



ASX announcement

**ACCC discussions on proposed steel industry merger continuing
23 May 2007**

The Australian Competition and Consumer Commission (“ACCC”) has announced today that discussions are continuing between the parties, and the ACCC expects to announce a decision shortly, subject to the progress and outcome of the discussions.

Smorgon Steel, OneSteel and BlueScope Steel see benefits accruing to the customers, suppliers employees and shareholders of each company from completion of the Merger and the BlueScope Steel Acquisition, and remain committed to bring the Merger and the BlueScope Steel Acquisition before a meeting of Smorgon Steel’s shareholders at the earliest possible date.

Further announcements will be made to the market at the appropriate time.

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