

onesteel

FACSIMILE MESSAGE

TO: Company Announcements Office FAX NO: 1300 300 021

COMPANY: ASX

FROM: John Krenich FAX NO: 02 9239 6690

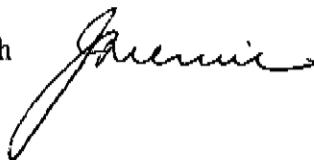
Company Secretary PHON: 02 9239 6633

DATE: 18 October 2002

NUMBER OF PAGES: 6 (including this page)

OneSteel Limited Notice of Annual General Meeting to be held 18 November 2002

John Krenich



AUSTRALIAN STOCK EXCHANGE



OST000141

onesteel

Address all shareholder correspondence to
OneSteel's share registry:
Computershare Investor Services Pty Limited
GPO Box 1486, Sydney NSW 1115 Australia

Return of proxy forms by facsimile:
Australia 02 8234 5435
International 61 2 8234 5435

17 October 2002

Dear Shareholder

Annual General Meeting

I have pleasure in inviting you to the second Annual General Meeting of OneSteel to be held on Monday 18 November 2002 at the City Recital Hall, Angel Place, Sydney at 2.30pm. 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 barcoded form with you.

The agenda for the meeting includes Ordinary Business items to receive and consider the Financial Statements and the Directors' Declaration and Report for the year ended 30 June 2002, together with the Auditor's Report and to reappoint Mr C. R. Galbraith and Mr D. A. Pritchard as directors.

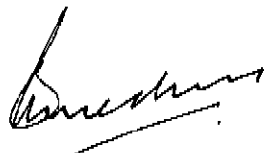
The agenda also includes as Special Business a recommendation to appoint Ernst & Young as auditors to the Company. The need to appoint auditors is a consequence of the resignation of the previous auditors, Arthur Andersen.

The other item of Special Business is to approve the acquisition of shares by the Company for the Managing Director in accordance with the Company's staff share plan and subject to performance hurdle requirements.

The Board recommends that shareholders vote in favour of the appointment of Ernst & Young as auditors to the Company. The Board (with Dr. Every abstaining) also recommends that shareholders vote in favour of the acquisition of shares by the Company for the Managing Director.

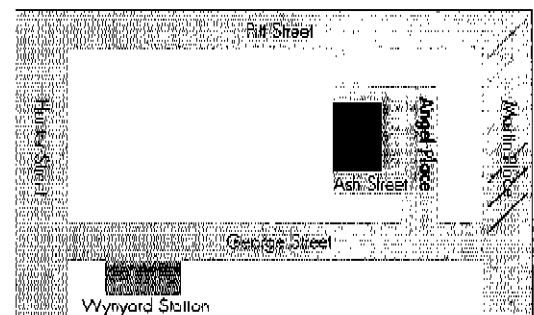
I extend a warm invitation to you to join directors and executives for afternoon tea at the conclusion of the meeting.

Yours sincerely,



Peter J. Smedley
Chairman

Location of Annual General Meeting



ONESTEEL LIMITED – NOTICE OF MEETING

The second Annual General Meeting of OneSteel Limited ABN 63 004 410 833 ("the Company") of Level 23, 1 York Street, Sydney NSW 2000, will be held at the City Recital Hall, Angel Place, Sydney on Monday 18 November 2002 at 2.30 pm. Registration will commence at 1.30 pm.

Ordinary Business

1. Financial Statements and Reports

To receive and consider the Financial Statements and the Directors' Declaration and Report for the year ended 30 June 2002, together with the Auditor's Report to the members of the Company.

2. Election of Directors

To elect directors in accordance with Rule 9 of the Company's Constitution:

Mr C R Galbraith retires and, being eligible, offers himself for re-election;

Mr D A Pritchard retires and, being eligible, offers himself for re-election;

Special Business

3. Appointment of Auditors

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

"THAT Ernst & Young be appointed auditors in accordance with section 327(3) of the Corporations Act, 2001."

4. Acquisition of Shares by the Company for the Managing Director

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

"THAT the acquisition for the Managing Director, Dr. Robert Every, of shares in the Company in accordance with the OneSteel Limited staff share plan, in number and on the terms, including the performance hurdle requirements, described in the explanatory notes to the notice of this meeting, be approved."

By order of the Board



John M Krenich
Secretary
17 October 2002

Voting Exclusions

As required by the Listing Rules of the Australian Stock Exchange Limited, the Company will disregard any votes cast on business item 4 by any of the directors of the Company or an associate of any of the directors of the Company.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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 2.30pm Sydney time on Saturday 16 November 2002 at the Company's share registry:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street, Sydney NSW 2000 Australia

(Postal address: GPO Box 1486, Sydney, NSW 1115)

or at the Company's registered office:

Level 23, 1 York 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 16 November 2002.

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 on Saturday 16 November 2002 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.

EXPLANATORY NOTES

Item 2 – Election of Directors

The Company's Constitution requires that one-third of the Directors retire from office at each annual general meeting. As a consequence Mr C R Galbraith and Mr D A Pritchard retire at this annual general meeting and both offer themselves for reappointment.

Relevant details for the retiring Directors are as follows:

C R (COLIN) GALBRAITH, LLB(HONS), LLM (UNIV OF MELBOURNE) (Age 54)

Colin Galbraith joined the Board of OneSteel in October 2000. He is a member of the Audit & Compliance Committee and the Governance & Remuneration Committee. Partner at law firm Allens Arthur Robinson specialising in commercial law. He is also a Director of Commonwealth Bank of Australia and GasNet Australia Limited, Chairman BHP Billiton Community Trust, Trustee of Royal Melbourne Hospital Neuroscience Foundation, Member of the Executive Committee of the CARE Australia Corporate Council, Honorary Secretary Council of Legal Education (Victoria). Previously, he has been a director of Colonial Group and Azon Limited.

D A (DEAN) PRITCHARD, BE, FIE AUST, CP ENG, FAICD (Age 57)

Dean Pritchard joined the Board of OneSteel in October 2000. He is the Chairman the Occupational, Health, Safety & Environment Committee and a Member of Audit & Compliance Committee. He is also Chairman of ICS Global Limited and a director of Eraring Energy and Rail Infrastructure Corporation. Previously, he was Chief Executive Officer of Boulderstone Hornibrook.

The Board recommends the shareholders vote in favour of their reappointment.

Item 3 – Appointment of Auditors

As a consequence of the resignation of OneSteel's previous auditor, Arthur Andersen, during the financial year, the Directors resolved to appoint Ernst & Young as auditors for the year ended 30 June 2002. This appointment has been approved by the Australian Investments & Securities Commission. In accordance with Section 327(14) of the Corporations Act 2001, that appointment is valid until the next annual general meeting.

A copy of the nomination received from Mr D E Meiklejohn, a member of the Company, in accordance with section 328(1) of the Corporations Act 2001 to appoint Ernst & Young as auditors of the Company is attached to the Notice of Meeting. In accordance with section 327(7) of the Corporations Act 2001, the Company has received a signed notice in writing from Ernst & Young consenting to act as auditor of the Company.

The Board recommends that shareholders vote in favour of the proposed appointment of Ernst & Young.

Item 4 – Acquisition of Shares for Managing Director

1. Approval

Approval is sought for the acquisition of shares in the capital of the Company for the Managing Director, Dr. Robert Every, the terms and conditions set out below.

Approval is required under the Listing Rules of the Australian Stock Exchange before the shares can be acquired on Dr. Every's behalf as Dr. Every is a Director of the Company.

2. Background Information

The Company announced on 26 September 2002 an extension of Dr. Every's employment contract with the Company to 20 January 2006. As part of Dr. Every's revised contract it is agreed that, subject to shareholder approval, the Company contribute to the Company's Staff Share Plan (Tax Deferred Plan) ("Share Plan") and direct the trustee of the Share Plan to purchase on-market OneSteel shares in 3 equal tranches, details of which are set out in paragraph 3. The whole of the expense of acquiring the shares will be met by the Company. The rules of the Share Plan will apply to those shares acquired.

The Board is of the view that the long term incentive component of Dr. Every's employment package should be closely aligned to that of the total return to shareholders. In this regard, the number of shares and the terms are designed to provide a contingent incentive to Dr. Every to produce value for shareholders and to reward him if he is successful. Consistent with this, his right to beneficial ownership of the shares will be subject to (amongst other things) a "performance hurdle" as set out in paragraph 4.

The Board is of the view that providing long-term incentives to Dr. Every in this manner instead of the issue of options is consistent with current corporate governance practice and is more readily able to be costed, which facilitates the cost of providing the incentive being clearly expensed and accounted for in the Company's financial reporting.

3. Number of Shares

The maximum number of shares to be acquired is 782,319. The shares will be acquired on-market (at market price) in 3 equal tranches.

The first tranche will be acquired within one month of the date of the 2002 Annual General Meeting. The second tranche will be acquired after a further twelve months and the third tranche after twenty-four months.

4. Performance Hurdles

Dr. Every's right to withdraw OneSteel shares from the Share Plan is subject to performance hurdles being satisfied. The performance hurdles to be satisfied are as follows.

OneSteel's Total Shareholder Return ("TSR") which is, very broadly, share price growth plus dividends reinvested, will be compared to both:

- (i) the Australian Consumer Price Index plus 5% ("Base Comparator"); and
- (ii) the ASX All Industrials Accumulation Index (excluding banks, media and telecommunications) ("ASX Index Comparator").

OneSteel's ranking against the Base Comparator and the ASX Index Comparator on the third anniversary of the date of the acquisition of the first tranche of the OneSteel shares and thereafter will determine whether Dr. Every may withdraw the OneSteel Shares, and if so, how many OneSteel Shares may be withdrawn, in accordance with the table below:

OneSteel's Performance Against Comparator	% of OneSteel Shares Available to Dr. Every
Up to and including 60%	Nil
61% to 80%	60%
81% to 99%	80%
100%	100%

Half of the OneSteel shares acquired will be subject to ranking OneSteel's TSR performance against the Base Comparator, and the other half of the OneSteel shares acquired will be subject to ranking OneSteel's TSR performance against the ASX Index Comparator.

In case of Dr. Every's redundancy, death or total and permanent disablement, or in circumstances where it is otherwise considered appropriate by the Board, Dr. Every will be entitled to withdraw his OneSteel shares from the Share Plan.

5. Further Information

Approval by shareholders for the acquisition of securities by Dr. Every is being sought in accordance with Listing Rule 10.14.

Details of any securities acquired under the Share Plan by persons to whom Listing Rule 14 applies will be published in each OneSteel annual report relating to the period in which the securities were acquired, along with a statement that approval for the acquisition of the securities was obtained under Listing Rule 10.14.

Any additional persons to whom Listing Rule 14 applies who become entitled to participate in the Share Plan after the resolution at item 4 has been approved, and who are not named in this Notice of Meeting, will not participate until that approval is obtained under Listing Rule 10.14.

Dr. Every, in accordance with the terms of his employment agreement at the time of the Company's spin-off from BHP Billiton Limited, was issued 1,847,052 rights to shares and 2,462,735 share options at an exercise price of \$0.9258 per share, under the Long-Term Incentive Plan of the Company. No other persons to whom Listing Rule 10.14 applies have either received securities under the Share Plan since the date of the last shareholder approval, or are entitled to participate in the Share Plan.

6. The Board, with Dr. Every abstaining, recommends that shareholders approve the acquisition of the OneSteel shares for Dr. Every, as set out in item 4 and the explanatory notes to item 4.

APPENDIX

Copy of Nomination of Ernst & Young for appointment as auditors of the Company.

26 September 2002

The Secretary
OneSteel Limited
Level 23, 1 York Street
Sydney NSW 2000
Australia

Dear Sir

I am a shareholder of OneSteel Limited. In accordance with Section 328(1) of the Corporations Act 2001 I hereby nominate Ernst & Young of 321 Kent Street, Sydney, NSW, Australia for appointment as auditors to OneSteel Limited at the next annual general meeting of the company or any adjournment thereof.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Meiklejohn', with a long, sweeping horizontal line extending to the right.

David E Meiklejohn
Level 23, HWT Tower
40 City Road
Southbank VIC 3006
Australia