

28 April 2004

INCREASE IN STAKE IN SUBSIDIARY

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NatSteel Ltd ("NatSteel") wishes to announce that its wholly owned subsidiary NatSteel Chemicals Ltd ("NatSteel Chemicals") has acquired a further 5% stake comprising 5,000 ordinary shares of par value S\$1.00 each in the capital of Eastech Steel Mill Services Pte Ltd ("ETSMS") for a consideration of S\$95,000 (the "Consideration") from E-Steec Corporation.

The Consideration, which was satisfied in cash, was arrived at on a willing buyer-willing seller basis.

Upon the completion of the said acquisition, ETSMS will become a wholly owned subsidiary of NatSteel Chemicals.

ETSMS has a net tangible asset value of S\$2,545,000 as at 31 December 2003.

This transaction is funded by internal sources and is not expected to have a material effect on the earnings per share and net tangible assets per share of NatSteel Group.

None of the directors or substantial shareholders of NatSteel has any interest in this transaction.

By Order of the Board

Lim Su-Ling
Company Secretary
28 April 2004