

20 October, 2004

Whyalla Blast Furnace Incident

Further to the announcement OneSteel made to the ASX on 11th October concerning operating difficulties at the Whyalla Steelworks blast furnace, the furnace was recovering in line with expectations when an incident occurred.

A failure occurred in the blast furnace air injection system on 19th October, that caused mechanical damage and led to a fire, which damaged some electrical systems and instrumentation. It will take approximately an additional two weeks to repair and return to normal operating levels.

Total steel production lost will be in the order of 80,000 tonnes, compared with the 35,000 stated last week. Measures are being put in place to purchase steel from other sources, ramp up Sydney Steel Mill and cutting back on export sales to mitigate the impact on the market.

The financial impact, after taking into account the sale of additional coke and iron pellets, will be approximately \$30 million at the EBITDA level (OneSteel made \$324 million at the EBITDA level in 2003/04 financial year).

OneSteel is currently assessing the impact of the shortfall in steelmaking on rolled long product delivery schedules and will contact customers to discuss how the impacts may be managed and minimised.

For further information contact:

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