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12 May 2009

OneSteel completes \$789 million capital raising

(ASX: OST) OneSteel Limited ("OneSteel") today announced the successful completion of the retail component of the accelerated non-renounceable entitlement offer ("Entitlement Offer") announced on 16 April 2009.

The retail component of the Entitlement Offer ("Retail Entitlement Offer") raised proceeds of \$205 million. This follows the completion of the institutional placement ("Placement") and institutional component of the Entitlement Offer which raised \$584 million.

Total proceeds of \$789 million from the Placement and Entitlement Offer will strengthen OneSteel's balance sheet and reduce refinancing risk.

Peter Smedley, OneSteel's Chairman said:

"We are very pleased with the positive response from investors. The successful equity raising reflects strong support from both retail and institutional shareholders."

"We remain committed to prudent capital management and appreciate the support of our shareholders. The proceeds from this capital raising will significantly strengthen the company's balance sheet and position OneSteel for the current market environment."

Retail Entitlement Offer details

OneSteel received applications for \$238 million under the Retail Entitlement Offer. This included applications for entitlements of \$160 million and applications for new shares in excess of entitlements ("Additional New Shares") of \$78 million.

OneSteel will scale back applications for Additional New Shares. The number of Additional New Shares to be issued to each eligible retail shareholder who applied under the Retail Entitlement Offer will be capped at the greater of:

- 20,000 Additional New Shares or;
- 3 times that shareholder's entitlement under the Retail Entitlement Offer.

Where an eligible retail shareholder has applied for a number of Additional New Shares less than this cap, the number of Additional New Shares applied for will be allotted in full. This will result in approximately 99% of eligible retail shareholders who applied for Additional New Shares under the Retail Entitlement Offer receiving the full amount for which they applied. In total, applications for Additional New Shares of approximately \$45 million have been accepted.

OneSteel will issue 114 million new shares in relation to entitlements and applications for Additional New Shares under the Retail Entitlement Offer. Final allocations are subject to a reconciliation and audit process currently being conducted by OneSteel's share registry.

The allotment of new shares to be issued under the Retail Entitlement Offer will be completed by Wednesday 13 May 2009. The new shares will commence trading on the Australian Securities Exchange on Thursday 14 May 2009. Holding statements and refunds for unfilled applications will be despatched to participants no later than Friday 15 May 2009.

Shareholder enquiries

For further information, please call the OneSteel Entitlement Offer Shareholder Information Line on 1300 364 787 (for callers within Australia) or +61 3 9415 4026 (for callers outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday or visit OneSteel's website at www.onesteel.com.

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This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of OneSteel and certain plans and objectives of the management of OneSteel. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of OneSteel, which may cause the actual results or performance of OneSteel to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this announcement. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the steel industry, the level of activity in the Australian construction, manufacturing, mining, agricultural and automotive industries and, to a lesser extent, the same industries in Asia and New Zealand, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, OneSteel's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect OneSteel's business, including environmental laws and the Carbon Pollution Reduction Scheme, and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

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