

14 July 2006

**EXERCISE OF THE OVER-ALLOTMENT OPTION AND DISPOSAL OF 4,908,376 ORDINARY SHARES IN THE ISSUED CAPITAL OF BANYAN TREE HOLDINGS LIMITED**

NATSTEEL Ltd ("Company") refers to its announcement dated 8 June 2006 ("June Announcement"). Further to its June Announcement, its wholly-owned subsidiary, Kilby Associates Limited ("Kilby"), wishes to announce that the Joint Global Co-ordinators had exercised its Over-allotment Option under the terms of the Placement Agreement. Hence, Kilby has further disposed 4,908,376 ordinary shares in Banyan Tree Holdings Limited ("BTH") at the price of S\$0.97 per share.

Unless otherwise defined, capitalized terms used in this Announcement shall have the same meanings as those defined in the June Announcement.

As a result of the disposal of BTH shares pursuant to the IPO and the exercise of the over-allotment option mentioned above, Kilby now owns 5,000,000 shares in the capital of BTH.

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

By Order of the Board

Lim Su-Ling  
Company Secretary  
14 July 2006