

07 Apr 2006

DIVESTMENT OF EQUITY INTEREST IN SINGAPOWER DEVELOPMENT PTE LTD

The Board of Directors of NATSTEEL Ltd ('Company') wishes to announce that its wholly owned subsidiary NSL Engineering Pte Ltd has entered into a sale and purchase agreement ('S&P Agreement') with Kaiserland International Limited to divest its entire 35% equity interest in Singapower Development Pte Ltd ('SDPL') for a total consideration of SGD70,350 (the 'Sale'). The consideration was arrived at on a willing buyer willing seller basis.

The Sale is in line with the Company's plan to divest its non-core businesses in the Group.

The Sale is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2006.

None of the Directors 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
07 April 2006