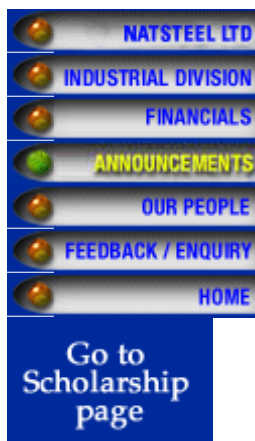




ANNOUNCEMENTS

20 June 2002 PROPOSED OFFER TO ACQUIRE BUSINESSES AND UNDERTAKINGS OF NATSTEEL LTD



NATSTEEL LTD

PROPOSED OFFER TO ACQUIRE BUSINESSES AND UNDERTAKINGS OF NATSTEEL LTD

The Board of Directors (the "Board") of NatSteel Ltd ("NatSteel" or the "Company") refers to its announcement made on 14 June 2002 pertaining to the offer (the "Offer") from Crown Central Assets Limited ("CCL") to acquire all the business, undertakings and assets of the Company, together with its investments in all the subsidiaries, associated companies of NatSteel other than the investments of NatSteel in NatSteel Broadway Ltd and NatSteel Brasil Ltda (the "Businesses").

The Board is carefully evaluating the Offer and is also exploring all other options. The Board (through its financial advisor, Salomon Smith Barney Singapore Pte Ltd) is actively soliciting expressions of interest from other third parties for the Businesses. In doing so, the Board's objectives are to act in the interests of NatSteel and its employees and shareholders as a whole and to maximise shareholder value. The Board notes that the independent financial advisor, ANZ Singapore Limited, will be reviewing and advising the independent directors of NatSteel on the Offer or any other offer in due course, at which stage the Board will make a formal recommendation to shareholders. In the meantime, the Board wishes to clarify the following matter relating to the Offer. In its announcement made on 3 June 2002, CCL provided an indicative timetable, from its perspective, for the completion of the CCL acquisition of the Businesses. The Board has been advised that, if the Offer proceeds to completion, the distribution of all available funds to NatSteel shareholders would involve a voluntary liquidation of the Company. This process is expected to extend over an appreciable period of time.

The Board also announces the appointment of Dr. Tan Tat Wai to the special committee of the Board ("Special Committee") to assist in the assessment the Offer and any other offer that may be received. Currently, Dr. Tan is a member of the Board and also the group managing director of Southern Steel Berhad. With his considerable experience and knowledge of the steel industry, Dr. Tan will provide the Special Committee with valuable insights in its deliberations. Dr Tan has confirmed, inter alia, that if a conflict of interest situation arises, he shall not participate in any decisions of and shall abstain from voting on any resolution of the Board in connection with the Offer. The Board considers business continuity and stability to be of utmost importance during this period and wishes to express its full confidence in the NatSteel management team while the Offer and all other options are being considered. The Board will continue to keep shareholders informed as developments warrant. In the meantime, the Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests.

BY ORDER OF THE BOARD
LIM SU-LING

COMPANY SECRETARY
20 JUNE 2002

Notes to the Editors

Weber Shandwick Singapore has been appointed as the communications advisor to NatSteel Ltd in its consideration of CCL's Offer and all other options.

For further information, please contact:

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