

04 July 2006

## ACQUISITION OF SHARES

NATSTEEL LTD ("Company") wishes to announce that its wholly owned subsidiary NSL Chemicals Ltd ("NSC") has acquired a further 3,000,000 ordinary shares in the issued capital of NSL OilChem Services Pte Ltd ("NOCS") by way of capitalising a shareholder's loan amounting to S\$3 million previously granted by NSC to NOCS.

NOCS remains a wholly owned subsidiary of the Company.

The above transaction is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2006.

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

By Order of the Board

Lim Su-Ling  
Company Secretary  
04 July 2006