

LKAB Minerals

Contact person: David Högnelid, Chief Marketing & Communications Officer
Phone: +46 920 381 72
E-Mail: david.hognelid@lkabminerals.com

LKAB Minerals MagnaDense selected for Mexican gas pipeline

- **Sur De Texas-Tuxpan natural gas pipeline is an 800 kilometre project which begins offshore in the Gulf of Mexico, at the border near Brownsville, Texas and ends in Tuxpan, Mexico.**
- **Shawcor Ltd. will coat the pipeline with a high density concrete (concrete weight coating) containing MagnaDense to ensure optimal anti-buoyancy and seabed stability.**
- **LKAB Minerals will supply MagnaDense (made from magnetite, an iron ore product) to Shawcor's pipe coating facility in Altamira, Mexico.**

December 2016, Shawcor and LKAB Minerals signed a contract for the delivery of several hundred thousand tonnes of MagnaDense from February to October 2017 to match the production schedule at Shawcor's production facility.

"We selected MagnaDense because of its outstanding performance characteristics, track record in similar offshore applications and confidence in the LKAB Minerals logistics capabilities and team" says Henri Tausch, Group President Shawcor Pipeline Performance.

The agreement was finalised by LKAB Minerals CEO Leif Boström and Peter Mörtlund, President of LKAB Minerals Inc. Peter Mörtlund says "We are proud to have a long standing relationship with Shawcor, having supplied them in numerous projects around the world. It has been confirmed time and again that MagnaDense is a high quality and consistent product that meet the demands of the offshore industry. It is used for both loose ballast and as an aggregate in high density concrete. That we again can supply a project on another continent proves that we are competitive on

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a global scale and that our services and supply capacity matches the high quality of our product that we believe to be a benchmark in the industry.”

The value of the contract is not disclosed, but is substantial, LKAB Minerals CEO Leif Boström commented “There are only a few of these large scale projects available on a yearly basis, for LKAB Minerals it proves that our focus on finding non-steel applications for magnetite is successful and value adding in a number of industries. We will continue to work hard to ensure that all deliveries are carried out with excellence and supporting Shawcor’s operations and schedule. We are also proud to be engaged in the construction of one part of an extensive system to supply Mexico with its future energy needs.”

Images

Images approved for use in editorial context relating to this press release are found in the media section at <http://news.cision.com/lkab> or can be requested from david.hognelid@lkabminerals.com

Fact section

MagnaDense is an iron ore product produced from the mineral magnetite, which has been processed to match the needs of the end user industries. Its size distribution, high iron content and density makes it ideal for use as loose ballast or as an aggregate when producing high density concrete.

Shawcor Ltd. is a global energy services company specializing in products and services for the pipeline and pipe services segment of the oil and gas industry and related products for petrochemical and industrial markets. It operates through eight divisions, with fixed and mobile manufacturing and services facilities located around the world.

The Tuxpan natural gas pipeline will be 800 km in length, mostly offshore. 690 km pipe will be coated. The gas pipeline will be operated by Infraestructura Marina del Golfo (a joint venture with TransCanada and IEnova) on behalf of the owner, Mexico’ state-owned power company, Comisión Federal de Electricidad.