

04 Jan 2007

**DISPOSAL OF EQUITY INTEREST IN ASSOCIATED COMPANY, MARINA YACHT SERVICES  
PTE LTD**

NATSTEEL LTD (the "Company") wishes to announce that its wholly owned subsidiary NSL Engineering Pte Ltd has disposed its entire 50% equity comprising 150,000 ordinary shares in the issued share capital of Marina Yacht Services Pte Ltd ("MYS") for a total cash consideration of S\$225,000 on a willing buyer and willing seller basis.

MYS has a net tangible asset value of S\$303,000 as at 31 March 2006. The carrying value of the Company's 50% stake in MYS had been fully written off in prior year.

Upon completion of this transaction, MYS will cease to be an associated company of the Company.

This transaction is not expected to have any material impact on the net tangible assets or earnings per share of NATSTEEL Ltd and its group of companies for the financial year ending 31 December 2006.

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

By Order of the Board

Lim Su-Ling  
Company Secretary  
04 January 2007