



NATSTEEL LTD

(incorporated in the Republic of Singapore)

ANNOUNCEMENT

The Board of Directors of NatSteel Ltd (the "Company") refers to the proposed divestment ("Divestment") of the Company's entire 66.8 per cent. interest in NatSteel Brasil Ltda ("NatSteel Brasil") to Gerdau Participacoes Ltda and Gerdau GTL Spain S.L. which was first announced on 30 January 2002. NatSteel Brasil is an investment holding company formed for the sole purpose of holding NatSteel and Finlayson's (as defined below) 24.79 per cent. interest in Acominas Gerais S.A. ("Acominas"), an integrated steel mill and producer of mainly semi-finished steel products such as billets and slabs.

At an extraordinary general meeting of the Company held on 18 March 2002, shareholders of the Company ("Shareholders") approved the Divestment. Further details of the Divestment can be found in the circular dated 1 March 2002 to Shareholders.

The Board of Directors wishes to announce that Gerdau Participacoes Ltda together with another wholly-owned subsidiary within the Gerdau Group (collectively "GD") had on 6 September 2002 exercised the call option granted to it under the terms of the Divestment to acquire the entire share capital of NatSteel Brasil held by the Company and Finlayson Investments Pte Ltd ("Finlayson"). Finlayson is a wholly-owned subsidiary of Temasek Capital (Private) Limited, which is in turn a wholly-owned subsidiary of Temasek Holdings (Private) Limited, a substantial Shareholder. In this regard, GD will pay on 18 October 2002 an aggregate cash consideration of US\$211.6 million for the entire share capital of NatSteel Brasil, of which the Company's share is approximately US\$141.4 million. The Divestment would thereupon be completed and NatSteel Brasil would be renamed GTL Brasil Ltda.

By Order of the Board

Lim Su-Ling (Ms)
Company Secretary
9 September 2002