

11 Dec 2006

### **INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF SUBSIDIARY**

NATSTEEL Ltd ("NATSTEEL") wishes to announce that its wholly owned subsidiary, NSL Shipbreakers Pte Ltd ("NSB") has subscribed for 1,700,000 ordinary shares in the issued capital of NSL OilChem Services Pte Ltd ("NOCS"), another wholly owned subsidiary, in consideration of the transfer of leasehold premises known as Pte Lot A0516501 (23 Tanjong Kling Road) at the valuation price of S\$1,700,000 determined by Valuer, Messrs Jones Lang Lasalle as at 13 March 2006. This valuation was commissioned by NSB.

The paid-up and issued share capital of NOCS has increased to S\$12,187,822.00.

Upon completion of this transaction, NOCS remains a wholly owned subsidiary of NATSTEEL.

This transaction 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 for the financial year ending 31 December 2006.

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

By Order of the Board

Lim Su-Ling  
Company Secretary  
11 December 2006