

MANDATORY CONDITIONAL CASH OFFER

by

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration No. 200207389D)
(Incorporated in the Republic of Singapore)

for and on behalf of

OEI HONG LEONG FOUNDATION PTE. LTD.

(Company Registration No. 198003269K)
(Incorporated in the Republic of Singapore)

to acquire all the issued ordinary shares in the capital of

NATSTEEL LTD

(Company Registration No. 196100107C)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by
Oei Hong Leong Foundation Pte. Ltd. and Sanion Enterprises Limited

LAPSE OF OFFER

Terms defined in the offer document dated 12 June 2006 in connection with the mandatory conditional cash offer (the "Offer") by Oei Hong Leong Foundation Pte. Ltd. (the "Offeror") for NatSteel Ltd ("NatSteel"), shall have the same meanings when used in this Announcement, unless otherwise defined.

1. Close of the Offer

PrimePartners Corporate Finance Pte. Ltd. ("PPCF") wishes to announce, for and on behalf of the Offeror, that the Offer has closed at 3.30 p.m. on 10 July 2006 (the "Closing Date").

All forms of acceptance and other relevant documents received after 3.30 p.m. on the Closing Date will not be accepted and will be returned by ordinary post to the relevant Shareholders at their own risk, in accordance with the terms of the Offer.

2. Level of Acceptances

2.1 Acceptances of the Offer

Based on information received by the Offeror, as at 3.30 p.m. on the Closing Date, the Offeror has received, pursuant to the Offer, valid acceptances in respect of 4,477,876 Offer Shares, representing approximately 1.1987% of the total number of

Shares in issue¹. None of these acceptances include acceptances received from the Offeror's Concert Parties.

2.2 Shares held before the Offer Period

As at 26 May 2006, being the Announcement Date of the Offer, the Offeror and its Concert Parties owned or controlled an aggregate of 112,124,000 Shares representing approximately 30.0151% of the total number of Shares in issue.

Save as disclosed above, neither the Offeror nor any of its Concert Parties owned, controlled or agreed to acquire any Shares prior to the Announcement Date.

2.3 Purchases during the Offer Period

From the Announcement Date to 3.30 p.m. on the Closing Date, save for the acceptances tendered pursuant to the Offer stated in paragraph 2.1 above, neither the Offeror nor any of its Concert Parties (based on information available to the Offeror as at the Closing Date) has acquired or agreed to acquire any further Shares.

2.4 Aggregate Holding

Accordingly, as at 3.30 p.m. on the Closing Date, the total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties, and (ii) valid acceptances of the Offer, amount to an aggregate of 116,601,876 Shares, representing approximately 31.2138% of the total number of Shares in issue.

3. **Lapse of the Offer**

As stated in the Offer Document, the Offer is conditional upon the receipt of valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties, will result in the Offeror and its Concert Parties holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares in the capital of NatSteel as at the close of the Offer.

Based on the information set out in paragraph 2, the above condition has not been fulfilled. As a result, **the Offer has not become unconditional in all respects as at 3.30 p.m. on the Closing Date and has therefore lapsed.**

4. **Return of Acceptances**

4.1 For Depositors

CDP will re-transfer the aggregate number of Offer Shares in respect of which a Shareholder has accepted the Offer to the "Free Balance" of his Securities Account as soon as possible but in any event not later than 14 days from the lapse of the Offer.

¹ Unless otherwise stated, references in this Announcement to the total number of Shares in issue are based on 373,558,237 Shares (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 10 July 2006).

4.2 For Shareholders whose Offer Shares are not deposited with CDP

The share certificate(s) and other documents will be returned to Shareholders who have accepted the Offer, by ordinary post at their own risk as soon as possible but in any event not later than 14 days from the lapse of the Offer.

Shareholders who are in doubt about the Offer should consult their stockbroker, bank manager, solicitor or other professional adviser immediately.

5. Responsibility Statement

The Directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated 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.

The Offeror wishes to thank all Shareholders who have supported its Offer.

Issued by

PrimePartners Corporate Finance Pte. Ltd.

For and on behalf of

Oei Hong Leong Foundation Pte. Ltd.

10 July 2006