

11 March 2005

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 52 Melbourne
Victoria 8060 Australia
Enquiries (within Australia) 1300 364 787
(outside Australia) 61 3 9415 4026
Facsimile 61 2 8235 8212
web.queries@computershare.com.au
www.computershare.com

Dear Shareholder,

Sale of Your Shareholding in OneSteel Limited

I am writing to inform you that the OneSteel Board is pleased to provide you with a convenient opportunity to dispose of your shares held in OneSteel. I foreshadowed implementing this action for small shareholders at the annual general meeting last November. The process for the sale by OneSteel of your shares is set out in this letter.

Our records indicate that you are the holder of less than a marketable parcel of shares based on the ASX closing price of \$2.74 on 4 March 2005. A marketable parcel of shares has a value of \$500 or more. The value of your holding of xxx shares on 4 March 2005 is \$xxx.xx.

Should you wish to have your existing shares sold at the average market price during the selling period and at no cost to you, you do not need to take any action. Please note you will receive the interim dividend of 6 cents per share payable on 21 April 2005 whether your shares are sold or you elect to retain the shares.

Terms and Conditions: In accordance with the provision in OneSteel's Constitution, that was approved by shareholders at the annual general meeting in November 2001, and ASX Listing Rules, your shares will be sold by the company on your behalf unless you advise in writing of your wish to retain the shares. No brokerage will be payable by you. All selling and other costs will be paid by the company.

If you wish to retain your shares you may do so 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 **26 April 2005**. The form may be mailed in the enclosed envelope to Computershare Investor Services Pty Limited, GPO Box 52, Melbourne VIC 8060, faxed to the number above, or delivered to Level 3, 60 Carrington Street, Sydney.

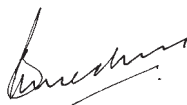
You should note that, unless you provide the notice referred to above, if the relevant shares are in a CHESS holding and remain in a CHESS holding on 26 April 2005 the company may, without further notice to you, move such of the relevant shares as remain on the CHESS holding from that CHESS holding to an issuer sponsored or certificated holding for the purpose of sale or sale by the directors of the company.

Payment of Proceeds from Sale: 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 26 April 2005 and sold through UBS Securities Australia Limited, share brokers. The broker will be given instructions to sell the shares on 2 May 2005 and the shares will be sold over the period of up to and including 6 May 2005. 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.

Payment of the proceeds will be made either by cheque or direct credit (as per your existing direct credit instruction recorded on the register) to participating shareholders on 18 May 2005. At the same time a statement detailing the transaction and recording your share balance will be sent to you.

Please note if you wish to retain your OneSteel shares, you must return the Retention of Shares Notice by 5.00pm (EST) on 26 April 2005.

Yours sincerely



Peter J Smedley
Chairman

How to complete this form

Securityholders who wish to retain their Shares must lodge a Share Retention

A Registration Name(s) Your name and address as it appears on the register of OneSteel Limited.	E Signature(s) You must sign the form as follows in the space provided: Joint holding: where the holding is in more than one name all of the securityholders must sign. Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it. Deceased Estate: all executors must sign and, if not already noted by the registry, a certified copy of Probate or Letters of Administration must accompany this form. Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.
B Number of Shares as at Record Date This is the total number of Shares you held at the Record Date.	
C Retention of Shares If you would like to retain your shares, please mark this box and return this Form to Computershare Investor Services Pty Limited.	
D Contact Details Enter your contact details. These are not compulsory but will assist us if we need to contact you.	

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with it, please consult your financial or other professional advisor.

Consolidation of shareholdings

If you have more than one holding on OneSteel Limited's register, you should consider consolidating them. For further advice in this regard, please contact Computershare Investor Services Pty Limited on 1300 364 787 (within Australia) or 61 3 9415 4026 (outside Australia).

Lodgement of Retention Form

Share Retention Forms must be received at the Melbourne office of Computershare Investor Services Pty Limited by no later than 5pm, EST on Tuesday, 26 April 2005. Return the Share Retention Form to:

Computershare Investor Services Pty Limited GPO Box 52 MELBOURNE VIC 8060	OR	Computershare Investor Services Pty Limited Level 3 60 Carrington Street SYDNEY NSW 2001
---	----	---

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning your Securityholding please contact Computershare Investor Services Pty Limited on telephone 1300 364 787.

This form may not be used to effect an address change. Please contact Computershare Investor Services Pty Limited on 1300 850 505 for an appropriate form, or download a Change of Address Notification form from www.computershare.com

