



ONESTEEL LIMITED

ABN 63 004 410 833

13 December 2002

Please address all correspondence to:
Computershare Investor Services Pty Limited
GPO Box 7045 Sydney
New South Wales 1115 Australia
Enquiries (within Australia) 1300 364 787
(outside Australia) 61 3 9615 5970
Facsimile (within Australia) 02 8235 8212
(outside Australia) 61 2 8235 8212
www.computershare.com

Important Notice

Dear Shareholder,

Sale of Your Shareholding in OneSteel

At the company's Annual General Meeting held in November 2001, shareholders approved a change to OneSteel's Constitution to allow the company to reduce its number of small shareholdings in accordance with the Listing Rules of the Australian Stock Exchange ("ASX").

This change was made to help the company meet a pressing need to lower its share registry costs. OneSteel has around 200,000 shareholders, the majority of whom hold less than a marketable parcel (a marketable parcel is a value of \$500 or more) and the registry and related costs of maintaining a small shareholding are the same as the costs of maintaining a large holding.

Our records indicate that you are the holder of less than a marketable parcel of shares (based on the ASX closing price on 6 December 2002).

In accordance with the provision on OneSteel's Constitution, I am writing to you to inform you that your shares will be sold by the company on your behalf unless you advise in writing of your wish to retain the shares. This advice may be given by signing the attached form ("**Retention of Shares Notice**") and returning it to the OneSteel Share Registry (Computershare Investor Services Pty Limited) so that it is received by 12 February 2003. The form may be mailed in the enclosed envelope to Computershare Investor Services Pty Limited, GPO Box 2975, Melbourne VIC 3001, Australia faxed to the number above, or delivered to Level 3, 60 Carrington Street, Sydney NSW 2000, Australia.

Should you wish to have your existing shares sold at no cost to you, you do not need to take any action.

Your shares will be aggregated with the holdings of other shareholders who do not return the Retention of Shares Notice by 5.00pm (EST) on 12 February 2003 and sold through JBWere Limited, sharebrokers (a member corporation of the ASX). The broker will be given instructions to sell the shares on 19 February 2003 and the shares will be sold over the period of up to and including 21 March 2003.

You should note that, unless you provide the notice referred to above, if the relevant shares are in a CHESS holding and remain in a CHESS holding on 12 February 2003 the company may, without further notice to you, move such of the relevant shares as remain on the CHESS holding from that CHESS holding to an issuer sponsored or certificated holding for the purpose of sale or sale by the directors of the company.

The total sales proceeds of all the shares sold on behalf of participating shareholders will be apportioned pro rata amongst all those shareholders based upon the number of shares sold on behalf of each participating shareholder.

No brokerage will be payable by you. All selling and other costs will be paid by the company. Payment of the proceeds will be made either by cheque or direct credit to an Australian bank, building society or credit union (as per your existing direct credit instruction recorded on the register) to participating shareholders in early April 2003. At the same time a statement detailing the transaction and recording your share balance will be sent to you.

If you wish to retain your OneSteel shares, you must return the Retention of Shares Notice by 5.00pm (EST) on 12 February 2003.

Yours sincerely

Peter J Smedley
Chairman

