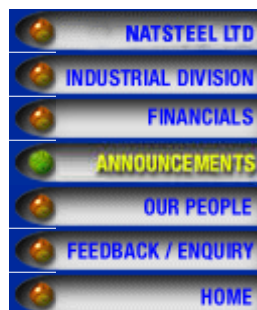




# ANNOUNCEMENTS

09 Nov 2005



## NSL TO PAY SPECIAL DIVIDEND OF \$399.7 MILLION BACK TO SHAREHOLDERS

Further to NATSTEEL LTD's ("NSL" or the Company) announcement of 14 September 2005, the Directors of NSL are pleased to declare a special dividend of \$1.07 per share (one tier, tax exempt), taking into account capital requirements of its core Chemicals, Engineering and Construction Products businesses.

Following the disposal of its steel business, the Company together with its advisor Goldman Sachs, has evaluated several major acquisition proposals in a number of new businesses. However, none of these investment opportunities met the Company's investment criteria. The market environment has also become more challenging for the Company to enter into new business endeavors.

After due consideration, the Company has decided to strengthen and further develop its existing businesses. Hence, the Company is now in a position to return more cash to shareholders, which would enable the Company to manage its capital more efficiently. The dividend of about \$399.7 million forms part of the Company's efforts to maximize shareholders value.

As an update, the Company is pleased to report that several investment projects are being implemented by its core businesses that will strengthen their market positions and enhance their values. By and large, these investments are being funded by the Group's operating cash flows, and where required, banking facilities will be utilized.

NSL is expanding its Chemicals and Engineering businesses in China. NSL Chemicals is further developing its lime business in Jiangsu province, adding capacity to its plant at Changshu and recently commissioning a new plant in Zhenjiang. A recent upstream project in neighbouring Anhui province to secure resource lime supply is underway. NSL Engineering has set up a new facility to support its engineering projects in Changshu. Our construction products unit, Eastern Pretech, is in negotiation to set up a joint venture in the Middle East for its pre-cast business.

Including the 60 cents per share paid in September, the Company would have paid a total dividend of \$1.67 per share back to shareholders this current financial year.

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed from 5.00 p.m. on 24 November 2005 to 5.00 p.m. on 1 December 2005 for the preparation of dividend warrants. Duly completed transfers received by the Company's share registrar, M & C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to the close of business at 5.00 p.m. on 24 November 2005 will be registered to determine shareholders' entitlement to the special dividend. In respect of the ordinary shares of the Company held in securities accounts with The Central Depository (Pte) Limited ("CDP"), the special dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to shareholders with shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. on 24 November 2005.

The payment of the special dividend will be made on or about 8 December 2005 or such other date to be determined by the Directors.

By Order of the Board

Lim Su-Ling  
Company Secretary  
09 November 2005

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