



19 September 2006

Pause in ACCC process continued

Further to the joint announcement made by OneSteel and Smorgon Steel on 1 September 2006, the companies wish to advise that they have requested, and the Australian Competition and Consumer Commission (ACCC) has agreed, to continue the pause in its previously indicated timeline.

OneSteel and Smorgon Steel remain fully committed to completing the proposed merger originally announced on 26 June 2006. This is a complex transaction and, in order to achieve a successful outcome, both companies believe that further work by them is required in order to enable complete responses to several issues raised by the ACCC to be made.

Both OneSteel and Smorgon Steel see considerable benefit to their stakeholders from completion of the proposed merger and, while neither company has any desire to unnecessarily prolong the process, both are firmly of the view that investing extra time in the transaction at this stage is appropriate.

The two companies will continue working productively with the ACCC on the remaining issues and will make further announcements to the market at the appropriate time.

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