

**NATSTEEL LTD
 CLARIFICATION IN RESPECT OF UNAUDITED FULL YEAR FINANCIAL
 STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31
 DECEMBER 2007**

We refer to the Company's unaudited Full Year Financial Statements and Dividend Announcement for the year ended 31 December 2007 released on 20 February 2008 ("Announcement") and clarify as follows:

1. The following two paragraphs should be inserted after the end of Paragraph 1 (d) (ii) on Page 11 of the Announcement:

"1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year: -

	31 December 2007	31 December 2006
Number of issued shares excluding treasury shares	373,558,237	373,558,237

"1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2007 (31 December 2006: Nil)"

2. Paragraph 7 on Page 12 of the Announcement should be replaced by the following paragraph set out below. Please note that textual changes have been underlined. There is no change to the net asset value per share reported on:

"7. Net asset value (for the issuer and group) per ordinary share based on the total number of shares excluding treasury shares of the issuer at the end of the:

- (a) current financial year reported on; and
- (b) immediately preceding financial year.

	THE GROUP		THE COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on <u>total number of issued shares excluding treasury shares</u> as at the end of the reporting period	1.39	1.21	0.83	0.66

The Company does not have any treasury shares."

3. The decrease in the results from associates from S\$48mil to S\$31mil was due mainly to lower profit contribution from the Group's Thai petrochemical associate, Bangkok Synthetic Co., Ltd ("BST"). This was duly explained in the review of Chemicals Division performance as set out at Paragraph 8 on Page 13 of the Announcement.
4. The increase in the Associated Companies in the Group Balance Sheet from S\$109mil to S\$147mil was due mainly to the Group's share of profit and reserves from BST in FY2007. The Group did not acquire any new associated company during the financial year.

By Order of the Board

Lim Su-Ling
Company Secretary
27 February 2008