

6 June 2005

## **ONESTEEL ANNOUNCEMENT CONTRACT SIGNING**

OneSteel Limited Managing Director Geoff Plummer today announced that contracts have been signed for the major construction and transshipping components of Project Magnet.

“ A construction and engineering contract worth in excess of \$220 million has been signed with Thiess Pty Ltd for the major construction element of Project Magnet. Several major works are required for the project including crushing and screening equipment, a slurry system, conversion of the Pellet Plant and an upgrade of export facilities.

“ Under separate arrangements, Thiess has been working closely with OneSteel over the last 12 months on assisting the design and basic engineering work on the project. On-site construction work will begin in July with a workforce expected to peak at 240 people with completion due prior to full project implementation in the final quarter of 2007.

“ OneSteel has also signed a 10 year service agreement commencing in 2007, for the transshipping element of the project with an Australian Subsidiary of Canada Steamship Lines (CSL). CSL is the pre-eminent bulk self unloading operator globally, to provide dedicated facilities in Whyalla to enable the loading of Cape-sized vessels,” Geoff Plummer said.

Project Magnet is a \$325 million project, which involves using the magnetite ore in a concentrated form to feed the Whyalla Steelworks, rather than the hematite ore currently used. The project will extend the life of the Whyalla Steelworks, reduce the cost of steelmaking, provides extra earnings from the sale of hematite ore, iron ore pellets and slab steel and has significant environmental benefits.

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