

01 Nov 2006

INCREASE IN REGISTERED CAPITAL OF SUBSIDIARY

NATSTEEL Ltd (the "Company") wishes to announce that its wholly owned subsidiary, NSL Engineering Pte Ltd has injected additional US\$1.0 million into the registered capital of Changshu RAM Engineering Co., Ltd. The registered capital of Changshu RAM Engineering Co., Ltd has increased from US\$2.1 million to US\$3.1 million.

Changshu RAM Engineering Co., Ltd is a wholly owned subsidiary of NATSTEEL Ltd.

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 Ltd and its group of companies in the current financial year.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in this transaction.

By Order of the Board

Lim Su-Ling
Company Secretary
01 November 2006