

12 Oct 2006

SUBSCRIPTION FOR ADDITIONAL SHARES IN LIMETREAT TRADING CO. SDN BHD ("LTT")

NATSTEEL Ltd ("NATSTEEL") wishes to announce that its subsidiaries, NSL Chemicals Ltd ("NSC") and NSL Chemicals (M) Sdn Bhd ("NCM") have subscribed for a further 1,280,000 ordinary shares and 4,000,000 ordinary shares respectively at par value RM1/- per share in the share capital of LimeTreat Trading Co. Sdn Bhd ("LTT"). The total consideration was RM5,280,000.00 (the "Consideration"). The paid-up and issued capital of LTT has increased to RM7,600,000.00.

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.

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
12 October 2006