

2 March 2007

The Manager, Companies  
Companies Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

**[2 PAGES]**

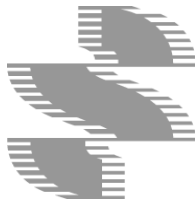
Dear Madam

Attached is a media announcement concerning the commencement of operations of Australian Tube Mills Pty Limited, a joint venture between OneSteel and Smorgon Steel structural pipe and tube businesses.

Yours faithfully

A handwritten signature in blue ink that reads "Ray Jarman". The signature is written in a cursive style with a large initial "R" and a trailing flourish.

Ray Jarman  
Company Secretary



2 March 2007

## **Media Release Implementation of Pipe and Tube Joint Venture**

Further to their announcement of 31 January 2007, OneSteel and Smorgon Steel are pleased to announce that Australian Tube Mills Pty. Limited, a joint venture between the two companies' structural pipe and tube businesses, has commenced operations today.

As previously announced, the CEO of the Joint Venture is Mr. Tony Schreiber, formerly General Manager, Smorgon Steel Tube Mills, and the deputy CEO/CFO is Mr. Geoff Feurtado, formerly General Manager, Pipe and Tube, OneSteel.

Australian Tube Mills will be headquartered in Brisbane and will operate manufacturing facilities in Brisbane, Melbourne and Newcastle.

Mr. Tony Schreiber said: "I look forward to bringing the two businesses together and extracting the potential synergies the merged businesses can provide."

Mr. Geoff Feurtado said: "The combined business will provide the opportunity to improve the product and services offerings to our customers as the logistics and supply chains of the two businesses are streamlined."

Australian Tube Mills will have production capacity in excess of 500,000 tonnes per annum, and its formation is expected to enable the realisation of net synergies of between \$10 million and \$20 million per annum. Australian Tube Mills is owned on a 50/50 basis by OneSteel and Smorgon Steel.

Australian Tube Mills will be managed as a standalone business and will deal with all parties (including OneSteel and Smorgon Steel Distribution businesses and other customers) on normal commercial terms. OneSteel and Smorgon Steel will jointly control the Board of Directors, appointing two directors each.

### **For further information, please contact:**

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