

19 Sept 2006

INTERIM SPECIAL DIVIDEND OF \$108.3 MILLION AND NOTICE OF
BOOKS CLOSURE DATE

The Board of Directors of NATSTEEL LTD ("Company") recommends that an interim special dividend of S\$0.29 per ordinary share (tax exempt - one tier) be declared for the current financial year, taking into account the group's medium term operational cash flow requirements. This distribution fully utilizes the Company's distributable reserves as at 31 August 2006.

NOTICE IS HEREBY GIVEN that, the Register of Members and Share Transfer Books of the Company will be closed from 5.00 p.m. 9 October 2006 to 5.00 p.m. 16 October 2006 for the preparation of dividend warrants. Duly completed transfers received by the Company's share registrar, M & C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to the close of business at 5.00 p.m. on 9 October 2006 will be registered to determine shareholders' entitlement to the Interim Special Dividend. In respect of the ordinary shares of the Company held in securities accounts with The Central Depository (Pte) Limited ("CDP"), the Interim Special Dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to shareholders.

The payment of the Interim Special Dividend will be on or about 23 October 2006 or such other date to be determined by the Directors.

By Order of the Board

Lim Su-Ling

Company Secretary

19 September 2006