

16 May 2006

**RAFFLES MARINA LTD –SCHEME OF COMPROMISE AND ARRANGEMENT UNDER SECTION
210 OF THE COMPANIES ACT (CAP. 50)**

NATSTEEL LTD ("Company") refers to the Scheme of Compromise and Arrangement under Section 210 of the Companies Act (Chapter 50), proposed by its subsidiary, Raffles Marina Ltd ("RML") ("Scheme").

The Company wishes to announce that further to the terms of the Scheme as well as arrangements contemplated by the Scheme, both RML as well as Raffles Marina Holdings Ltd have with effect from 15th May 2006 ceased to be indirectly wholly owned subsidiaries of the Company. However each remains a subsidiary of NATSTEEL Ltd.

By Order of the Board

Lim Su-Ling
Company Secretary
16 May 2006