

10 May 2006

NEW INVESTMENT IN PRECAST BUSINESS IN DUBAI, UNITED ARAB EMIRATES

NATSTEEL Ltd ("Company") wishes to announce that its wholly-owned subsidiary Eastern Pretech Pte Ltd has subscribed for 45% equity (comprising 135 shares of 1,000 Dhs each) in a joint venture precast concrete facility in Dubai, United Arab Emirates namely Dubai Precast LLC ("Dubai Precast"). This results in Dubai Precast becoming an associated company of the Company.

Dubai Precast has an initial capital of 300,000.00 Dhs divided into 300 shares of 1,000 Dhs per share. Dubai Precast is a joint venture vehicle established by both Eastern Pretech Pte Ltd and Mr Khalfan Saeed Juma Al Kaabi. The principal activities of Dubai Precast is to engage in the business of manufacture and supply of precast reinforced concrete products including the design, supply, fabrication, delivery and erection of such products.

This transaction is funded by internal sources and is not expected to have a material effect on the earnings per share and net tangible assets per share of NATSTEEL Ltd and its group of companies.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in this transaction.

By Order of the Board

Lim Su-Ling
Company Secretary
10 May 2006