

Mechel OAO
Form 6-K
May 07, 2008

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

May 7, 2008

Commission File Number: 333-119497

MECHEL OAO

(Translation of registrant's name into English)

Krasnoarmeyskaya 1,

Moscow 125993

Russian Federation

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Note: Regulation S-T Rule 101(b)(c) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

MECHEL ANNOUNCES CONTRACT FOR A NEW MELTING COMPLEX AT ITS SOUTHERN URALS NICKEL PLANT

Orsk, Russia May 7, 2008 Mechel OAO (NYSE: MTL), one of the leading Russian mining and metals companies, announces that its subsidiary, Southern Urals Nickel Plant OAO, and Bateman Engineering have signed a contract on the construction of a new melting complex for Mechel's nickel plant.

The contract, which is signed in accordance with the investment program of Southern Urals Nickel Plant, provides fundamental re-equipment of the plant and includes the design and supply of a 12 MW DC furnace. The furnace will be erected at Southern Urals Nickel's existing facility. The total project value is US\$31 million.

The fixed price contract will be performed against a defined scope of work for small-scale industrial furnace-complex equipment for the production of ferronickel. The contract will also include a basic engineering package for the entire process plant and detailed design and supply of the core technology equipment for the 12 MW DC furnace. Work is expected to commence in the nearest months and the project is due to be completed by the end of 2009.

The 12 MW plant will be designed to include the latest proven technology in the field of ferro smelting and environmental protection. The technology has been designed by employing a holistic process approach to achieve low operating costs and high recoveries along with high levels of reliability.

The Southern Urals Nickel Plant has embarked on a modernization and expansion program for its nickel operations in order to boost production and operate efficiently. The 12 MW furnace is the first phase in this program whereby, in addition to producing a quality saleable product, it will be used to assess the commercial viability of a significantly larger project. Mechel Management OOO Chief Executive Officer Vladimir Polin commented.

Mechel OAO
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Mechel is one of the leading Russian companies. Its business includes three segments: mining, steel, and power. Mechel unites producers of coal, iron ore concentrate, nickel, steel, rolled products, hardware, heat and electric power. Mechel products are marketed domestically and internationally.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Mechel, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements. We refer you to the documents Mechel files from time to time with the U.S. Securities and Exchange Commission, including our Form 20-F. These documents contain and identify important factors, including those contained in the section captioned *Risk Factors* and *Cautionary Note Regarding Forward-Looking Statements* in our Form 20-F, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the achievement of anticipated levels of profitability, growth, cost and synergy of our recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Russian economic, political and legal environment, volatility in stock markets or in the price of our shares or ADRs, financial risk management and the impact of general business and global economic conditions.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MECHEL OAO

By: /s/ Igor Zyuzin

Name: Igor Zyuzin

Title: CEO

Date: May 7, 2008
