



6 December 2004

WHYALLA BLAST FURNACE UPDATE

Recovery of the Whyalla Blast Furnace to normal operating conditions and output is progressing at a rate slower than originally estimated.

In a release to the Australian Stock Exchange dated 29th November 2004, OneSteel outlined that the disruption recovery process was approximately 10 days. Based on latest available information, the furnace will be back to normal operating conditions sometime in the week commencing Monday, 13th December 2004.

The impact on production is a further approximately 24,000 tonnes. Since the disruption occurred last Monday, management has secured 23,000 tonnes of steel from external sources to supply customers. Further product is currently being sought.

Taking into account the cumulative financial impact of the Whyalla Blast Furnace, with domestic market conditions remaining strong across most segments, combined with measures put in place to offset the furnace impact, net profit after tax for the six months to 31st December 2004 is expected to be in the range of \$45 million to \$55 million.

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