

Pohang Alliance

Pohang Iron Works - Project Opportunity

SSC has been working diligently on a potential pilot project with Pohang Iron Works, which, if successful, would evolve into a major joint venture to provide SSC services to manufacturing operations worldwide.

POSCO perceives itself as the most efficient and one of the most influential manufacturers in that part of the world. They perceive other manufacturing operations, both in steel and other industries, as antiquated and ripe with opportunity. Both POSCO and the government of South Korea are pushing companies, in that country, to develop strategic alliances with foreign companies. One of POSCO's target markets is SSC's business in third world manufacturing operations. As a result, POSCO came to the United States looking for an industrial ESCO, in the United States. S.K. Park, team leader, informed SSC that they reviewed and interviewed approximately 40 ESCO's to joint venture with on a pilot project at Pohang Iron and Steel in Pohang, South Korea. Pohang consumes approximately 8% of the energy in South Korea. As a result, Pohang contacted SSC and Pohang made two trips to our corporate offices with a high level entourage of three people, per party. They toured our offices, interviewed our people and reviewed our business model and systems. They flew to Chicago and performed the same due diligence at our SSC project Burns Harbor — Bethlehem Steel Co.

[53kb Pohang Iron Works Project Opportunity \(](#)

POSCO's Privatization Equals Competitiveness

Privatization will mean that the company will be able to make speedy management decisions without interference from the government in any manner of form.

-- The Korea Times - Business Insight Section - Friday June 30, 2000

[128kb POSCO's Privatization Equals Competitiveness \(](#)

POSCO Strives to Boost Corporate Value

Turning POSCO into a completely private company will mean that the steelmaker will have a freer hand at competing effectively with foreign companies which are resorting to innovative ways of boosting their competitiveness.

[201kb POSCO Strives to Boost Corporate Value \(](#)

Pohang Iron Works - Energy Cost Savings Agreement

POSCO hereby engages SSC to design and implement a plan of energy cost savings (the "Plan") with respect to energy consumption and general operations at the Facility. Cost savings ("Cost Savings") shall be calculated and determined based upon Key Volume Indicator ("KVI") Models to be developed by SSC, and approved by POSCO. Such Cost Savings will be calculated by subtracting the actual energy usage during each monthly billing period from the baseline usage ("Baseline Usage") predicted by the KVI Models. A separate KVI Model will be constructed for each significant energy-using process at the Facility ("Facility Wide Models"). After acceptance of the KVI Model(s) by POSCO if any changes are made at the Facility or to the production process, which substantially affect variables related to energy consumption, then, in that event the KYJ Models shall be adjusted to reflect those changes upon approval by POSCO.

[66kb Pohang Iron Works Agreement \(](#)

