

01 Jun 2006

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board (the "Board") of Directors of NATSTEEL LTD ("NSL" or the "Company") refers to the announcement dated 26 May 2006 made by PrimePartners Corporate Finance Pte. Ltd., for and on behalf of Oei Hong Leong Foundation Pte. Ltd. (formerly known as Chip Lian Investments Pte. Ltd.) (the "Offeror"), in connection with a mandatory conditional cash offer (the "Offer") for all the issued ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and Sanion Enterprises Limited.

The Board wishes to announce that it has today appointed ANZ Singapore Limited ("ANZ") as the independent financial adviser to advise the Directors of the Company in relation to the Offer. A circular containing the recommendation of the Directors of the Company and the advice of ANZ will be sent to shareholders of the Company ("Shareholders") within 14 days from the date of despatch of the Offer Document. In the meantime, Shareholders are advised to exercise caution in their dealings in the shares of the Company and to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests.

The Directors of the Company (including any Director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Lim Su-Ling
Company Secretary
01 Jun 2006