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ONESTEEL ANNOUNCES LONG TERM EXPORT IRON ORE SALES AGREEMENT WITH JINXI

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 Hebei Jinxi Iron & Steel Co. Ltd. ("Jinxi"). The contract will cover the supply of more than five million tonnes of iron ore over the term of the contract.

The sales agreement represents the third 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: "We welcome Jinxi, a highly respected Chinese steel maker, as a valued long-term customer. I would also like to thank our marketing agent BHP Billiton for introducing OneSteel to Jinxi and for its excellent guidance and support".

The agreement will commence on 1 January 2008 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 three export iron ore contracts announced to date cover sales in excess of 17 million tonnes of ore over 10 years.

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