

Address general shareholder correspondence to
OneSteel's share registry:
Computershare Investor Services Pty Limited
GPO Box 7045, Sydney NSW 2001 Australia
Phone (within Australia) 1300 364 787
(outside Australia) 61 3 9415 4026
Facsimile 61 2 8235 8150

18 October 2007

Dear Shareholder

Annual General Meeting – 19 November 2007

I have pleasure in inviting you to the seventh Annual General Meeting of OneSteel to be held on Monday 19 November 2007 at the Melbourne Exhibition Centre, 2 Clarendon Street, Southbank, Melbourne at 2.30 pm. A map is provided below to assist you with directions.

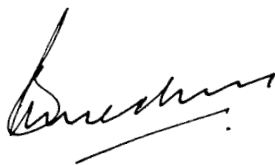
The formal Notice of Meeting is set out on the following pages and a Proxy Form is enclosed separately. The Proxy Form contains a barcode to assist with the registration process at the meeting. If you are attending the meeting, please bring this form with you. If you do not plan to attend the meeting you are encouraged to appoint a proxy to attend and vote on your behalf.

The agenda for the meeting contains four items of business. These are to receive and consider the financial statements and reports of the directors and auditor, to approve the remuneration report, to approve the election of directors and to approve the appointment of a new auditor.

The Board recommends that shareholders vote in favour of the adoption of the remuneration report, the re-election of Dr Eileen Doyle and Mr Bryan Davis as directors, the election of Mr Laurie Cox and Mr Graham Smorgon as directors and the appointment of KPMG as auditor to the company.

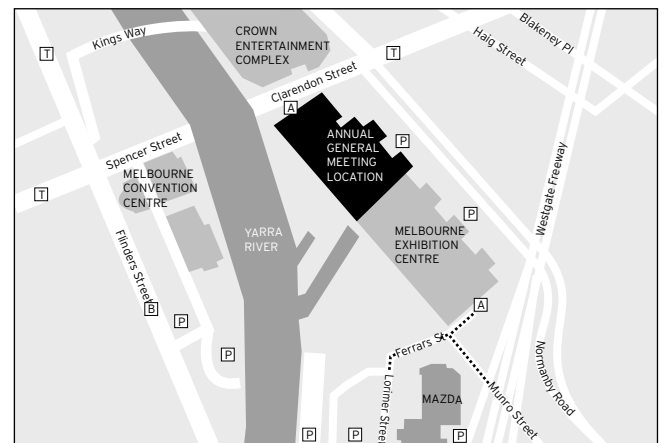
I am looking forward to welcoming you to OneSteel's annual general meeting. I extend a warm invitation to you to join directors and executives for afternoon tea at the conclusion of the meeting.

Yours sincerely,



Peter Smedley
Chairman

LOCATION OF ANNUAL GENERAL MEETING



P Parking **A** Pedestrian access to venue
T Tram Routes **B** Bus Routes

NOTICE OF ANNUAL GENERAL MEETING 2007

The seventh Annual General Meeting of OneSteel Limited ("the Company") will be held at the Melbourne Exhibition Centre, 2 Clarendon Street, Southbank, Melbourne, Victoria on Monday 19 November 2007 at 2.30 pm AEDT. Registration will commence at 1.30 pm AEDT.

ORDINARY BUSINESS

1 Financial and Other Reports

To receive and consider the Financial Report and the Directors' Report for the year ended 30 June 2007, together with the Auditor's Report to the members of the Company.

2 Adoption of the Remuneration Report for the Year Ended 30 June 2007

To adopt the Remuneration Report for the year ended 30 June 2007.

3 Election of Directors

To elect directors in accordance with Rule 9 of the Company's Constitution. Shareholders should note that a separate resolution will be put to the meeting in relation to each of the candidates:

- (a) Dr E J Doyle retires and, being eligible, offers herself for re-election;
- (b) Mr R B Davis retires and, being eligible, offers himself for re-election;
- (c) Mr L G Cox retires and, being eligible offers himself for election; and
- (d) Mr G J Smorgon retires and, being eligible offers himself for election.

The details of the qualifications and experience of each candidate together with the recommendation of the Board are contained in the Explanatory Notes section of this notice.

4 Appointment of External Auditor

To consider and, if thought fit, pass the following resolution as an ordinary resolution.

Resolution to be proposed:

"That KPMG, who have consented in writing to act as auditor of the company, be appointed the external auditor of OneSteel Limited with effect from the conclusion of this annual general meeting held on 19 November 2007."

By order of the Board



John M Krenich
Company Secretary
18 October 2007

PROXIES

A member entitled to attend and vote is entitled to appoint not more than two proxies. A proxy form accompanies this notice. A proxy need not be a shareholder.

Where a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes.

A member wishing to register a proxy should complete the Proxy Form accompanying this notice and ensure that it is received by 2.30 pm AEDT on Saturday 17 November 2007 at the Company's share registry:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney, NSW 2000, Australia
(Postal address: GPO Box 242, Melbourne Vic 8060)
Facsimile: Australia (03) 9473 2118;
International 61 3 9473 2118

or at the Company's registered office:

Level 40, 259 George Street, Sydney, NSW 2000, Australia
Facsimile: Australia (02) 9251 3042;
International 61 2 9251 3042

If you are returning your proxy by post, you should note that there will be no postal deliveries on Saturday 17 November 2007.

VOTING

For the purposes of voting at the meeting, the Directors have determined that all shares of the Company that are quoted securities at 2.30 pm AEDT on Saturday 17 November 2007 are taken to be held by the persons who are registered as holding them at that time. The entitlement of members to vote at the meeting will be determined by reference to that time.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act 2001 (Cth) and the Company's past practice, a reasonable opportunity will be given to shareholders at the meeting to ask questions or to comment on the management and operations of OneSteel.

Similarly, a reasonable opportunity will be given to shareholders to ask OneSteel's external auditor, Ernst & Young, questions relevant to the conduct of the audit and the Auditor's Report in respect of OneSteel's Financial Report for the year ended 30 June 2007.

Shareholders may also submit a written question to Ernst & Young. Relevant written questions for Ernst & Young must be received no later than 5.00 pm AEDT on Monday, 12 November 2007.

ANNUAL REPORT

You can access the OneSteel Annual Review and the Full Financial Report on the Company's website at www.onesteel.com

EXPLANATORY NOTES

Item 1 – Financial Statements and Reports

The Corporations Act 2001 (Cth) requires the Financial Report, the Directors' Report and the Auditors' Report of OneSteel for the year to be laid before the annual general meeting. Neither the Corporations Act nor OneSteel's Constitution requires shareholders to vote on, approve or adopt such reports. However, shareholders will be given ample opportunity to raise questions on the reports at the meeting.

Item 2 – Adoption of Remuneration Report by ordinary resolution

In accordance with the requirements of the Corporations Act 2001 (Cth), the Board of OneSteel is submitting its Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution. The Remuneration Report sets out the remuneration policy for OneSteel and explains the remuneration arrangements in place for executive directors, senior executives and non-executive directors.

The Remuneration Report is presented on pages 40 to 46 of the OneSteel Concise Annual Review 2007. It is also available on OneSteel's internet site (www.onesteel.com).

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that shareholders vote in favour of the Remuneration Report as set out in agenda item 2.

Item 3 – Election of Directors by ordinary resolutions

Article 9.2 of the Company's Constitution requires that one-third of the directors and any other director who has held office for three years or more must retire from office at each annual general meeting. As a consequence, Dr Eileen Doyle who was previously re-elected in November 2004 and Mr Bryan Davis, who was elected in November 2005, retire at this annual general meeting and both offer themselves for re-election.

In addition, the Company's Constitution (Article 9.7) requires that any director appointed to fill a casual vacancy or as an addition to the existing directors only holds office until the next annual general meeting of the Company but is eligible for election at that meeting. As a consequence, Mr Laurie Cox and Mr Graham Smorgon, who were both appointed directors on 17 September 2007 as a consequence of the OneSteel merger with Smorgon Steel Group Limited, are standing for election at this annual general meeting.

Relevant details for the retiring directors are as follows:-

R B (BRYAN) DAVIS

BSc(Tech), FAIMM, MAICD

Independent Non-Executive Director

Age 64. Appointed a director in December 2004. Bryan became Chairman of the Occupational Health, Safety & Environment Committee in August 2005 and is also a member of the Operational Risk Committee. He is a non-executive director of Newcrest Mining Limited and Coal and Allied Industries Limited. His previous roles include Executive Director – Mining of Pasminco Limited, director of North Flinders Mine Limited, Chairman of Indophil Resources NL and Bendigo Mining Limited, Executive Director of Australian Consolidated Minerals Group, senior management positions at CRA Limited, Chairman of the NSW Minerals Council and a Member of the NSW State Minerals Advisory Council.

Other listed company directorships held during the period 1 July 2004 to 30 June 2007:

Newcrest Mining Limited since April 1998
Coal and Allied Industries Limited since September 2000
Bendigo Mining Limited from September 2004 until January 2006
Indophil Resources NL from September 2000 until April 2005

E J (EILEEN) DOYLE

BMath, MMath, PhD, FAICD

Independent Non-Executive Director

Age 52. Appointed a director in October 2000. Eileen is a member of the Audit & Compliance Committee, the Occupational Health, Safety & Environment Committee and the Governance & Nominations Committee as well as Chairman of OneSteel's Superannuation Policy Committee. She is also Chairman of Port Waratah Coal Services, a director of State Super Financial Services, Ross Human Directions Limited, CSIRO and Steel & Tube Holdings Limited, a New Zealand listed company in which OneSteel holds a 50.3% interest. Her previous roles included a director of Austrade and senior management positions with CSR Timber Products, BHP Steel and Hunter Water Corporation.

Other listed company directorships held during the period 1 July 2004 to 30 June 2007:

Ross Human Directions Limited since July 2005
Steel & Tube Holdings Limited since July 2005

LAURENCE G (LAURIE) COX, AO

B.Comm., FCPA, FSIA

Independent Non-Executive Director

Age 68. Appointed a director on 17 September 2007. Member of the Audit & Compliance Committee and the Human Resources Committee. Chairman of SMS Management & Technology Limited, Executive Director of Macquarie Bank Limited and Director of Research Australia Limited. Chairman of Murdoch Childrens Research Institute Limited. Extensive experience in Australia and international financial markets over more than 40 years, holding senior executive positions including Chairman Australian Stock Exchange (1989-94), Executive Chairman Potter Warburg Group of companies (1990-95) and Director SG Warburg Securities, London. Former Chairman of Transurban Group and former director of Smorgon Steel Group Limited, Hills Motorway Limited and Hills Motorway Management Limited.

Other listed company directorships held during the period 1 July 2004 to 30 June 2007:

Smorgon Steel Group Limited from September 1998 until August 2007
Macquarie Bank Limited since January 1996
SMS Management & Technology Limited since May 2001
Transurban Group from November 2001 until February 2007
Hills Motorway Limited from April 2005 until February 2007

G J (GRAHAM) SMORGON

B.Juris LL.B

Independent Non-Executive Director

Age 57. Appointed a Director on 17 September 2007. Member of the Operational Risk Committee and the Occupational Health, Safety & Environment Committee. He is also Chairman of Smorgon Consolidated Investments, the GBM Group and the Print Mint Group, and a Director of Fed Square Pty Ltd. His previous roles included Chairman of Smorgon Steel Group Limited, President of the Carlton Football Club, Deputy Chairman of Melbourne Health, Director of The Walter and Eliza Hall Institute and partner of law firm Barker Harty & Co where he practised as a commercial lawyer for 10 years.

Other listed company directorships held during the period 1 July 2004 to 30 June 2007:

Smorgon Steel Group Limited from April 1998 until August 2007

The Board recommends the shareholders vote in favour of the election of Dr Doyle, Mr Davis, Mr Cox and Mr Smorgon.

EXPLANATORY NOTES

Item 4 – Appointment of External Auditor by ordinary resolution

Following the merger of OneSteel Limited and Smorgon Steel Group Limited, the Board decided it was an appropriate and opportune time to consider placing the statutory audit of the company's affairs to tender. The timing of the tender process also coincided with the requirements of the rules of the Audit Independence and Non-audit Service Policy of the company that provides for the review of the external audit each five years to determine if the external audit should be put to tender.

As a result the Board of OneSteel undertook a comprehensive review of the external audit requirements of OneSteel. Submissions were sought and obtained from the four major audit firms to ascertain which audit firm would be best placed to provide these audit services.

Prior to the merger on 20 August 2007, the external audit of OneSteel was performed by Ernst & Young while the external audit for Smorgon Steel was performed by KPMG. In addition, the internal audit function at OneSteel was outsourced and performed by KPMG while at Smorgon Steel, the internal audit function was outsourced to Deloitte.

As a consequence of the review and audit tender presentations, the Board determined that OneSteel would be best served by appointing KPMG as its external auditor. The Board is confident that the transition to KPMG will be undertaken efficiently due to their pre-existing knowledge and experience with both the OneSteel and Smorgon Steel businesses. As stated earlier, KPMG were external auditor for Smorgon Steel and internal auditor for OneSteel.

A copy of the written notice of nomination of KPMG as auditor of the company is included with this Notice of Annual General Meeting. KPMG has formally consented to act as auditor of OneSteel. The Board of OneSteel has been satisfied with respect to the proposed appointment of KPMG as external auditor of the company that KPMG are conflict free and independent.

If approved by shareholders, KPMG will commence as auditor of the company from the conclusion of the annual general meeting at which time Ernst & Young's resignation will take effect. A Consent for Resignation of Auditor from the Australian Securities & Investment Commission has been requested and is expected to be received and tabled at the annual general meeting.

Ernst & Young has been auditor of the company since 2002 and the Directors thank them for their professional work and service during that period.

In addition, if appointed external auditor KPMG will be replaced as internal auditor by another firm.

The Board unanimously recommends that shareholders approve the appointment of KPMG as the external auditor for the company with effect from the conclusion of the annual general meeting, 19 November 2007, as set out in agenda item 4 and the explanatory notes to item 4.

COPY OF NOMINATION LETTER FOR APPOINTMENT OF KPMG AS AUDITOR OF THE COMPANY

Mr Peter G Nankervis
10 Hollingsworth Avenue
Hawthorn VIC 3122
Australia

25 September, 2007

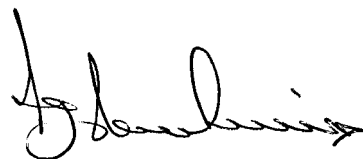
Mr J M Krenich,
Company Secretary,
OneSteel Limited,
Level 40, 259 George Street,
Sydney NSW 2000

Dear Mr Krenich,

NOTICE OF NOMINATION OF AUDITOR

I, Peter Graeme Nankervis, a member of OneSteel Limited and Chairman of the Company's Audit & Compliance Committee, pursuant to Section 328B(1) of the Corporations Act 2001 nominate KPMG of 10 Shelley Street, Sydney, NSW, for appointment as auditor of the OneSteel Limited Group at its next annual general meeting to be held on 19 November 2007 or any adjournment thereof.

Yours faithfully



PETER GRAEME NANKERVIS