

Dear Shareholder,

## SPECIAL OPPORTUNITY TO BUY OR SELL ONESTEEL LIMITED SHARES

As foreshadowed at OneSteel's annual general meeting on 17 November 2003, the OneSteel Board is very pleased to offer you the opportunity to participate in a share sale and top-up facility (the **Facility**).

The Facility has been established for shareholders with 1,000 OneSteel shares or less and provides you with a convenient way to either:

- sell all of your shares; or
- purchase either \$500 or \$1,000 of additional OneSteel shares

You will not incur any brokerage fees or handling costs if you participate in the Facility. UBS Securities Australia Limited will act as broker and Computershare Investor Services will assist in the administration of the Facility.

The closing price of OneSteel shares on the ASX on the date on which the eligibility of shareholders to participate in the Facility was determined (being 9 December 2003) was \$1.85. The price payable to or by a shareholder for shares bought or sold through the Facility will be the average price of all shares bought or the average price of all shares sold on the ASX through the Facility on the day your shares are bought or sold, as relevant (and you should note that, being an average, this price may not be the best price obtained on that day).

### No Fees or Transaction Costs

If you elect to take advantage of the Facility to buy or sell OneSteel shares, you will pay no fees or transaction costs. The Company will pay all brokerage and handling charges.

### Your Options

***The Facility is entirely voluntary. You do not need to buy or sell any OneSteel shares. It is entirely your decision. If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.***

#### 1. If you decide to sell all of your OneSteel Shares:

- Once you have made your decision, please complete and sign the Instruction Form enclosed, completing the "Sell" section only, and return it in the enclosed envelope so that it reaches Computershare by 5.00pm (Sydney time) on Friday, 27 February 2004, or sooner. *Please note that if you complete the "Sell" section of the Instruction Form, all of your OneSteel shares will be sold under the Facility. As you are not permitted to participate in both the Share Sale Facility and the Top-Up Facility, if you complete both the "Sell" and "Buy" sections of the Instruction Form the "Buy" section will be ignored and all of your OneSteel shares will be sold under the Facility.*

- The proceeds from the sale will be sent to you in A\$ by cheque within 10 business days of your shares being sold or by electronic funds transfer as set out in the Terms and Conditions.

## 2. If you decide to buy additional OneSteel shares:

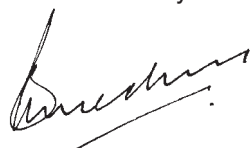
- Once you have made your decision, please complete and sign the enclosed Instruction Form, completing the "Buy" section only, and return it in the enclosed envelope to Computershare, together with a cheque in Australian dollars made payable to "OneSteel Limited – Facility Account" for payment of the nominated amount on the Form (either A\$500 or A\$1,000), so that it reaches Computershare by 5.00pm (Melbourne time) on Friday, 27 February 2004, or sooner. Please note that fractions of shares will be rounded down and any remaining purchase money will be donated to charity.
- Details of the number and price of the shares purchased will be sent to you within 10 business days of those shares being purchased.

The Facility opens on 15 December 2003 and, subject to being extended or shortened in accordance with the terms and conditions of the Facility, will close on 27 February 2004.

Neither OneSteel, Computershare nor UBS make any recommendation or give any advice to you regarding whether to participate in the Facility. You should read the enclosed terms and conditions of the Facility carefully. If you are in any doubt about whether to participate, please consult your own professional adviser.

If you have any questions about the Facility, please see the Questions and Answers posted on OneSteel's website ([www.onesteel.com](http://www.onesteel.com)) or contact Computershare on 1300 364 787 (for callers in Australia) or on 61 3 9615 5918 (for callers in New Zealand).

Yours sincerely



Peter Smedley  
Chairman  
OneSteel Limited

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## Terms and Conditions – Share Sale Facility

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***If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.***

### 1. Terms of Participation

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- 1.1 All persons who hold 1000 ordinary shares or less in OneSteel Limited (ABN 63 004 410 833) (**OneSteel**) as at 5.00 pm (Sydney time) on 9 December 2003 (**Record Date**) and have a registered address in Australia or New Zealand (**Eligible Shareholders**) are entitled to participate in the share sale facility described in these Terms and Conditions (**Share Sale Facility**). Participation is voluntary. Applications to participate must be made on the Instruction Form.
- 1.2 An Eligible Shareholder who elects to participate in the Share Sale Facility (**Participating Shareholder**) does so on the basis of the Instruction Form, these Terms and Conditions and any associated documents provided or made available by OneSteel to Eligible Shareholders (**Facility Documents**). Participation is also on the basis that **all**, and not only some, of a Participating Shareholder's OneSteel ordinary shares (**Shares**) will be sold under the Share Sale Facility.
- 1.3 A Participating Shareholder will not be liable to pay any brokerage or handling fees for the sale of Shares under the Share Sale Facility. However, any other tax or charge on the sale of the Shares will be for the account of the Participating Shareholder.

### 2. Offer Period

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The Share Sale Facility will operate from 15 December 2003 to 27 February 2004 or such shorter or longer period as may be determined by OneSteel (**Offer Period**). OneSteel reserves the right, on behalf of UBS Securities Australia Limited<sup>1</sup> (ABN 62 008 586 481) (**Broker**) and for any reason, to modify the timetable for, or to terminate or suspend, the Share Sale Facility in its sole discretion. Extension or shortening of the Offer Period, or suspension or termination of the Share Sale Facility, will be announced to the ASX and advertised as soon as practicable by OneSteel in "The Australian" and "The New Zealand Herald" newspapers.

### 3. Roles of Computershare and the Broker

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- 3.1 Each Participating Shareholder irrevocably appoints the Broker as execution-only broker to sell all of the Participating Shareholder's Shares on behalf of the Participating Shareholder in accordance with the Facility Documents. This means that OneSteel, the Broker and Computershare are not giving, and are not obliged to give, any advice to you. These Terms and Conditions do not constitute advice or a recommendation by any of the above to buy, sell or hold securities in OneSteel, nor that the Share Sale Facility or any other facility is the best way to sell your OneSteel Shares. Accordingly, a Participating Shareholder should ensure that the Share Sale Facility meets the Participating Shareholder's own objectives, financial situation and needs. Any Eligible Shareholder unsure of what action to take should consult a licensed financial adviser. OneSteel will pay brokerage (and any applicable GST) to the Broker in relation to the sale of Shares through the Share Sale Facility.
- 3.2 Computershare Investor Services Pty Limited (ABN 48 078 279 277) (**Computershare**) will assist in the administration of the Share Sale Facility, including by processing received Instruction Forms, liaising with the Broker in relation to sales of Shares, issuing transaction confirmation notes and remitting sale proceeds. OneSteel will pay any handling fees (and any applicable GST) to Computershare in respect of its role in the Share Sale Facility.
- 3.3 Each of the Broker and OneSteel is irrevocably authorised by each Participating Shareholder to do all things and execute all documents, including to effect any holding adjustment, securities transformation or other transmission or transaction in relation to a Participating Shareholder's holding of Shares, such as converting a CHESS holding to an issuer sponsored holding, to facilitate the sale of all those Shares by the Broker as broker under the Share Sale Facility.

### 4. Instruction Forms

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- 4.1 To participate in the Share Sale Facility, an Eligible Shareholder must complete and sign the Instruction Form, completing the "Sell" section only, and return it to Computershare at the address on the Instruction Form. Instruction Forms must be received by Computershare at that address by 5.00pm (Sydney time) on the last day of the Offer Period or sooner.
- 4.2 Once Participating Shareholders have returned their Instruction Form they are not permitted to sell any of their Shares outside the Share Sale Facility. However, if following the Record Date there is a decrease or increase in the number of Shares held by an Eligible Shareholder before the Instruction Form is processed, any Instruction Form from that Eligible Shareholder will be taken as an instruction to sell their entire decreased or increased holding.
- 4.3 The Broker or OneSteel may, in their sole discretion, at any time determine that an Instruction Form is valid in accordance with the Facility Documents, even if the Instruction Form is incomplete, contains errors or is otherwise defective. OneSteel or the Broker may correct any error in or omission from an Instruction Form and complete the Instruction Form by the insertion of any missing details. However, neither the Broker nor OneSteel is under any obligation to accept any Instruction Form, whether completed correctly or not.

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<sup>1</sup> On 1 January 2004, the Broker's Australian financial services licence will commence (Licence No. 231098). UBS Securities Australia Limited is not an Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth). The obligations of UBS Securities Australia Limited do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee UBS Securities Australia Limited in any way.

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## 5. Sales of Shares

- 5.1 Computershare will process Instruction Forms at least twice each week on Tuesdays and Thursdays and will aggregate valid Instruction Forms according to the order in which they are processed to form batches to be sold by the Broker. Computershare will advise the Broker of the number of Shares available to be sold in respect of each batch and the Broker will sell the Shares in the order in which the batches are received. While the Broker will generally try to sell the Shares on the next trading day following processing, Shares sold by the Broker as part of a batch may be sold in one or more trades and on one or more trading days, as determined by the Broker in its sole discretion.
- 5.2 Sales of Shares under the Share Sale Facility will be made by the Broker on the Australian Stock Exchange in the ordinary course of business (including, in the Broker's sole discretion, by crossings or by the Broker acting as principal). The Broker may sell the Shares of a Participating Shareholder at any time during the period commencing when the relevant Instruction Form is processed by Computershare and ending on the date that is two weeks after the end of the Offer Period. The Broker may, in its sole discretion, delay the sale of some or all of the Shares available to be sold on a trading day, if it considers market conditions to be unsuitable or to avoid an excessive concentration of sales on a particular trading day.
- 5.3 The price that a Participating Shareholder will receive for each of its Shares that are sold through the Share Sale Facility will be the average price achieved by the Broker for the sale of all Shares sold by the Broker through the Share Sale Facility on the day on which that Share is sold (**Sale Price**). The Sale Price will be calculated by the Broker and may not be challenged in the absence of manifest error.
- 5.4 **The Sale Price may be different to the price for Shares appearing in the newspaper or quoted by the Australian Stock Exchange on the day that a Participating Shareholder's Instruction Form is sent or on any other day, and may not be the best execution price on the trading day or trading days that the Participating Shareholder's Shares are sold.** None of OneSteel, Computershare, the Broker nor any other person will on any account be liable, and a Participating Shareholder may not bring any claim or action against them, for not having sold Shares at any specific price or on any specific date.
- 5.5 The proceeds of sale of the Shares in each batch will be transferred as soon as practicable following settlement from the general trust accounts of the Broker to an account nominated and maintained by Computershare on behalf of Participating Shareholders, for the purpose of effecting payment to the relevant Participating Shareholders in accordance with clause 6.1.

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## 6. Payment and Confirmation

- 6.1 Sale proceeds calculated in accordance with clause 5.3 will be paid to each Participating Shareholder within 10 business days of the last sale of that Participating Shareholder's Shares:
- where an Australian Participating Shareholder has already notified Computershare or OneSteel of its bank accounts details for the purpose of receiving dividends - in Australian dollars by electronic funds transfer to that bank account;
  - where a New Zealand Participating Shareholder has already notified Computershare or OneSteel of its bank accounts details for the purpose of receiving dividends - in New Zealand dollars by electronic funds transfer to that bank account, with conversion of the sale proceeds from Australian dollars to New Zealand dollars effected at the prevailing exchange rates at the time of conversion;
  - in all other cases - in Australian dollars by cheque made payable to the Participating Shareholder and posted to the Participating Shareholder's address on the OneSteel share register and made payable to the name(s) on the share register, and in all cases at the risk of the Participating Shareholder.
- 6.2 Computershare will notify each Participating Shareholder, by way of a transaction confirmation note sent to the Participating Shareholder's address on the OneSteel share register issued on behalf of the Broker, of the number of the Participating Shareholder's Shares sold through the Share Sale Facility and the Sale Price for those Shares, within 10 business days of the last sale of those Shares.

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## 7. Warranties and Acknowledgements

By signing and returning the Instruction Form with the "Sell" section completed, a Participating Shareholder:

- acknowledges that the Participating Shareholder has read, and agrees to, the terms and conditions of the Facility Documents;
- acknowledges that the Participating Shareholder is irrevocably bound to sell **all** of the Participating Shareholder's Shares through the Share Sale Facility at the Sale Price, and otherwise in accordance with the Facility Documents;
- warrants that the Participating Shareholder has not participated in the Top-Up Facility being made available in conjunction with the Share Sale Facility, and has not previously participated in the Share Sale Facility;
- warrants that at the time of executing and returning the Instruction Form the Participating Shareholder is the registered holder of the Shares specified in the "Sell" section of the Instruction Form;
- warrants (and authorises the Broker to warrant on the Participating Shareholder's behalf) to any buyer of the Participating Shareholder's Shares through the Share Sale Facility that the buyer will acquire good title to those Shares and full legal and beneficial ownership of them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and from any third party rights;

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- (f) agrees not to sell any of the Participating Shareholder's Shares to any person once the Instruction Form has been executed and returned, and authorises Computershare to lock the Participating Shareholder's holding to prevent transfer of the Shares until they are required for settlement. The Participating Shareholder also authorises the transfer of its Shares to the Broker for settlement of the sale. Further, if any Shares are sold in breach of this warranty, the Participating Shareholder will be deemed to have appointed the Broker or any officer of the Broker as attorney to purchase Shares in the Participating Shareholder's name, and at the Participating Shareholder's expense, to satisfy the Participating Shareholder's obligations in relation to the sale of its Shares, and will indemnify the Broker for all costs incurred by it in connection with any such purchase;
  - (g) acknowledges that OneSteel or the Broker may, in their sole discretion, at any time determine that the Participating Shareholder's Instruction Form is a valid order in accordance with the Facility Documents, even if the Instruction Form is incomplete, contains errors or is otherwise defective;
  - (h) authorises OneSteel or the Broker to correct any error in or omission from the Participating Shareholder's Instruction Form and to complete the Instruction Form by the insertion of any missing details and where both the "Sell" and "Buy" sections of the Instruction Form have been completed, authorises OneSteel and the Broker to ignore the "Buy" section;
  - (i) acknowledges that none of OneSteel, Computershare, the Broker nor any other party involved in the Share Sale Facility has any liability to the Participating Shareholder other than for the payment of any sale proceeds determined and payable in accordance with these Terms and Conditions;
  - (j) acknowledges that none of OneSteel, Computershare, the Broker nor any other party involved in the Share Sale Facility has provided the Participating Shareholder with any investment advice or made any securities recommendations, nor has any obligation to provide such advice or make any such recommendations, concerning the Participating Shareholder's decision to sell Shares, and that the Participating Shareholder has made its own decision to sell Shares through the Share Sale Facility based on its consideration of its own objectives, financial situation and needs and its own investigations of the affairs of OneSteel and its own analysis of the Facility Documents;
  - (k) acknowledges that Computershare, OneSteel and the Broker will not acquire any legal or beneficial interest in the Participating Shareholder's Shares in acting under the Share Sale Facility;
  - (l) accepts the risk associated with payment being dispatched to the Participating Shareholder by cheque to the address shown on OneSteel's register or by electronic funds transfer to the bank account notified by the Participating Shareholder to OneSteel or Computershare for the purpose of receiving of dividends;
  - (m) agrees to appoint OneSteel as the Participating Shareholder's agent to receive any notice including the Financial Services Guide (and any update of that document) the Broker is required to provide under the Corporations Act; and
  - (n) acknowledges that the Facility Documents are governed by the laws in force in New South Wales,

and otherwise agrees to these Terms and Conditions.

Personal information may be collected on the Instruction Form by OneSteel, the Broker and/or Computershare for the purpose of the administration of, and the sale of Shares by the Broker as broker under, the Share Sale Facility. That information may be disclosed by each company to each other, to each company's respective related bodies corporate, to external service companies such as mail service providers or as otherwise required or permitted by law. Please contact OneSteel, the Broker or Computershare for details of your personal information held by it or to correct inaccurate or out of date information.

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## Terms and Conditions – Top-Up Facility

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***If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both. You may only participate in the Top-Up Facility once.***

### 1. Terms of Participation

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- 1.1 All persons who hold 1000 ordinary shares or less in OneSteel Limited (ABN 63 004 410 830) (**OneSteel**) as at 5.00 pm (Sydney time) on 9 December 2003 and have a registered address in Australia or New Zealand (**Eligible Shareholders**) are entitled to participate in the top-up facility described in these Terms and Conditions (**Top-Up Facility**). Participation is voluntary. Applications to participate must be made on the Instruction Form.
- 1.2 An Eligible Shareholder who elects to participate in the Top-Up Facility (**Participating Shareholder**) does so on the basis of the Instruction Form, these Terms and Conditions and any associated documents provided or made available by OneSteel to Eligible Shareholders (**Facility Documents**). Participation is also on the basis that a Participating Shareholder may only elect to purchase either A\$500 or A\$1,000 of OneSteel ordinary shares (**Shares**) under the Top-Up Facility.
- 1.3 A Participating Shareholder will not be liable to pay any brokerage or handling fees for the purchase of Shares under the Top-Up Facility.

### 2. Offer Period

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The Top-Up Facility will operate from 15 December 2003 to 27 February 2004 or such shorter or longer period as may be determined by OneSteel (**Offer Period**). OneSteel reserves the right, on behalf of UBS Securities Australia Limited<sup>1</sup> (ABN 62 008 586 481) (**Broker**) and for any reason, to modify the timetable for, or to terminate or suspend, the Top-Up Facility in its sole discretion. Extension or shortening of the Offer Period, or suspension or termination of the Top-Up Facility, will be announced to the ASX and advertised as soon as practicable by OneSteel in “The Australian” and “The New Zealand Herald” newspapers.

### 3. Roles of Computershare and the Broker

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- 3.1 Each Participating Shareholder irrevocably appoints the Broker as execution-only broker to purchase Shares on behalf of the Participating Shareholder in accordance with the Facility Documents. This means that OneSteel, the Broker and Computershare are not giving, and are not obliged to give, any advice to you. These Terms and Conditions do not constitute advice or a recommendation by any of the above to buy, sell or hold securities in OneSteel, nor that the Top-Up Facility or any other facility is the best way to buy Shares in OneSteel. Accordingly, a Participating Shareholder should ensure that the Top-Up Facility meets the Participating Shareholder’s own objectives, financial situation and needs. Any Eligible Shareholder unsure of what action to take should consult a licensed financial adviser. OneSteel will pay brokerage (and any applicable GST) to the Broker in relation to the purchase of Shares through the Top-Up Facility.
- 3.2 Computershare Investor Services Pty Limited (ABN 48 078 279 277) (**Computershare**) will assist in the administration of the Top-Up Facility, including by processing received Instruction Forms, banking cheques, liaising with the Broker in relation to purchases of Shares and issuing transaction confirmation notes. OneSteel will pay any handling fees (and any applicable GST) to Computershare in respect of its role in the Top-Up Facility.
- 3.3 Each of the Broker and OneSteel is irrevocably authorised by each Participating Shareholder to do all things and execute all documents, including to effect any holding adjustment, securities transformation or other transmission or transaction in relation to Shares purchased for a Participating Shareholder under the Top-Up Facility, to facilitate the purchase of those Shares by the Broker as broker under the Top-Up Facility.

### 4. Instruction Form

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- 4.1 To participate in the Top-Up Facility, an Eligible Shareholder must complete and sign the Instruction Form, completing the “Buy” section only, and return it to Computershare at the address on the Instruction Form, together with an Australian dollar cheque for the amount nominated in the Instruction Form made payable to “OneSteel Ltd – Facility Account”. Instruction Forms and cheques must be received by Computershare at that address by 5.00pm (Sydney time) on the last day of the Offer Period or sooner.
- 4.2 The Broker or OneSteel may, in their sole discretion, at any time determine that an Instruction Form is valid in accordance with the Facility Documents, even if the Instruction Form is incomplete, contains errors or is otherwise defective. The Broker or OneSteel may correct any error in or omission from an Instruction Form and complete the Instruction Form by the insertion of any missing details. However, neither the Broker nor OneSteel is under any obligation to accept any Instruction Form, whether completed correctly or not, and in particular Computershare is not under any obligation to act on any Instruction Form where a cheque for the amount nominated in the Instruction Form has not been provided by the Eligible Shareholder, or is not denominated in Australian dollars and drawn on an Australian bank or an Australian branch of a foreign bank, or is not honoured on presentation.

### 5. Purchases of Shares

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- 5.1 OneSteel will establish and maintain an account called the “OneSteel Limited – Facility Account” for the purposes of the Top-Up Facility, into which Computershare will deposit cheques received from Participating Shareholders and from which the required amounts will be remitted to the Broker for the settlement of purchases of Shares under the Top-Up Facility.

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<sup>1</sup> On 1 January 2004, the Broker’s Australian financial services licence will commence (Licence No. 231098). UBS Securities Australia Limited is not an Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth). The obligations of UBS Securities Australia Limited do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee UBS Securities Australia Limited in any way.

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- 5.2 Computershare will process Instruction Forms at least twice each week on Tuesdays and Thursdays and will aggregate valid Instruction Forms according to the order in which they are processed to form batches to be purchased by the Broker. Computershare will advise the Broker of the Australian dollar amount available to purchase Shares in respect of each batch and the Broker will purchase Shares in the order in which batches are received. While the Broker will generally try to purchase Shares on the next trading day following processing, Shares purchased by the Broker as part of a batch may be purchased in one or more trades and on one or more trading days, as determined by the Broker in its sole discretion.
- 5.3 Purchases of Shares under the Top-Up Facility will be made by the Broker on the Australian Stock Exchange in the ordinary course of business (including, in the Broker's sole discretion, by crossings or by the Broker acting as principal). The Broker may purchase Shares for a Participating Shareholder at any time during the period commencing when the relevant Instruction Form is processed by Computershare and ending on the date that is two weeks after the end of the Offer Period. The Broker may, in its sole discretion, delay the purchase of some or all of the Shares available to be purchased on a trading day, if it considers market conditions to be unsuitable or to avoid an excessive concentration of purchases on a particular trading day.
- 5.4 The price at which each Share will be purchased for a Participating Shareholder through the Top-Up Facility will be the average price achieved by the Broker for the purchase of all Shares purchased by the Broker through the Top-Up Facility on the day (the **Purchase Day**) on which that Share is purchased (**Top-up Price**). The Top-up Price will be calculated by the Broker and may not be challenged in the absence of manifest error.
- 5.5 **The Top-up Price may be different to the price for Shares appearing in the newspaper or quoted by the Australian Stock Exchange on the day that a Participating Shareholder's Instruction Form is sent or on any other day, and may not be the best execution price on the trading day or trading days that the Participating Shareholder's Shares are purchased.** None of OneSteel, Computershare, the Broker nor any other person will on any account be liable, and a Participating Shareholder may not bring any claim or action against them, for not having purchased Shares at any specific price or on any specific date.
- 5.6 The number of Shares purchased for a Participating Shareholder through the Top-Up Facility will be calculated on the basis of the dollar amount of Shares purchased on behalf of the Participating Shareholder on each relevant Purchase Day (generally being a value of either A\$500 or A\$1,000 only) divided by the Top-up Price for that respective Purchase Day, rounded down to the nearest whole number of Shares. Participating Shareholders will not have any entitlement to any residual Shares remaining following such rounding. If, after execution of a Participating Shareholder's purchase order through the Top-Up Facility, any amount remains of the amount provided by the Participating Shareholder for the purposes of the Top-Up Facility which is insufficient to purchase a Share, then that amount remaining will vest in OneSteel. OneSteel will pay all such amounts into the OneSteel Charity Scheme under which donations may be made to the following charitable organisations: The Salvation Army, The Smith Family, CARE Australia, Cancer Council of Australia, Alzheimers Australia, Hunter Medical Research Institute, RSPCA, Landcare, Lifeline, Royal Flying Doctors, Westpac Rescue Helicopter and Guidedogs Australia. That Scheme currently operates in respect of OneSteel's dividend reinvestment program.

## 6. Confirmation

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Computershare will notify each Participating Shareholder, by way of a transaction confirmation note sent to the address on the OneSteel share register issued on behalf of the Broker, of the number of Shares purchased for that Participating Shareholder through the Top-Up Facility and the Top-up Price for those Shares, within 10 business days of the last purchase of those Shares.

## 7. Warranties and Acknowledgements

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By signing and returning the Instruction Form with the "Buy" section completed, a Participating Shareholder:

- (a) acknowledges that the Participating Shareholder has read, and agrees to, the terms and conditions of the Facility Documents;
- (b) acknowledges that the Participating Shareholder is irrevocably bound to purchase the Shares through the Top-Up Facility at the Top-up Price, and otherwise in accordance with the Facility Documents;
- (c) warrants that the Participating Shareholder has not participated in the Share Sale Facility being made available in conjunction with the Top-Up Facility, and has not before participated in the Top-Up Facility;
- (d) acknowledges that OneSteel or the Broker may, in their sole discretion, at any time determine that the Participating Shareholder's Instruction Form is a valid order in accordance with the Facility Documents, even if the Instruction Form is incomplete, contains errors or is otherwise defective;
- (e) authorises OneSteel or the Broker to correct any error in or omission from the Participating Shareholder's Instruction Form and to complete the Instruction Form by the insertion of any missing details, and where both the "Sell" and "Buy" sections of the Instruction Form have been completed, authorises OneSteel and the Broker to ignore the "Buy" section;
- (f) acknowledges that none of OneSteel, Computershare, the Broker nor any other party involved in the Top-Up Facility has any liability to the Participating Shareholder other than for the provision of the Shares purchased for the Participating Shareholder in accordance with these Terms and Conditions;
- (g) acknowledges that none of OneSteel, Computershare, the Broker nor any other party involved in the Top-Up Facility has provided the Participating Shareholder with any investment advice or made any securities recommendations, nor has any obligation to provide such advice or make any such recommendations, concerning the Participating Shareholder's decision to purchase Shares, and that the Participating Shareholder has made its own decision to purchase Shares through the Top-Up Facility based on its consideration of its own objectives, financial situation and needs and its own investigations of the affairs of OneSteel and its own analysis of the Facility Documents;

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- (h) acknowledges that Computershare, OneSteel and the Broker will not acquire any legal or beneficial interest in the Participating Shareholder's Shares in acting under the Top-Up Facility;
  - (i) acknowledges that if the Participating Shareholder's cheque is not honoured on presentation, Computershare or the Broker may place a holding lock (or similar) on, and cause to be sold, any Shares purchased for the Participating Shareholder through the Top-Up Facility and the Participating Shareholder must pay all costs and losses incurred as a result;
  - (j) agrees to appoint OneSteel as the Participating Shareholder's agent to receive any notices including the Financial Services Guide (and any update of that document) the Broker is required to provide under the Corporations Act; and
  - (k) acknowledges that the Facility Documents are governed by the laws in force in New South Wales, and otherwise agrees to these Terms and Conditions.

Personal information may be collected on the Instruction Form by OneSteel, the Broker and/or Computershare for the purpose of the administration of, and the purchase of Shares by the Broker as broker under, the Top-Up Facility. That information may be disclosed by each company to each other, to each company's respective related bodies corporate, to external service companies such as mail service providers or as otherwise required or permitted by law. Please contact OneSteel, the Broker or Computershare for details of your personal information held by it or to correct inaccurate or out of date information.





## How to complete this form

Please note that as you are not permitted to participate in both the Share Sale Facility and the Top-Up Facility, if you complete both Section D and E of the Instruction Form, Section E will be ignored and all of your OneSteel Shares will be sold under the Share Sale Facility.

### **A** Registration Name(s)

Your name and address as it appears on the register of OneSteel Limited.

### **B** Number of Shares as at Record Date

This is the total number of Shares you held at the Record Date.

### **C** Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

### **D** Sale of all OneSteel Ordinary Shares

Please place an "X" in the box in this Section if you wish to sell all your Ordinary Shares in OneSteel Limited.

### **E** Number of OneSteel Ordinary Shares to Purchase:

Please place an "X" in the box to indicate the amount (in Australian dollars) of additional shares that you wish to apply to purchase.

Make your cheque or bank draft payable to OneSteel Limited - Facility Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount against which you have placed an "X".

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Instruction being rejected. Pin (do not staple) your cheque(s) to the Buy Instruction Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

### **F** Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, if not already noted by the registry, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with it, please consult your financial or other professional advisor.

### Lodgement of Instruction

Instruction Forms must be received at the Sydney office of Computershare Investor Services Pty Limited by no later than 5.00pm Sydney time on 27 February 2004. Return the Instruction Form with cheque(s) attached (if required) to:

Computershare Investor Services Pty Limited      OR      Computershare Investor Services Pty Limited  
GPO Box 7115      Level 3  
SYDNEY NSW 2000      60 Carrington Street  
SYDNEY NSW 2000

### Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

If you have any enquiries concerning your Securityholding please contact Computershare Investor Services Pty Limited on telephone 1300 364 787 OR outside Australia 61 3 9615 5970.

This form may not be used to effect an address change. Please contact Computershare Investor Services Pty Limited on 1300 364 787 OR outside Australia 61 3 9615 5970 for an appropriate form, or download a Change of Address Notification form from [www.computershare.com](http://www.computershare.com)

# OneSteel Limited (ABN 63 004 410 833)

## Share Sale and Top-Up Facility – Questions and Answers

Capitalised words are defined in the Terms and Conditions for, respectively, the Share Sale Facility and the Top-Up Facility (together the **Facility**) included with the Letter and Instruction Form sent to Eligible Shareholders.

### 1. When is the Facility open?

The Facility will be open from 15 December 2003 until 27 February 2004.

OneSteel may extend or shorten the Offer Period or suspend or terminate the Facility. If it does so, it will make an announcement to the ASX and publish a notice in "The Australian" and "The New Zealand Herald" newspapers, either before or as soon as practicable after doing so.

### 2. Why is OneSteel arranging the Facility?

OneSteel recognises that, for some shareholders who hold a small number of OneSteel Shares, transaction costs and the inconvenience involved may represent an impediment to selling Shares or acquiring a more meaningful holding in OneSteel. The Facility also assists in the Company's program to reduce its administrative costs. Consequently, OneSteel has arranged a convenient way for small shareholders to buy some additional OneSteel Shares or sell all of their existing OneSteel Shares through the Facility.

***The Facility is entirely voluntary. You do not need to buy or sell any OneSteel Shares. It is entirely your decision. If you decide to participate in the Facility you may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.***

The Facility is available to Australian and New Zealand shareholders who hold 1,000 OneSteel Shares or less as at 5.00pm (Sydney time) on 9 December 2003.

If you wish to sell your OneSteel Shares but find the transaction costs prohibitive, or engaging a broker is inconvenient, this Facility may be of interest to you. On the other hand, if you wish to increase your holding, the ability to buy OneSteel Shares under the Facility may be useful to you.

However, please note that OneSteel does not make any recommendation or give any advice to you regarding whether to participate in the Facility. If you are in any doubt about whether to participate, please consult your own professional adviser.

### 3. How is this different to other offers I have received in the past 12 months to sell my OneSteel Shares?

The invitation to participate in the Facility is made and approved by the OneSteel Board, as distinct from other offers you may have received in the past 12 months from National Exchange Pty Limited. One of the reasons that the OneSteel Board is now offering this Facility is to provide a way for small shareholders to sell their OneSteel Shares (or increase their holding) at or near the market price for those shares on the day they are bought or sold.

### 4. Can I still participate if my shareholding has changed?

As noted above, eligibility to participate in the Facility is determined on the basis of those shareholders with registered addresses in Australia and New Zealand who hold 1,000 OneSteel Shares or less as at 5.00pm (Sydney time) on 9 December 2003.

If you, as an Eligible Shareholder, increase or reduce your holding of OneSteel Shares after that time, you may still participate in the Facility. You should note that this will have the consequence, if you have acquired more OneSteel Shares after 9 December 2003 and choose to participate in the Share Sale Facility, that those additional OneSteel Shares, as well as your original holding, will be sold on your behalf. That is, the Share Sale Facility will apply to all of your OneSteel Shares at the time the Instruction Form is acted upon, and not just your holding as at 9 December 2003.

### 5. When will my instruction form be acted upon?

If you choose to participate in the Facility, you cannot specify the date your Instruction Form will be acted upon. Your OneSteel Shares will be sold, or additional OneSteel Shares purchased, soon after your correctly completed Instruction Form is received by Computershare, and accepted in accordance with the relevant Facility Terms and Conditions. Computershare will process forms at least twice a week on Tuesday's and Thursday's and more often if sufficient volumes have been received. Sales and Purchases will generally occur on the Australian Stock Exchange (ASX) on the trading day following processing.

The Broker may, in its sole discretion, delay the sale or purchase of some or all of the OneSteel Shares available to be sold or bought on a particular trading day, for example, if it considers market conditions to be unsuitable or to avoid an excessive concentration of selling or buying on a particular trading day.

As the Instruction Forms are processed, they will be divided into batches, according to the order in which they are processed. Instruction Forms with the "Buy" section completed and Instruction Forms with the "Sell" section completed will be divided into separate batches. Batches will be bought or sold sequentially in the order that they are processed.

### 6. What happens if I fill in both the "Buy" and "Sell" sections of my form?

***You may only participate in either the Share Sale Facility or the Top-Up Facility – you may not participate in both.***

Where both the "Sell" and "Buy" sections of the Instruction Form have been completed, the "Buy" section will be ignored and all your OneSteel Shares will be sold.

### 7. What price will I receive?

If you choose to participate in the Facility, you cannot specify the price at which your Instruction Form will be acted upon. The price payable to or by you for OneSteel Shares bought or sold through the Facility will be the average price of all OneSteel Shares bought or the average price of all OneSteel Shares sold on the ASX through the Facility on the day that your OneSteel Shares are bought or sold, as relevant. However, you should note that that price may be different to the price for OneSteel Shares appearing in the newspaper or quoted by the ASX on the day that your Instruction Form is sent or on any other day, and may not be the best price obtained on the trading day or trading days that your OneSteel Shares are bought or sold.

### 8. Who is the Broker?

UBS Securities Australia Limited (**UBS**) will act as your broker under the Facility. UBS is the holder of a dealer's licence under

the Corporations Act. On 1 January 2004, its Australian financial services licence will commence (Licence No. 231098). At that time, UBS will be required to give shareholders who participate in the Facility a Financial Services Guide. The Financial Services Guide can be provided to the shareholder's agent in a way agreed by the agent. If you participate in the Facility, you agree to appoint OneSteel as your agent to receive the Financial Services Guide (and any update of that document) from UBS. UBS will provide the Financial Services Guide to OneSteel in electronic format and OneSteel will post the Financial Services Guide on its website along with the Facility Documents. If the Financial Services Guide is required to be updated during the Offer Period for the Facility, UBS will provide the updated the Financial Services Guide to OneSteel in electronic format and OneSteel will post the updated Financial Services Guide on its website.

UBS Securities Australia Limited is not an Authorised Deposit-Taking Institution under the Banking Act 1959 (Cth). The obligations of UBS Securities Australia Limited do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee UBS Securities Australia Limited in any way.

### 9. How does trading my OneSteel Shares through the Facility compare with trading them on the ASX?

If you are thinking of selling your OneSteel Shares or purchasing additional OneSteel Shares prior to the end of the Offer Period, then you can do this using the Facility or through your broker on the ASX. The different features of each method are outlined below:

<b><i>Buying or selling OneSteel Shares through the Facility</i></b>	<b><i>Buying or selling OneSteel Shares through your broker on the ASX</i></b>
<ul style="list-style-type: none"> <li>You can only sell <u>all</u> of your OneSteel Shares through the Share Sale Facility;</li> <li>You can purchase additional OneSteel Shares through the Top-Up Facility only to the amount nominated on your personalised Instruction Form (either A\$500 or A\$1,000);</li> <li>To participate, simply complete and return the Instruction Form (including payment if you complete the "Buy" section). There is no need to appoint a broker;</li> <li>You will pay no fees or transaction costs if you participate in the Facility. OneSteel will pay all brokerage, handling costs and applicable GST;</li> <li>You will receive or pay the average price of all OneSteel Shares bought or the average price of all OneSteel Shares sold on the ASX through the Facility on the day that your OneSteel Shares are bought or sold, as relevant. You cannot set a sale price or purchase price;</li> </ul>	<ul style="list-style-type: none"> <li>You can sell a portion of your OneSteel Shares;</li> <li>You can buy any number of additional OneSteel Shares;</li> <li>If you have never used a broker then you must first appoint one to represent you and establish an account;</li> <li>You must pay brokerage fees that are agreed with your broker (plus any applicable GST);</li> <li>You will receive the market price at the time your transaction request is acted upon - that price may be higher or lower than the average price of all OneSteel Shares bought or the average price of all OneSteel Shares sold on the ASX through the Facility on the day that your OneSteel Shares are bought or sold, as relevant;</li> </ul>

<ul style="list-style-type: none"> <li>The date on which your transaction request is acted upon depends on when your instruction form is received and processed and the Broker's operation of the Facility.</li> </ul>	<ul style="list-style-type: none"> <li>You can control the date on which your transaction request is acted upon through your specific directions given to your broker.</li> </ul>
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### 10. When will I receive the proceeds from the sale of my OneSteel Shares?

For Eligible Shareholders participating in the Share Sale Facility, the cheque for your sale proceeds will be posted to you, or a direct credit (if applicable) made, within 10 business days after the day of the last sale of your OneSteel Shares. The payment method will be in accordance with the cash payment instructions recorded on OneSteel's register of shareholders. Cheques will only be made payable to the Participating Shareholder and posted to the Participating Shareholder's address on the OneSteel share register and made payable to the name(s) on the share register

### 11. How and when do I pay for the OneSteel Shares that I buy?

Eligible Shareholders participating in the Top-Up Facility need to forward a cheque, in Australian dollars and drawn on an Australian bank or an Australian branch of a foreign bank, for the appropriate amount with their Instruction Form. Cheques should be made payable to "OneSteel Limited – Facility Account".

If you request to buy, say, A\$1,000 worth of OneSteel Shares, that amount will be divided by the applicable average price of all OneSteel Shares bought on the ASX through the Facility on the day that your OneSteel Shares are bought to determine the number of OneSteel Shares purchased by you (rounded down to the nearest whole OneSteel Share). The balance of your funds, if any, will be paid to the OneSteel Charity Scheme. The Scheme is made up of the following charitable organisations: The Salvation Army, The Smith Family, CARE Australia, Cancer Council of Australia, Alzheimers Australia, Hunter Medical Research Institute, RSPCA, Landcare Lifeline, Royal Flying Doctors, Westpac Rescue Helicopter and Guidedogs Australia.

### 12. Can I withdraw my form?

No. When you return your Instruction Form, you are irrevocably bound to sell the number of OneSteel Shares you hold or purchase the additional Shares to the value requested.

### 13. What are the Australian capital gains tax consequences if I sell my OneSteel Shares?

The following is a general description of some Australian capital gains tax consequences for shareholders resident in Australia who hold their OneSteel Shares as capital assets and who choose to sell their OneSteel Shares through the Share Sale Facility. However, this is a complex area and will depend upon each shareholder's particular tax profile and individual circumstances. It is recommended that Eligible Shareholders consult their own professional adviser concerning the tax considerations of participating in the Facility.

Capital gains tax will generally be payable on the sale of your OneSteel Shares if the sale proceeds exceed the cost base for your OneSteel Shares (this is generally the cost of acquisition). Australian resident individuals or trusts (other than superannuation funds) who sell OneSteel Shares which they have held for at least 12 months would only be taxed (at their marginal tax rate) on half of the capital gain (after deducting any available capital losses) realised by their sale. (If the OneSteel Shares have been held since before 21 September 1999, the shareholder may choose to use indexation of the cost base in

calculating the capital gain, instead of applying the 50% discount to the unindexed gain.)

This concessional capital gains tax treatment would not apply to an individual shareholder who holds their OneSteel Shares as revenue assets (e.g. buys and sells shares in the ordinary course of business, i.e. as a share trader) or to a shareholder that is a company. A shareholder which is a qualifying superannuation entity and which has held its shares for more than 12 months is generally entitled to a capital gains tax discount of one-third, instead of one-half of the gain.

Australian residents who choose to sell their OneSteel Shares before they have held them for at least 12 months, will not be eligible for concessional capital gains tax treatment.

If the sale proceeds are less than the 'reduced cost base' of the OneSteel Shares (which is the cost base reduced by any adjustments which may be applicable), the sale will result in a capital loss. Capital losses may reduce taxable capital gains from other capital gains tax events (in the same year or in later years), but they may not be claimed as deductions against ordinary income.

**14. What are the New Zealand tax consequences if I sell my OneSteel Shares?**

Shareholders resident in New Zealand should take account of the tax consequences under the laws of New Zealand. This is a complex area and will depend upon each shareholder's particular tax profile and individual circumstances. It is recommended that Eligible Shareholders consult their own professional adviser concerning the tax considerations of participating in the Facility.

**15. Will I receive interest on amounts held on my behalf in the nominated account?**

No. Interest will not be paid on any balances.

**16. How will the sale or purchase of OneSteel Shares through the Facility affect my entitlement to dividends?**

You should note that OneSteel may declare a dividend during the Offer Period for the Facility. Any dividend entitlement is valuable and selling your Shares with this entitlement may result in you realising a higher price for your Shares. Conversely, if

you acquire Shares with this entitlement you may pay a higher price reflecting the value of the dividend. The OneSteel Share price may fall when the shares lose the entitlement to the dividend (on the ex-dividend date) reflecting the loss of the value of the final dividend. But if you sell your OneSteel Shares after the ex-dividend date, you will receive the dividend. If you have any doubts about the impact of participating in the Facility if a dividend is declared, please consult your own professional adviser.

If you are an Australian resident for tax purposes, in order for you to be entitled to the tax credit in respect of a franked dividend, you must hold the OneSteel Share, without material diminution of risk in relation to that OneSteel Share, for a period of at least 45 days between the date on which you acquired the OneSteel Share and the fortyfifth day after the day on which the OneSteel Share became ex dividend in relation to the relevant dividend. Accordingly, if you acquire a OneSteel Share more than 45 days before an ex dividend date (and hold the OneSteel Share without material diminution of risk for at least the 45 days during the ownership period) you will be entitled to the tax credit in respect of a franked dividend in relation to all subsequent dividends. If, however, you acquire OneSteel Shares less than 45 days before an ex dividend date, you will have to hold those OneSteel Shares (without material diminution of risk) long enough after the ex dividend date to satisfy the 45 day ownership requirement. In all cases, the dates on which shares are acquired and disposed of are not counted towards satisfaction of the 45 day ownership requirement. If you have any doubts about the impact of participating in the Facility in the context of 45 day ownership requirement, please consult your own professional adviser.

**17. Further information on the OneSteel Share Sale and Top-up Facilities**

For further information call the OneSteel Share Registry Call Centre on 1300 364 787 (for callers in Australia) and on 61 3 9615 5970 (for callers in New Zealand).