

NATSTEEL LTD

(Incorporated in the Republic of Singapore)
Company Registration Number 196100107C

MANDATORY CONDITIONAL CASH OFFER - DESPATCH OF OFFEREE BOARD CIRCULAR

The Board of Directors of NATSTEEL LTD (the "**Company**") refers to the mandatory conditional cash offer (the "**Offer**") by PrimePartners Corporate Finance Pte. Ltd., for and on behalf of Oei Hong Leong Foundation Pte. Ltd. (the "**Offeror**"), to acquire all the issued ordinary shares ("**Shares**") in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and Sanion Enterprises Limited.

The Board wishes to announce that the Company has today despatched to shareholders of the Company ("**Shareholders**"), a circular dated 23 June 2006 ("**Circular**") containing, *inter alia*, the advice and recommendation of the independent financial adviser to the Directors of the Company, ANZ Singapore Limited, on the Offer, and the recommendation of the Directors of the Company on the Offer.

Shareholders who do not receive the Circular within a week from the date hereof may obtain a copy of it from the office of the share registrar of the Company, M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, during usual business hours on any day (other than a public holiday, Saturday or Sunday).

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Lim Su-Ling
Company Secretary
Singapore, 26 June 2006