Although commodity prices are expected to soften in coming years, they are likely to remain fairly high in the immediate future. Given that investment in water and power projects over the past 10 years appears to have been inadequate to cope with future needs, continued strong growth in spending in these areas is expected.

The latest Access Economic's Investor Monitor indicates a number of huge projects have been driving the lift in mining activity. These include



the Dawson steaming coal deposit (valued at \$1.2 billion) and Fortescue Metal Group's iron ore mine (valued at \$3.7 billion).

This strong activity has produced some negative consequences however. It has substantially driven up costs, especially because of skills shortages. Consequently, a number of major projects are being delayed, and cost blowouts are widespread. The construction of Fortescue's iron ore and

infrastructure project is behind schedule and BHP Billiton's Ravensthorpe nickel project has suffered cost overruns.

Mining plans for the future remain strong, including a feasibility study that is currently underway on a \$700 million planned development of the Wandoan coal mine. Statistics from the Australian Bureau of Statistics indicate that spending on mineral exploration has increased by nearly a third compared with this time last year.

Oil and gas investment is also strong. The North West Shelf gas fields and others in and around north Western Australia (such as the Vincent and Stybarrow oil fields) continue to lead spending in this sector. Costs on the recently started Angel gas field have already started climbing, and are now expected to total \$1.6 billion.

Construction on the Thylacine and Geographe gas project in Victoria's Otway Basin is behind schedule after cost upgrades throughout development of the project. The final bill is expected to tip \$1.1 billion.

SAFETY MESSAGE: REBAR CAPS MAY OFFER LITTLE PROTECTION



Recent research conducted by the NSW Plant Consultative Committee has shown that plastic caps fitted to the ends of exposed steel reinforcement bars may offer little protection against serious workplace accidents, including impalement.

These findings support information from several suppliers who say rebar caps are only intended to provide bright visual warnings, and to protect against brush contact with burred ends of reinforcement bars.

Where possible, working adjacent to exposed rebars should be eliminated.

Where this is not possible, workers should be effectively separated from exposed bars by guardrails, screens or other barriers.

Scaffolds should also be fitted with edge protection.

Correctly fitted caps should only be used, and regularly checked.

MCDOWALL AFFLECK SETS NEW DESIGN RECORD

West Australian engineering and design firm McDowall Affleck recently completed its largest-ever emissions stack project, this time for Woodside Energy Ltd's LNG Phase V Expansion project.

The project, which used 340 tonnes of XLERPLATE® steel, involved the structural and mechanical design of three 40-metre-high cylinders.

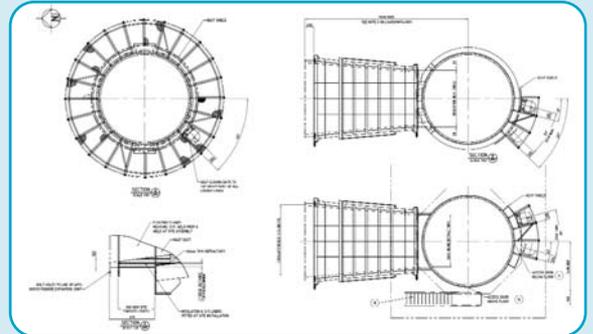
"We designed the stacks to minimise the on-site construction process," Managing Director Gary Affleck said. "We arranged the parts so XLERPLATE® steel flanges could be bolted together in the biggest sizes possible."

Mr Affleck said his team had designs and drawings ready for fabrication in just three months as a result of its close liaison with West Australian fabricator Pacific Industrial Company.

"We programmed the work so larger items such as the main base sections of the stacks were designed first, allowing the fabricator to order materials and start work while we continued the design process," he said.

The company specified XLERPLATE® steel because it reduced production times.

"BlueScope Steel offers reliable delivery times, which meant the stacks could be prefabricated and lined before being shipped to Woodside



Energy's Dampier unloading dock for assembly," Mr Affleck said.

McDowall Affleck's other recent steel projects using XLERPLATE® steel include designing the variations of pressure vessels for Woodside Energy Ltd's Train V (fabricated in New South Wales by L & A Pressure Welding), and the WMC Olympic Dam Expansion in South Australia.

"We designed 16 process plant tanks in thicknesses from 6mm to 25mm for installation at Olympic Dam," Mr Affleck said. "The tanks have open-top and self-supported cone roofs, flat, round bases, agitators with support bridges, access platforms, ladders and stairways, and vary from 2.4 metres to 10 metres in diameter, and up to 23 metres high."

McDowall Affleck, established in 1978, employs 20 people and Mr Affleck hopes to have 30 employees by 2010.

CUTTING EDGES THRIVES UNDER LOCAL OWNERSHIP

Cutting Edges Equipment Parts has experienced increased demand for its expanding range of patented wear parts for the mining industry in its first year under Australian ownership. The company is Australia's largest aftermarket supplier of equipment parts for earthmoving machinery and heavy-duty diesel engines.

Cutting Edges Equipment Parts' former Managing Director and now CEO Richard Andrews bought the company from United Kingdom-based owner Delta plc a year ago.

Mr Andrews said the company was succeeding as an Australian manufacturer operating in a global market after introducing new system designs and technologies.

"Downtime is critical for mining companies, so anything they can do to extend the working life of components and improve productivity as a result is taken very seriously," he said.



Cutting Edges Equipment Parts CEO Richard Andrews.

"We manufacture a wearplate product that uses a chromium carbide overlay on a Grade 250 XLERPLATE® steel base. We export this product, as it's ideal for high-abrasion, high-impact working environments around the world.

"We use this grade of XLERPLATE® steel to

make our CC1500 wearplate suitable for high-abrasion applications such as chutes, screens, dump truck liners, bulldozer mouldboards and bucket liners."

Cutting edges, flat grader blades and end bits, which are made from XLERPLATE® steel, are manufactured at the company's Sydney facility.

Mr Andrews said Cutting Edges Equipment Parts' products were tailor-made for local conditions, and did not compromise their quality to suit all markets.

Cutting Edges operates eight branches and a network of 10 distributors across Australia.

PLATE MILL PRODUCTION RECORD

Plate Mill output at the Port Kembla Steelworks exceeded 400,000 tonnes last year for the first time since 1996.

This increased production was due to improved process flow and productivity gains across all areas of the Plate Mill.

Impressive production levels were only part of the story. The delivery-in-full-on-time performance for 2006/07 to date is the highest result ever.

Major maintenance and repair work recently carried out to the hot leveller and furnaces was completed before schedule, on budget and with the best-ever safety performance.

This critical work will ensure XLERPLATE® steel production remains on track throughout 2007, and will also result in improved XLERPLATE® steel shape, surface quality and delivery performance.

The XLERPLATE® Team

PO Box 618

Welshpool Business Centre WA 6986

Phone: 08 9365 6665

Fax: 08 9365 6601

E-mail:

Elly.Pilkadaris@bluescopesteel.com



Elly Pilkadaris
State Sales Manager

XLERPLATE® Customer Service Group

Phone: 1300 135 004

Fax: 1300 135 003

E-mail: Billy.Stevens@bluescopesteel.com



Billy Stevens
Customer Service Officer

**For technical enquiries
call 1800 800 789**

**For XLERCOIL® enquiries
call 1800 008 247**

Xlerplate®



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IN THE HOT SEAT TODD BRYERS

Name: Todd Bryers

Job title: National Product Manager – Distribution and Manufacturing, BlueScope Steel

No. of years with BlueScope Steel: 6

No. of years in the Steel Industry: 6

Description of current role: To deliver a superior XLERPLATE® steel market offer that benefits both our customers and BlueScope Steel

What I like most about my job: Working with a diverse range of colleagues and customers

Time spent on the phone each day: Less than one hour a day. Feel free to call and chat!

Emails received on average per day: 30 plus

Person I most admire: At the moment Mr Cricket (Michael Hussey)

Craziest thing I've ever done: Worked as a Chocolate & Candy Chef in a Canadian ski resort

Earliest childhood memory: Being beaten up by my big brother. Too bad for him, as I eventually grew taller

What kick starts my day: Training for my first-ever triathlon

Best invention of the last century: Jet travel

All-time favourite song: *We are the Navy Blues* (Carlton FC theme song)

Worst television program: *Today Tonight / A Current Affair*

Hardest habit to break: Sleepwalking

Favourite food: Cheese, complemented by a nice drop of red

Best car on the road / favourite car of all times: A Winnebago RV, to drive around Australia

My pet hate: Road rage

I spend most weekends... Outdoors as much as possible

If I had \$1m to blow it would be on... A beachfront property in Wollongong

If I could have one person over for dinner, it would be... Al Gore

Favourite holiday destination ever: Drinking cerveza on the Mexican Caribbean coast



ANYTHING BUT STEEL

A debate between friends during a shooting party in Wexford, Ireland, in 1951 over what was Europe's fastest bird led to the founding of one of the world's most successful publishing ventures.

When one of the party, Sir Hugh Beaver, realised that similar arguments were going on every evening in more than 81,000 pubs across Britain and Ireland, he thought there might be a book in it.

One of his workers then commissioned Norris and Ross McWhirter's fact-finding agency in London to

compile the first edition, and 1000 free copies were distributed in 1954.

The following year, the book rocketed to the top of Britain's Best Seller list for Christmas. Ironically, Beaver had initially thought of it as a marketing give-away.

This annual is now the world's best-selling copyrighted book.

The name of this publishing phenomenon? The Guinness World Records.

ENDEAVOUR AWARDS ENTRIES CLOSE SOON

Entries close soon for the 2007 *Manufacturers' Monthly* Endeavour Awards.

The event, sponsored by BlueScope Steel's STEEL BY™ Brand Partnership Program, is open to all Australian manufacturers that have been operating for at least two years.

The awards, now entering their fourth year, cover eight categories, and include the selection

of an overall winner – Manufacturer of the Year 2007 – in recognition of the winning company's demonstrated innovation and excellence.

Nomination forms and conditions are available in the latest edition of *Manufacturers' Monthly* magazine or online at:

www.ferret.com.au/FerretAwards/Mmawards.asp

