

04 Dec 2006

SUBSCRIPTION FOR SHARES IN SUBSIDIARY

NATSTEEL LTD ("Company") wishes to announce that its subsidiary, NSL OilChem Services Pte Ltd ("NOCS") has subscribed for 399,998 ordinary shares at the issue price of S\$1.00 per share for cash, in the share capital of NSL Environmental Services Pte Ltd ("NES"), another subsidiary of the Company.

This subscription will increase the paid-up and issued capital of NES to S\$400,000.

NES will remain a wholly-owned subsidiary of the Company. NES will be engaged in the business of waste incineration.

This transaction is funded by internal resources and is not expected to have a material effect on the earnings per share and net tangible assets per share of the Group for the financial year ending 31 December 2006.

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

By Order of the Board

Lim Su-Ling
Company Secretary
04 December 2006