

24 April 2003

ALERT FOR ONESTEEL LIMITED SHAREHOLDERS

Dear Shareholder

Re: Unsolicited Offers to Buy Your OneSteel Limited Shares

I am writing to alert you to the possibility of you receiving in the near future an unsolicited offer to buy your shares in OneSteel Limited. If you receive such an unsolicited offer, you should carefully review and consider the offer and be aware of the current market price for OneSteel shares before you accept any such offer. Experience in relation to unsolicited offers made to shareholders of other public companies suggests that the offer price does not always reflect the market price of the shares.

The reason I am writing to you at this time is because our share register has been inspected by an organisation, National Exchange Pty Ltd. This organisation has previously sent letters to shareholders of other public companies offering to buy their shares/securities in those companies at prices reported to be substantially less than prevailing market prices. The Corporations Act allows for the inspection of our share register by anyone, and subject to certain limitations, allows anyone to contact shareholders on matters relevant to their shares. OneSteel has written to the Australian Securities & Investments Commission expressing our concern that the law requires a public company to provide a copy of its share register in these circumstances.

If you receive an offer from National Exchange Pty Ltd or any other organisation you should be aware that the OneSteel Board is not involved with and does not support such offers. If the Board endorsed an offer it would be clearly stated that it was recommended and authorised by the Directors of OneSteel. You would also separately receive that advice directly from your Board.

You should be aware that the Directors of OneSteel, following approval at the November 2001 annual general meeting, made an offer to all of its shareholders as at 12 February 2003 who held less than a marketable parcel of shares (total market value of less than \$500) to sell their shares at market price and free of any charges. Brokerage fees were paid by OneSteel and the share sale was undertaken on behalf of shareholders by share brokers JB Were Limited (a member corporation of the ASX). Our offer was made in accordance with both shareholder approved rules in our Constitution and Australian Stock Exchange Listing Rules.

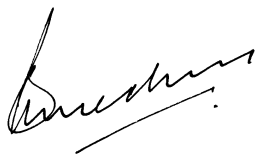
The Board is pleased to report that some 81,000 shareholders accepted OneSteel's offer before its closure and were paid \$1.66928 per share representing the average price realised for all shares sold under the OneSteel offer.

This initiative by your Board was carried out and administered in the interests of all shareholders. Those small shareholders who accepted the offer benefited from being able to sell their unmarketable share parcels at prevailing market prices without charges while remaining shareholders will benefit from reduced administration costs going forward. When appropriate, your Board may recommend other initiatives in relation to small shareholders.

The Australian Securities and Investments Commission (ASIC) has published a consumer alert on its website www.asic.gov.au titled "Pitfalls With Unexpected Offers To Buy Your Shares" for your guidance. You can also access on the ASIC website the press release dated 26 March 2003 issued by the Parliamentary Secretary to the Treasurer, Senator Ian Campbell. He announced changes to the law that were implemented from 8 April 2003 "...to protect unsophisticated shareholders from selling their shares at a big discount." ASIC can also be contacted by phone on 1 300 666 635.

Finally, if you receive an unsolicited offer to buy your shares I strongly recommend that you carefully consider its terms, compare the offer price with the market price which is posted daily in major Australian newspapers and by the Australian Stock Exchange on its website www.asx.com and if you wish to sell your shares consider other channels for selling your shares on market at prevailing market prices. For your convenience included on your enclosed dividend statement is the market value of your OneSteel shares calculated by using the ASX closing price on 28 March 2003. If necessary you should seek independent financial advice.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Smedley', with a horizontal line underneath it.

Peter Smedley
Chairman