

17 July 2007

**DISPOSAL OF EQUITY INTEREST IN SUBSIDIARIES, EASTERN BRICKS PTE LTD AND PT SINDO BATU BATA INDUSTRI**

NATSTEEL Ltd (the "Company") wishes to announce that its wholly owned subsidiary Eastern Industries Private Limited has entered into an agreement to dispose of its entire 65% equity interest in Eastern Bricks Pte Ltd as well as PT Sindo Batu Bata Industri for a nominal value of S\$1 and US\$1 respectively on a willing buyer - willing seller basis.

The net tangible liabilities of Eastern Bricks Pte Ltd and PT Sindo Batu Bata Industri as at 31 August 2006 are S\$7.2 million and S\$11.3 million respectively. Both companies have been dormant since August 2006. The carrying value of NATSTEEL Ltd group's 65% stake in Eastern Bricks Pte Ltd and PT Sindo Batu Bata Industri had been fully written off in prior years.

Upon completion of this transaction, Eastern Bricks Pte Ltd and PT Sindo Batu Bata Industri will cease to be subsidiaries of NATSTEEL Ltd.

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 2007.

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  
17 July 2007