



21 May 2007

ONESTEEL ANNOUNCES LONG TERM EXPORT IRON ORE SALES AGREEMENT WITH HAIXIN

OneSteel Limited Managing Director and Chief Executive Officer Geoff Plummer today announced the signing of another 10-year export sales agreement for supply of iron ore to Shanxi Haixin Iron & Steel Group Co. Ltd. ("Haixin"). The contract will cover the supply of more than six million tonnes of iron ore over the term of the contract. The contract for supply is with Haixin's iron ore purchasing arm World Sino Internacional (Comercial Offshore de Macau) Limitada.

The sales agreement represents the second long-term contract to be signed for the iron ore exports that have been made available through Project Magnet. OneSteel's Project Magnet, to commercialise its magnetite iron ore resources in South Australia's South Middleback Ranges, releases approximately 40 million tonnes of hematite lump and fine ore that is planned for sale over a 10-year period.

Geoff Plummer said: "The signing of this long-term export iron ore contract consolidates OneSteel's position as a significant Australian exporter of iron ore. We welcome Haixin, a dynamic and well-respected Chinese steel maker, as a valued long-term customer. I would also like to thank our marketing agent BHP Billiton for its excellent guidance and support, and in particular, for introducing OneSteel to Haixin".

The agreement will commence on 1 July 2007 and is based on international benchmark pricing. The sales agreement includes a freight component for mutually agreed forward periods and OneSteel will arrange and provide shipping. Exports will be made utilising Whyalla's Cape-size vessel capability which has now loaded three such vessels since commissioning in April this year.

OneSteel will announce details of further export iron ore contracts as they are signed. The two export iron ore contracts announced to date cover sales in excess of 12 million tonnes of ore over 10 years.

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