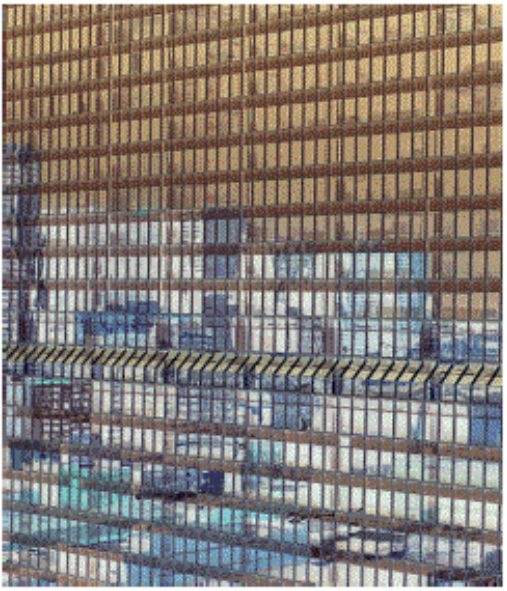

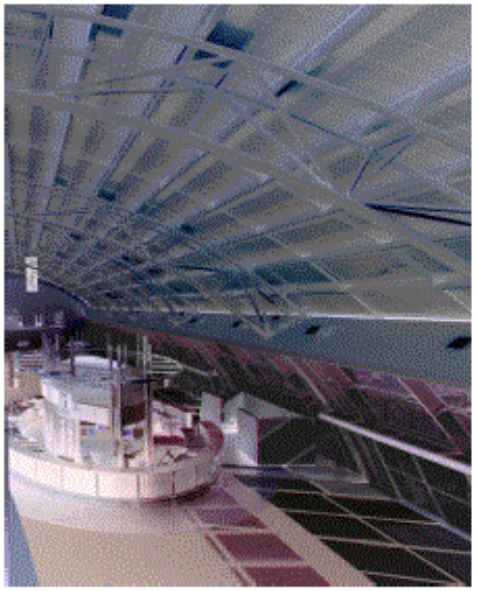
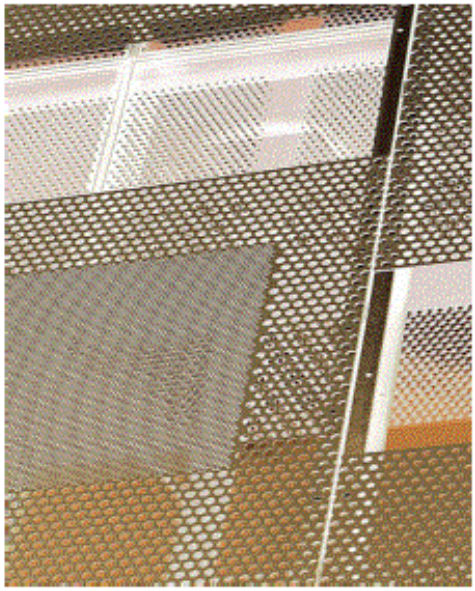

Whyalla Presentation
23 May 2007

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Analyst Visit to OneSteel Whyalla Steelworks

23 May 2007

Itinerary

8.00 am	-	9.30 am	**Business Overview and Magnet Presentations**
9.30 am	-	12.30 pm	**Travel and Mine Tour**
12.30 pm	-	1.30 pm	**Lunch**
1.30 pm	-	2.30 pm	**Hummock Hill Lookout to view tip pocket, export shed, shiploader (may see a barge loading)** **Flinders Lookout to view cape vessel with barge alongside** **(Contingency if cape vessel not loading)** **View barges at dolphin wharf (1.30 pm to 2.00 pm)** **View export shed (2.00 pm to 2.30 pm)**
2.30 pm			**Coach travels to Whyalla Airport**

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whyalla steelworks

Safety is a Core Value

Your Safety is Important to us!

1 **Your safety whilst you are our guests is our highest priority.**

2 **Wearing Personal Protective Equipment (PPE) - including safety helmets, safety glasses, reflective safety vests, dust coats and adequate footwear is MANDATORY.**

3 **Sign-in procedures apply at the Steelworks to ensure that visitors to Plant Departments can be accounted for at all times. You will be asked to sign Location Tags for the Plant areas you will be visiting.**

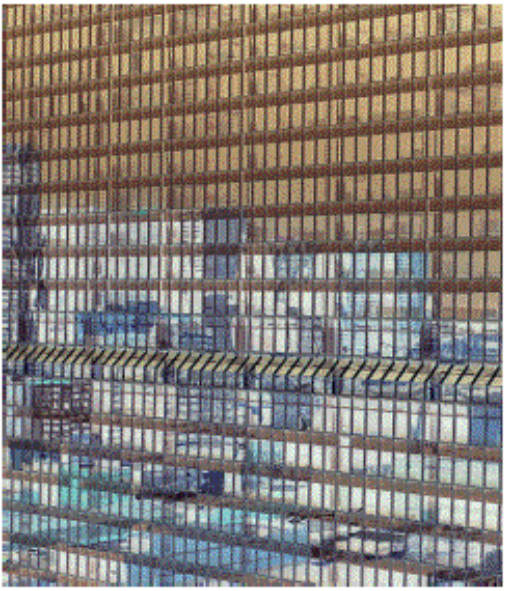
4 **When visiting Plant Departments, always stay within the designated walkways.**

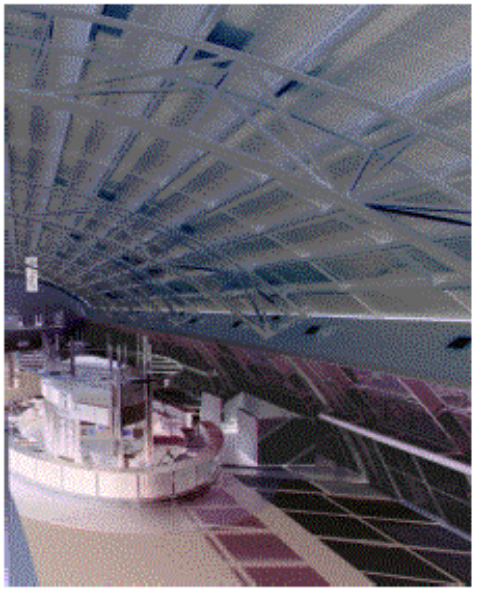
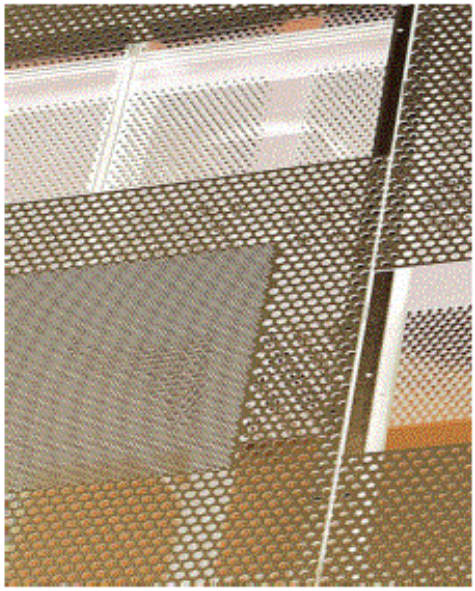
5 **To ensure your visit remains on schedule and is conducted safely, please always remain with the group, your guide and our departmental hosts.**

OneSteel Whyalla Steelworks welcomes you and hopes that your visit is informative and enjoyable.

Business Overview and Magnet Presentations

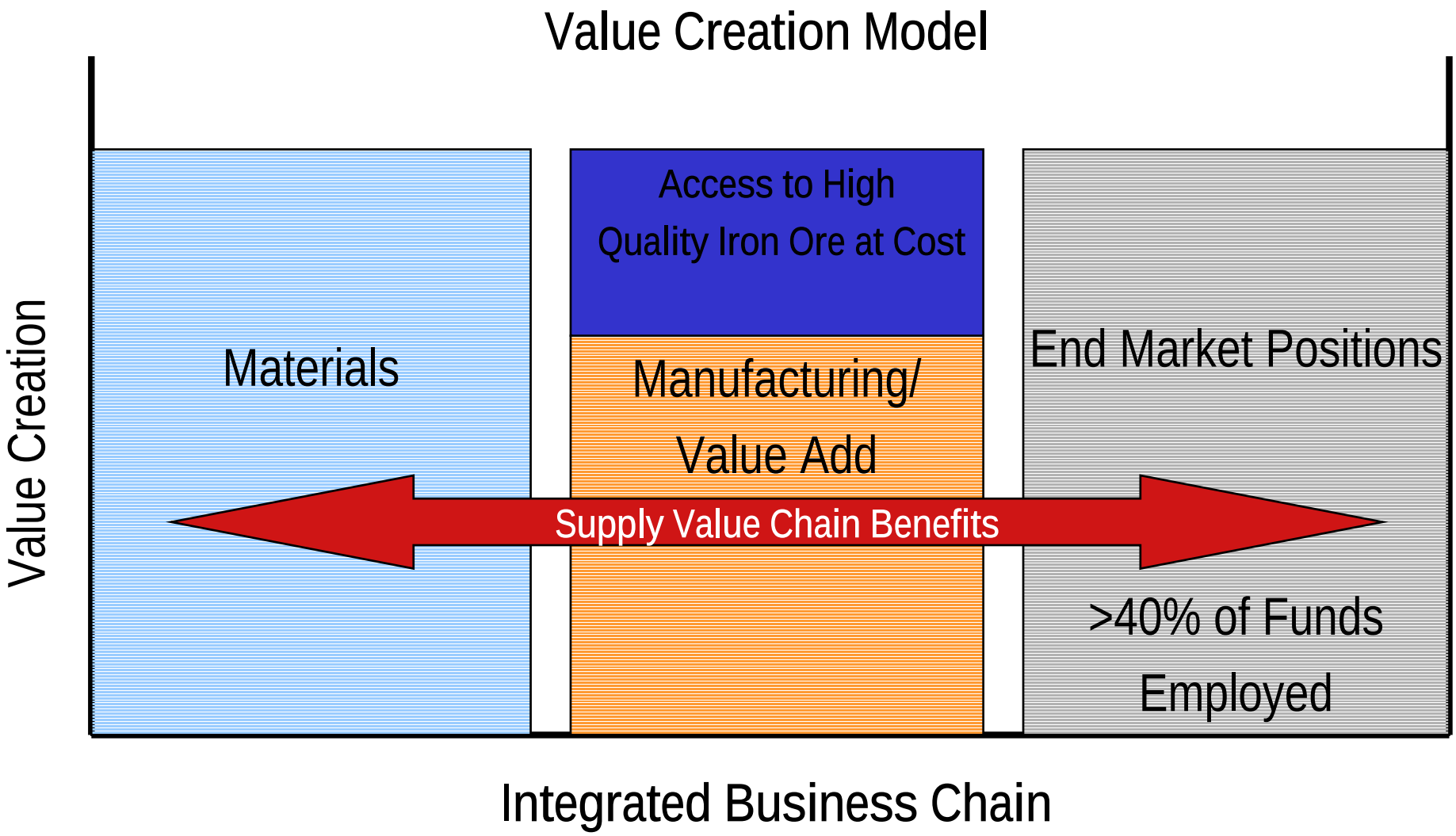
• OneSteel Overview	Mark Gell GM Corporate Development
• Whyalla Operations Overview	Mark Parry Executive GM Whyalla Steelworks
• Project Magnet Overview	Geoff Plummer MD & CEO
• Iron Ore Marketing	Andrew Roberts Executive GM Marketing
• Project Magnet Update	Leo Selleck Executive GM Project Magnet



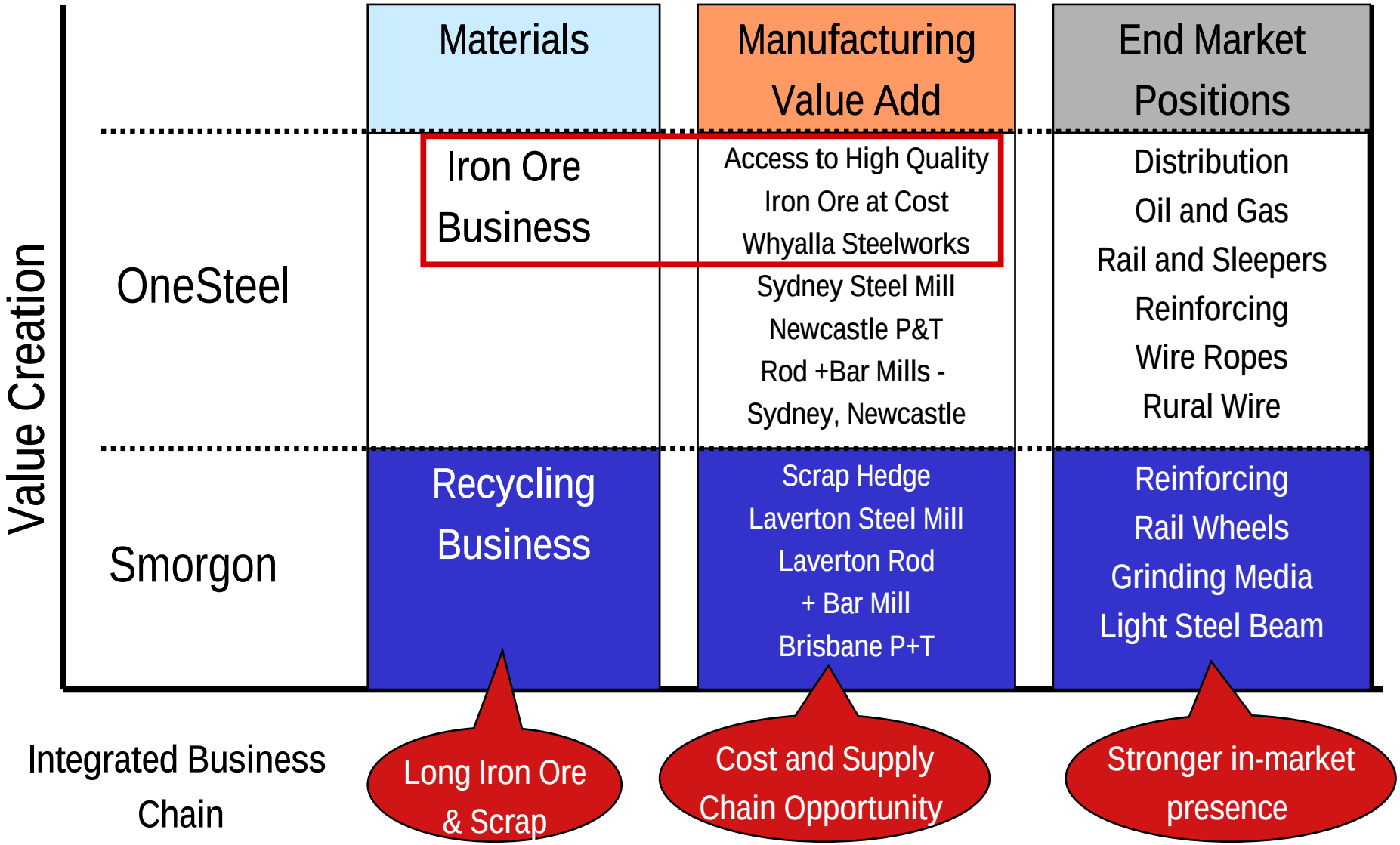



OneSteel Overview

Current OneSteel Business Model



Merged OneSteel Business Model



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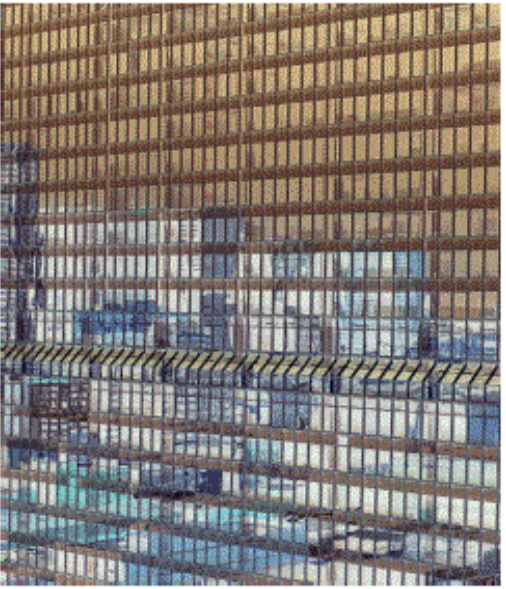
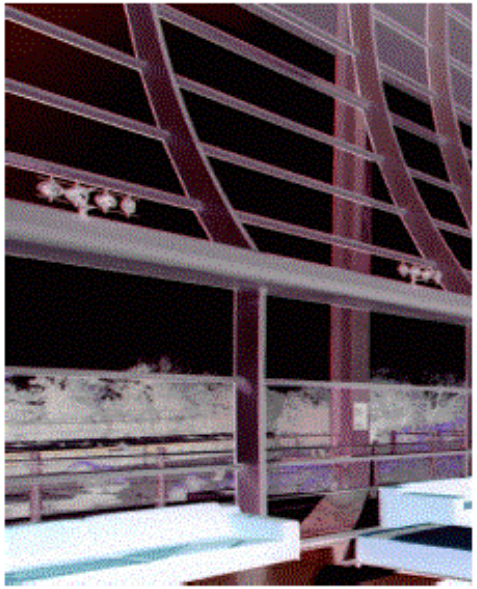
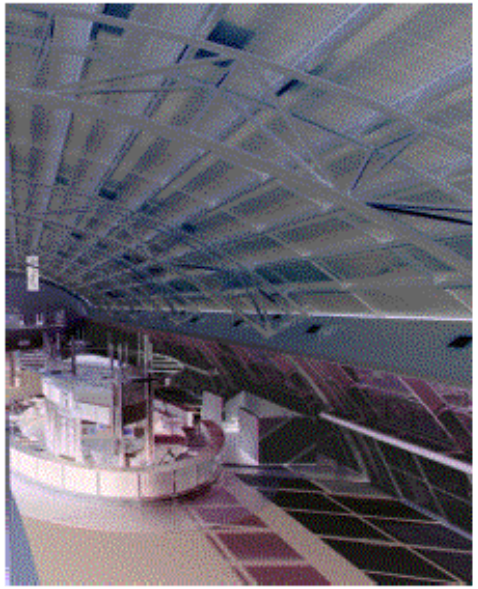
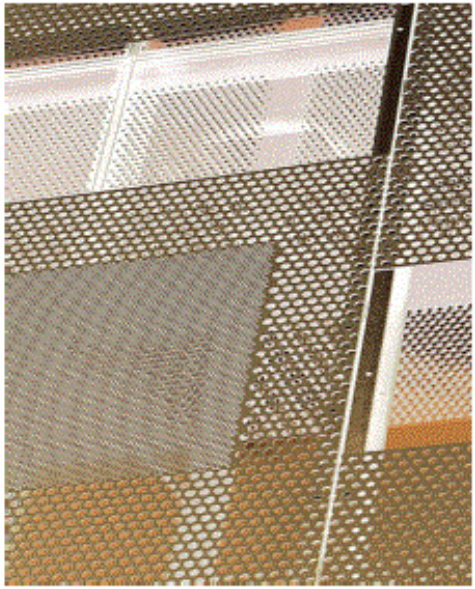
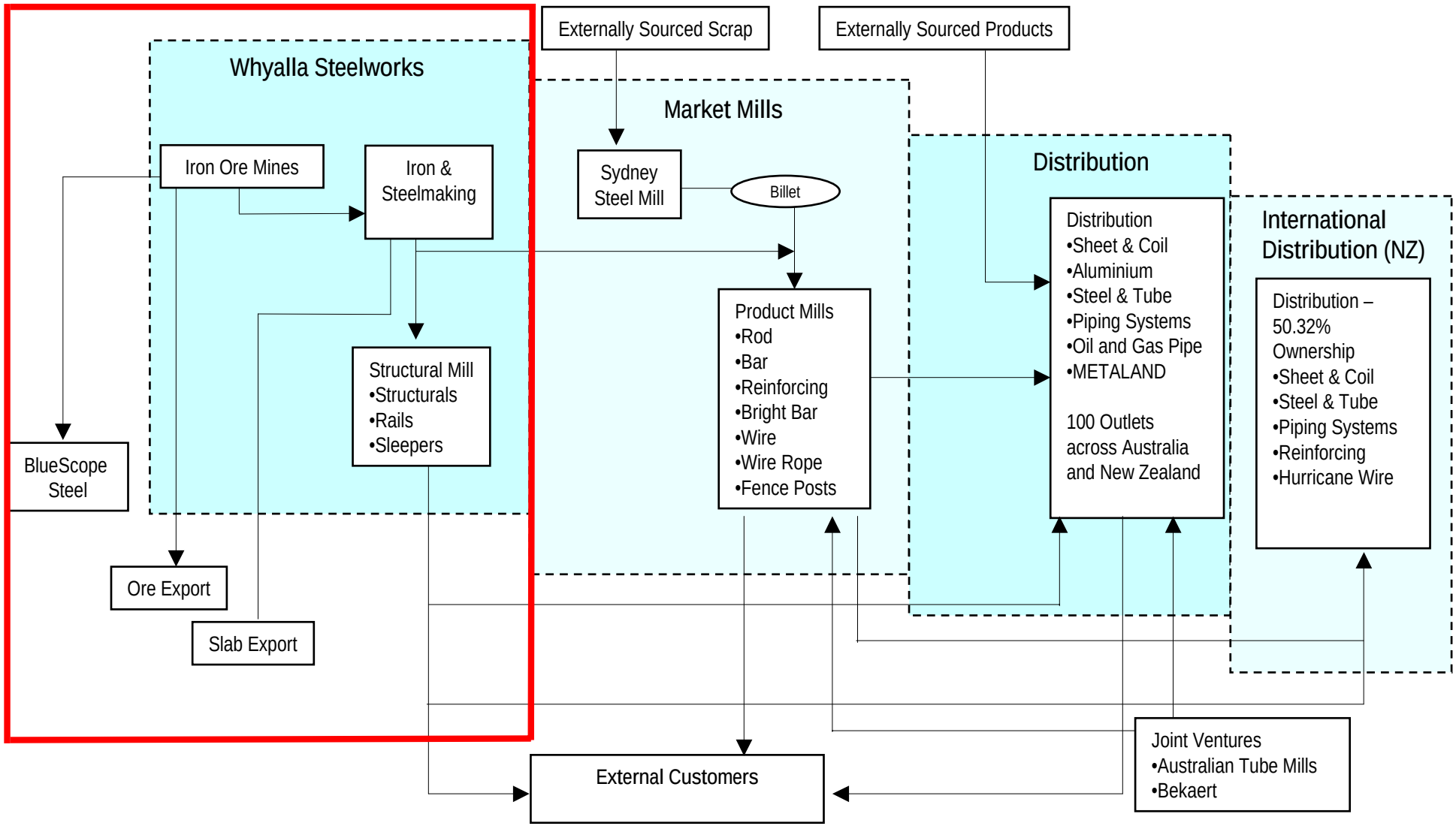





Whyalla Operations

OneSteel Operations



Whyalla Operations

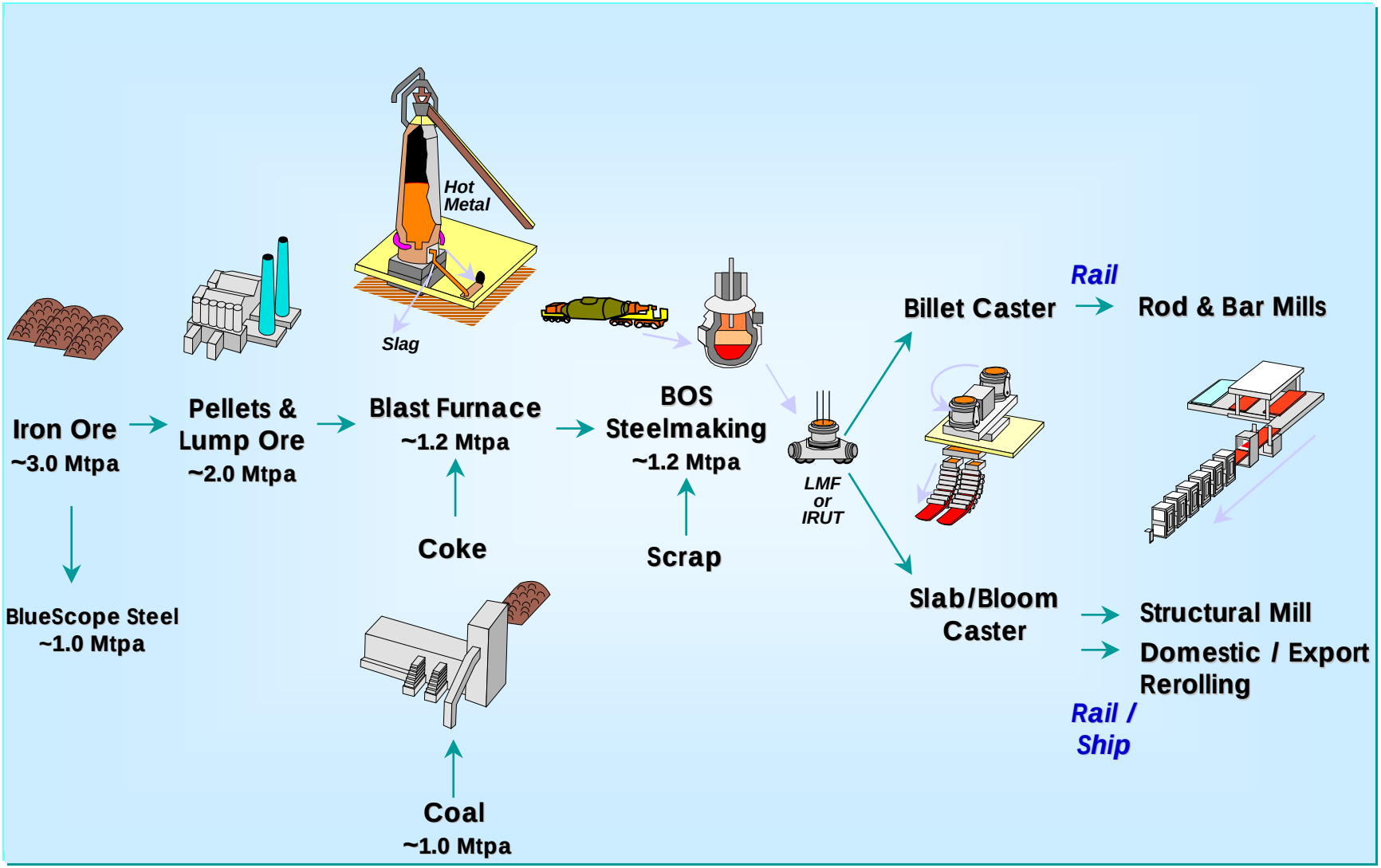
- **Whyalla**
  - Produces approximately 1.2 million tonnes per annum, ~625,000 tonnes of billet that go to Newcastle for rolling and the remainder in blooms, for structural beams and rail, together with some slab for export
- **Key Objectives**
  - Sell 4mt iron ore per year
  - Successfully manage Magnet implementation and transition
  - Supply Billet to Newcastle at lowest possible cost and at the rate and grade section required by customers
  - Supply rail and structural beam to meet customer requirements
  - Maximise slab export and scrap arbitrage opportunities
- **Key Strengths**
  - Iron ore to steelworks at cost
  - Flexible production capabilities – integrated into OneSteel
    - Product choices – billets, slab, structural products
    - Continuous investment
    - Continuous maintenance
  - Predominant domestic producer of medium structurals, rails, and special billet grades
  - Established contractor partnerships
  - Capable, can do workforce and management
  - Broad community support

Whyalla Steelworks – Structure To Deliver

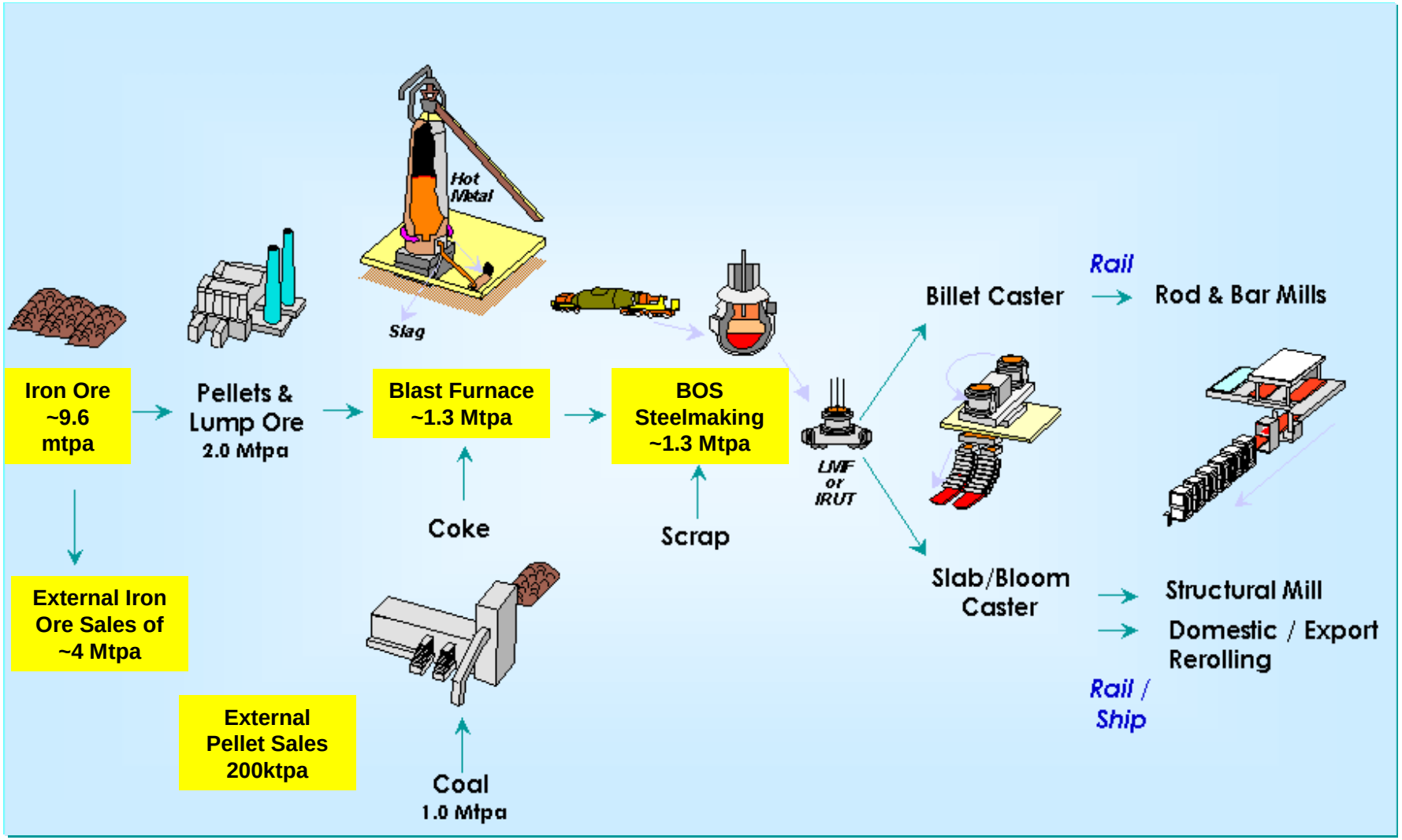
To ensure that Whyalla Steelworks has adequate resources and capabilities to deliver on both short term and long term objectives, the following key changes to structure have been implemented:

GM Mines and Export (Gavin Hobart)	GM Manufacturing (Jon Hobbs)	GM Business Sustainability (Jim White)
• Responsible for all operations associated with mining, crushing and screening, concentrator, slurry pipeline, rail and export • Execution of annual operating budget • Meeting ore export plan • Develop and execute the Operational Excellence strategic initiative and asset plan to improve mining and manufacturing capability and competence within Mines and Export to achieve 4.0 mtpa of iron ore outputs and provide magnetite feed to the Pellet Plant in a safe, cost efficient and sustainable manner • Progress and utilise processes, activities and actions associated with CMI and SCT strategic initiatives to ensure Mines and Export consistently meets the customer promise	• Responsible for all operations associated with flux & filter, pellet plant, ironmaking, steelmaking and steel products • Execution of annual operating budgets • Deliver VIU • Develop and execute the Operational Excellence strategic initiative and asset plan to improve manufacturing capability and competence within Manufacturing business to achieve 1.3 mtpa of steel in a safe, cost efficient and sustainable manner • Progress and utilise processes, activities and actions associated with CMI and SCT strategic initiatives to ensure Manufacturing consistently meets the customer promise	• Developing and delivering an asset and infrastructure plan to enable the Steelworks to operate until at least 2027 • Developing and delivering an energy, emission and water efficiency plan to meet current and emerging improvement targets • Analyse and review opportunities for growth within Whyalla Steelworks' operations (ferrous reserve expansion, non-ferrous exploration, port commercialisation

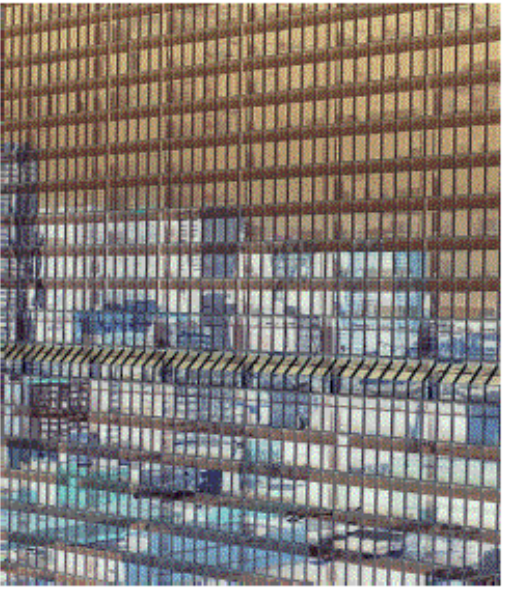
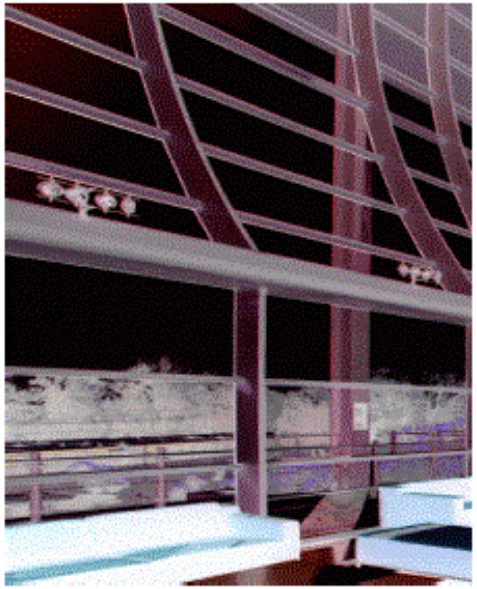
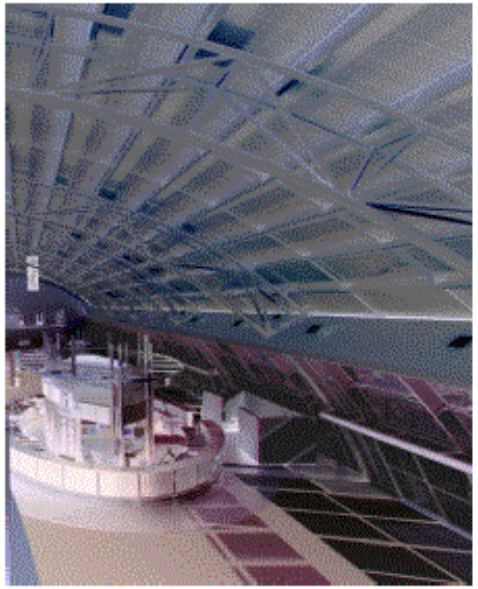
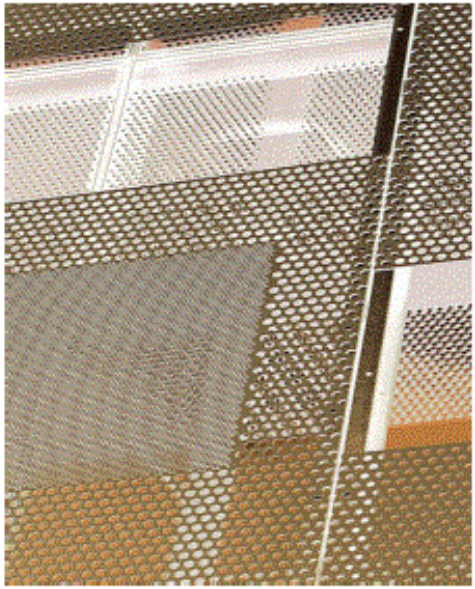
Whyalla Current Production Process – Pre Magnet



Whyalla Current Production Process – Post Magnet



Major Changes Highlighted in Yellow

Integrated Steelworks Facilities

Whyalla Mines – Pre Magnet

- **Mine approximately two million tonnes per annum for use in steelmaking and approximately one million tonnes for sale to BlueScope Steel**
  - **For the hematite used at the Pellet plant, the objective is to develop ore to specification, at the right rate and at the lowest cost**
  - **Ore delivered to the Pellet plant by rail**

Whyalla Mines – Post Magnet

- **Mines – Total ore mined will be ~9.6 million tonnes per annum**
  - **~4.6 million tonnes magnetite ore per annum to be ground and concentrated to slurry to Pellet plant.**
  - **~5 million tonnes hematite ore per annum**
    - **~3.4 million tonnes per annum high-grade hematite**
    - **~1.6 million tonnes per annum low-grade hematite**
- **Key Objectives**
  - **Establish reputation as a quality suppler of hematite ore to international customers at lowest cost while reviewing opportunities to maximise ore reserves**
  - **Deliver Hematite ore for export at quality and rate required**

Whyalla Pellet Plant

- **Whyalla Pellet plant produces approximately 1.5 million tonnes of pellets for use in Blast furnace**
- **Key Objectives**
  - **Pellet consistency, so that there is minimal variation of pellet feed into the Blast furnace**
  - **Ensure pellet is in specification and at rate required to meet Blast furnace production requirements**
  - **Maximise throughput to facilitate export opportunities**
  - **Implementing initiatives focussed at maximising up-time and minimising cost**
  - **Transition successfully from Hematite to Magnetite feed**
  - **Priority to deliver low-cost efficient supply to the Blast furnace**
  - **Additional production of export pellets to export market**

Whyalla Coke Ovens

- **Whyalla coke ovens produce in excess of 550,000 tonnes of blast furnace quality coke from 108 battery ovens.**
- **Key Objectives**
  - **Maximise productivity and yield to maintain self sufficiency in blast furnace coke feed in line with increased iron production associated with Project Magnet**
  - **Continue to identify markets for by-product sales**

Whyalla Blast Furnace

- **Historic average production of ~ 1.16 million tonnes of iron per annum**
- **Blast furnace is operating stably at a running rate of 1.23 million tonnes in the 10 months to April**
- **Key Objectives**
  - **Meeting current business requirements whilst running trials of key input and feed variables**
  - **Manage blast furnace operations to safe operating window**
    - **Necessary for transition to magnetite feed**
    - **Provides platform to maximise production post feed change**
  - **Manage the transition from hematite to magnetite based pellets.**
  - **Extract productivity improvements from new reline furnace and value in use from utilising magnetite feed**

- **Benchmarking operations against international blast furnace operators**

Whyalla Steelmaking

- **Key Objectives**
  - **Manage technology change with desulphurisation plant associated with Project Magnet**
  - **Utilise available hot metal and convert for billet, bloom and slab feed**
  - **Managing steelmaking cost**
  - **Utilise existing technical partners to benchmark operational practices to identify opportunities to enhance productivity and reduce costs to make**
  - **Ensure steelmaking can utilise increasing blast furnace output**
  - **Optimise production mix to maximise returns based on scrap and slab price movement as opportunities arise**

Whyalla Structural Mill

- **Sales in excess of 400,000 tonnes of structural and rail product**
- **Operational objectives**
  - **Minimise cost to serve through a combination of operational excellence and selected automation projects**
  - **Maximise productivity and throughput of bottleneck assets to meet targeted customer demand**
- **Strategic Objectives**
  - **Minimise cost structure through selected automation projects based on benchmark activities**
  - **Improve value proposition and efficiency of supply chain**

Community Commitment

- **Community Support**
  - **Focus on youth and disadvantaged groups**
  - **Council contribution increasing annually**
- **Indigenous Support**
  - **Support new Company 'Walga Mining'**
    - **Whyallina**
    - **HWE**
    - **OneSteel**
- **Conservation**
  - **Land gift to Whyalla conservation park – 1,000 ha**
  - **Proposed Iron Magnet reserve – 4,000 to 20,000 ha**
- **Environment**
  - **$60 million to reduce fugitive dust issue**

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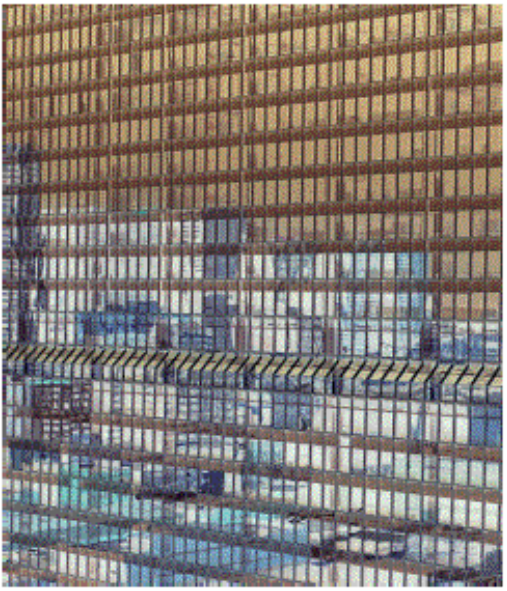
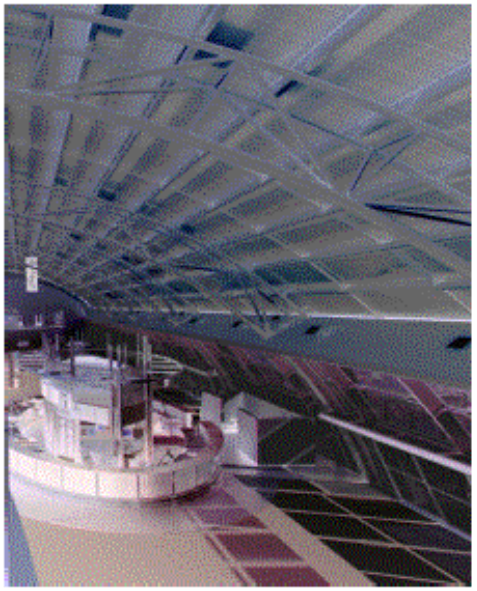
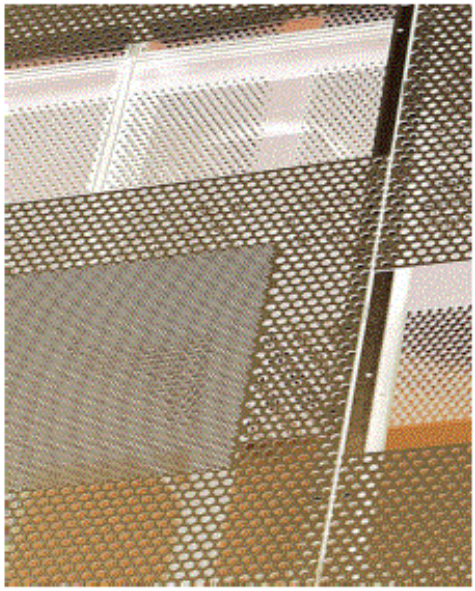


Project Magnet Overview

Project Magnet – Strategic Rationale

- **OneSteel Board approval May 2005**
- **Improves OneSteel's competitive position, extends the life of Whyalla and lowers cost of steelmaking**
  - **extend life of Whyalla from current restraint of 2020 to at least 2027**
  - **potential to cut cost of steelmaking at Whyalla by up to 5% by converting to magnetite**
- **Additional source of earnings and profit**
  - **export up to ~3 million tonnes extra hematite ore pa for 10 years (in total 4mtpa)**
  - **export ~200,000 tonnes pellets pa over the project life**
  - **produce up to ~100,000 tonnes extra steel pa over the project life**
- **Environmental benefits**
  - **switch from dry to wet processing**
- **Estimated $390 million capital expenditure**

An attractive, value-creating long-term project, that builds on OneSteel's competitive advantage of owning quality iron ore. Project Magnet is consistent with OneSteel's strategy of optimising its portfolio of assets

Project Magnet Strategic Rationale - Improving Competitive Position & Earnings

Improves OneSteel's Competitive Position

- Project Magnet extends the current competitive position of OneSteel by lengthening the life of its strategic iron ore resource from 2020 to at least 2027
- Value in use properties of using magnetite as against hematite ore for steelmaking:
  - Lower energy costs for pellet production
  - Less slag associated with iron making
  - Less impurities therefore less fluxes consumed

Additional source of earnings and profit

- ~3m tonnes hematite ore sales pa for approx 10 yrs
  (in addition to the historical sales of 1m tonnes pa)
- ~100,000 tonnes steel sales pa for ~ 20 years
- ~200,000 tonnes pellet sales pa for ~ 20 years

Project Magnet Strategic Rationale – Environmental Benefits

- Magnetite concentrate will be filtered to 9% moisture and pelletised, effectively switching from a dry process to a wet pelletising process
- All crushing, grinding and screening which is currently undertaken at Whyalla Pellet plant will be done at the mine
- Magnetite will be conveyed to Pellet plant via a closed loop slurry pipe as against by rail as is current practice
- Hematite exports are via enclosed conveyors and a storage shed

Provides improved environment for Whyalla Community and long term certainty for OneSteel.

Project Magnet – Timing of Cash Flows

- **Capital Expenditure – spent and committed**
  - 04/05 — $30 million
  - 05/06 — $166 million
  - 06/07 — $180 to 190 million
  - 07/08 — $10 to 20 million
  - Total — $390 million

- **Revenues**
  - Iron Ore Export Sales (incremental to historical domestic sales of 1mt pa)
    - 05/06 — 400 to 500k tonnes
    - 06/07 — 1,500k tonnes
    - 07/08 — Approx. 3.0m tonnes
  - Slab Sales
    - 07/08 — Sales commence

- **Just over $370 million committed or spent to date**

Project Magnet - Summary Financials

Project Estimated Financials As Per May 2005		
NPV	>	A$100M
IRR	>	14.0%
PV/I	>	1.4
Payback approx. 5 years		
EBITDA Avg million	>	$70

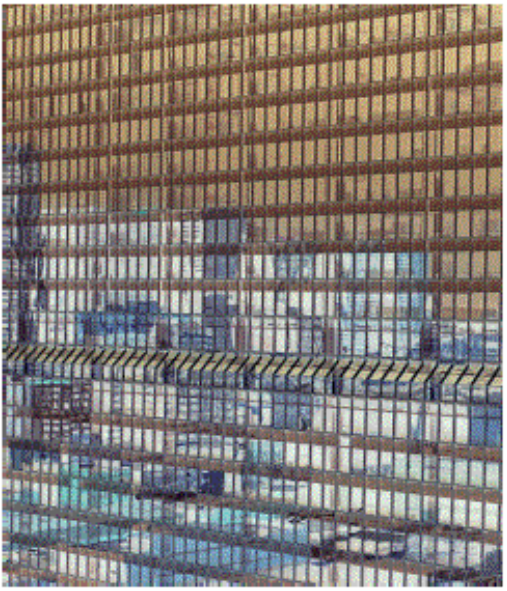
OneSteel used conservative forward pricing assumptions for iron ore prices for the business case approved in May 2005.

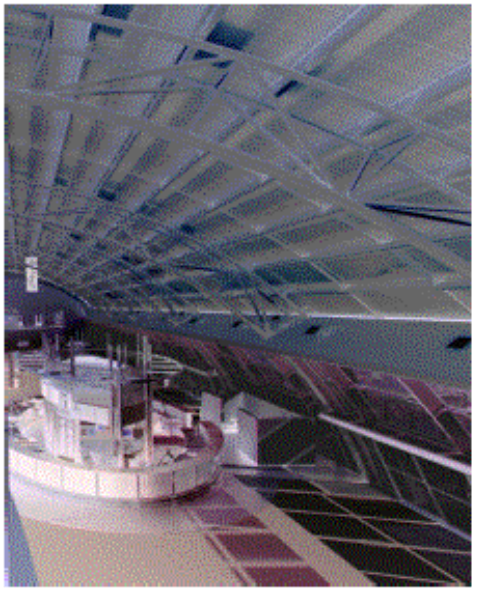
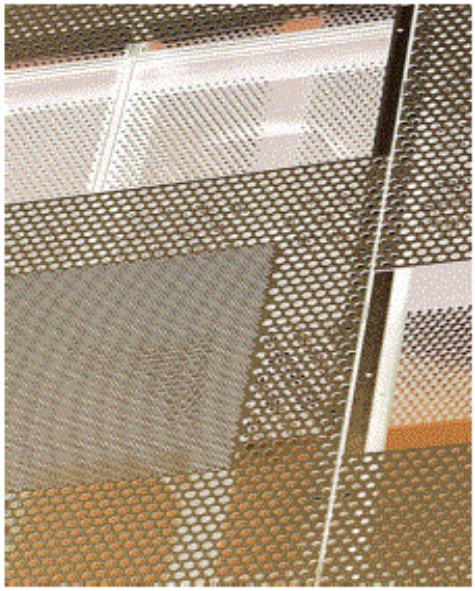
Since that time iron ore price forward assumptions have increased as per below:

	08 Price As at May 2005 (a)	08 Price As at May 2007 (b)
Fines (DMT)	US$41	US$80
Lump (DMT)	US$51	US$102
Pellets	US$76	US$118
$AUS/$US	72 cents	82 cents

Forward assumption on pricing varies greatly among investment houses and forecasters which impacts NPV and other value calculations significantly.

(a) CRU estimates
(b) CRU estimates



Project Magnet Market and Overview

Project Magnet – Market and Customers

- OneSteel's Marketing Agent for the selling and marketing of Iron Ore is BHP Billiton, which is working very well
- Up until March 2007, all of OneSteel's exports into China and surrounding regions were on a spot basis
- OneSteel is moving to establish long term contract positions – to date we have signed three long term contracts - with Rizhao, Haixin and Jinxi

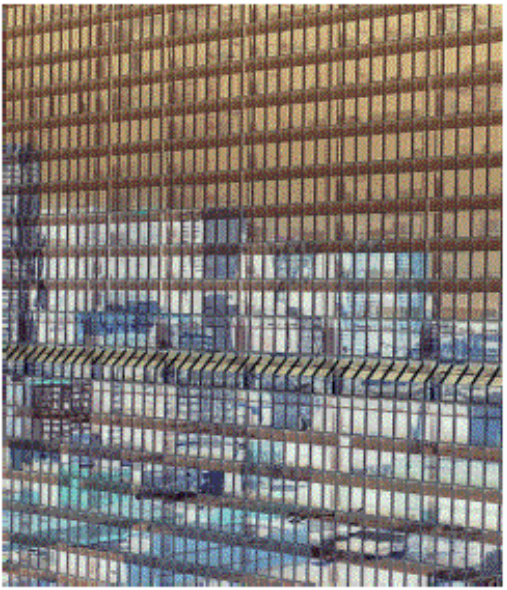
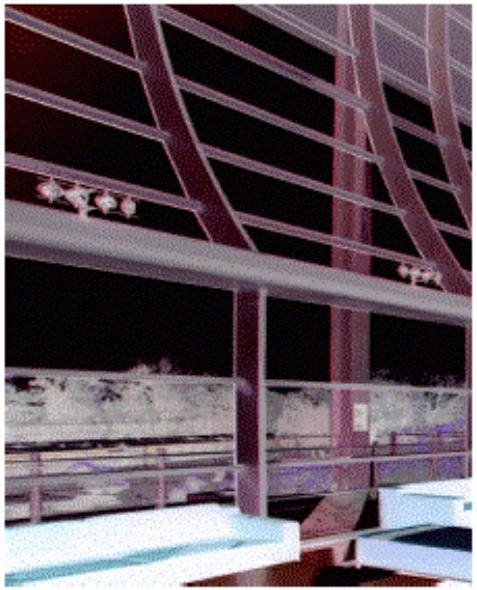
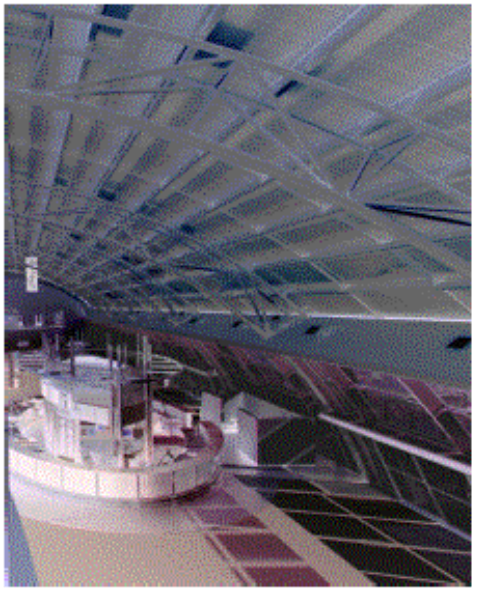
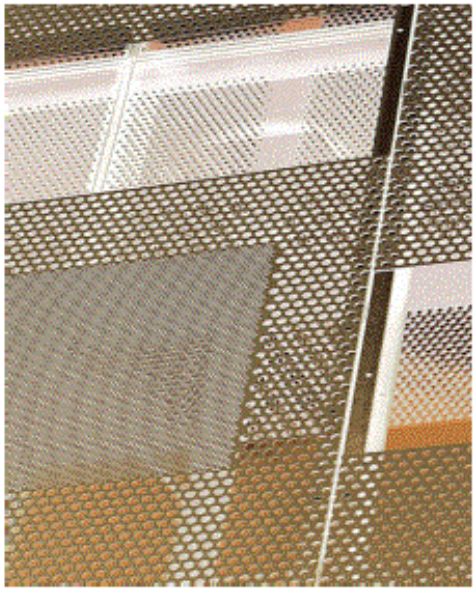
Project Magnet – Market and Customers

- To date, OneSteel has signed three 10-year export sales agreements
- The three contracts cover in excess of 17 million tonnes of the 30 million tonnes of hematite ore that is planned for export over a 10-year time horizon
  - Rizhao – in excess of 6 million tonnes
  - Haixin – in excess of 6 million tonnes
  - Jinxi – in excess of 5 million tonnes
- The agreements will commence on a staggered basis through the 2007/08 financial year
- They are based on international benchmark pricing
- The sales agreements include a freight component for mutually-agreed forward periods
- OneSteel will arrange and provide shipping
- Exports will utilise Whyalla's Cape-size vessel capability which has now loaded 3 such ships since commissioning last month
- Details of further export iron ore contracts will be announced as they are signed

Project Magnet – Market and Customers

Steel Mill Locations with Iron Ore Agreements

- Rizhao
- Jinxi
- Haixin

Project Magnet Update

Project Magnet – Investment

$390 million OneSteel capital expenditure

- **Major Works:**

  Converting Whyalla to Magnetite (Magnetite Stream)

  - **New Iron Magnet mine**
  - **Crushing and grinding processes**
  - **Concentrating process**
  - **Tailings dam at mine site**
  - **Pumping and slurry pipeline**
  - **Pellet plant reconfiguration**
  - **Desulphurisation plant**

  Iron Ore Exports (Hematite Stream)

  - **Rail upgrade**
  - **Wagons**
  - **Handling facilities at port**
  - **Storage**
  - **Trans-shipping**

These export facilities have processed in excess of 2 million tonnes of hematite ore since practical practical completion in November 2006

A total of 480,000 tonnes has been processed through the trans-shipping facilities to Cape-sized vessels as of 17 May 2007

Red text indicates completed. **Others to have construction completed by June 2007.**

Project Magnet – Summary Status

Schedule:

- **Construction effectively complete – by approximately end June 2007**
- **Commissioning, Transition and Ramp Up Phases – then follow**
- **Slurry Concentrate Pumping through pipeline – approximately first week August 2007**
- **Magnetite Based Feed - begins to be used on Blast furnace around end of first quarter FY07/08**
- **Ramp up of Operating Rate and Value in Use Benefits – progressive through 07/08 financial year**

Forecast Project Cost:

- **Approximately +10% above Budget**

Iron Ore Sales:

- **On track for 2.5M tonnes external Sales 06/07 FY**
- **On track for 4.0M tonnes external Sales 07/08 FY**

Project Magnet – Construction

Hematite Stream

- Hematite Export Facilities: constructed and commissioned – November 2006
- Upgraded Crushing & Screening Facilities: constructed and commissioned – April 2007
- Transhipping Facilities: commissioned and in operation – March 2007

Summary of Outcomes

- 2Mt of Iron Ore has been processed through Export Facilities
- 3 Cape-sized ships (~480,000 tonne of ore) have been loaded and shipped to customers through Transhipping Facilities

Final Ramp Up Activity

- Release full rail capacity for Hematite Stream – via Slurry Pipeline feeding concentrate to Pellet Plant

Project Magnet – Construction (cont'd)

Magnetite Stream

- **Crushing & Screening Equipment – commissioned and in operation**
- **Electrical Infrastructure (133KV Power Line and all switchrooms for new facilities) – energised**
- **Tailings Dams – construction complete**
- **All Major Concentrator and Filter Flux Equipment – installed**
- **Construction – essentially complete by 30 June 2007 (key activities include finalising electrical, piping and valve work)**
- **Commissioning, Transition & Ramp Up Phases – progressive through 07/08 financial year**
- **Magnetite Slurry Concentrate – begin pumping through pipeline approximately first week August 2007**
- **Magnetite Based Feed – to begin on Blast Furnace approximately end first quarter 07/08 financial year**
- **Desulphurisation Plant - Construction essentially complete – commissioning to commence early June – operational capability by approximately mid-July 2007**

Project Magnet – Aerial Photo of Mine Site

Project Magnet – Crushing and Screening

Project Magnet – Concentrator

Project Magnet – Filter Flux

Project Magnet – Export Shed

Project Magnet – Iron Ore Export Facilities

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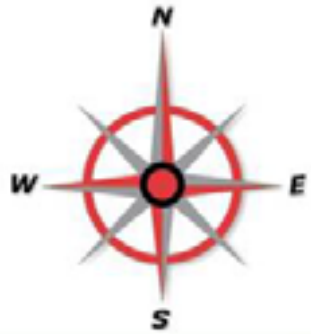
whyalla steelworks



Iron Ore Export Facilities Guide Key

1. New tip pocket capable of 3,000 tph and fitted with 60,000 m3/hr dust extraction
2. Existing Pellet Plant
3. Fully enclosed shed conveyor
4. Iron Ore Train
5. Existing pellet stockpiles
6. Fully enclosed shed, with insulation lining, capable of storing 250,000 tonnes of iron ore
7. Fully enclosed ship loading conveyor
8. Fully enclosed sample house compliant with ISO standards
9. Upgraded shiploader, including transfer point dust collection, boom shroud and mist sprays

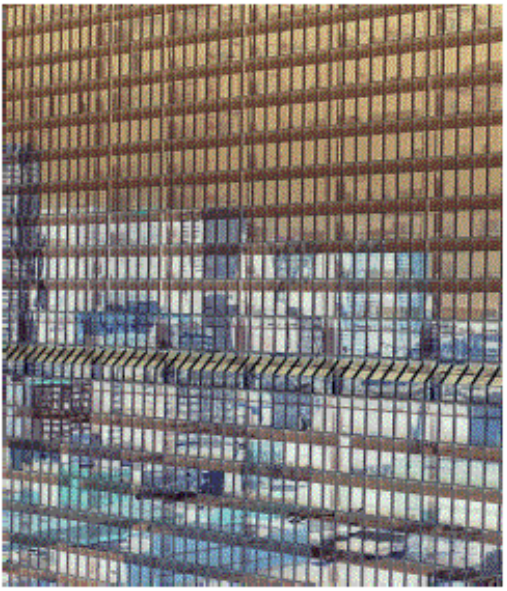
project magnet
Building Our Future

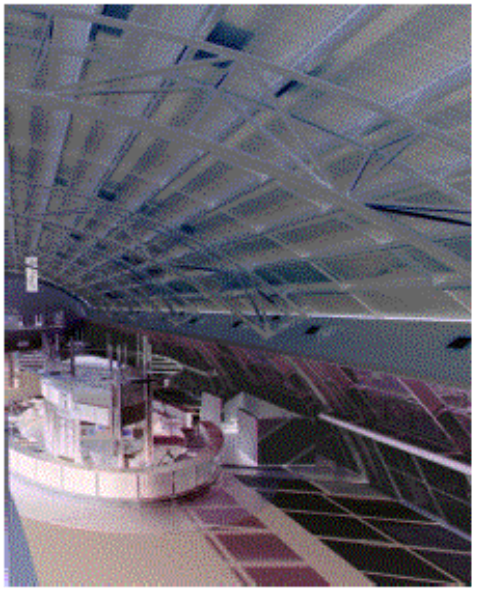
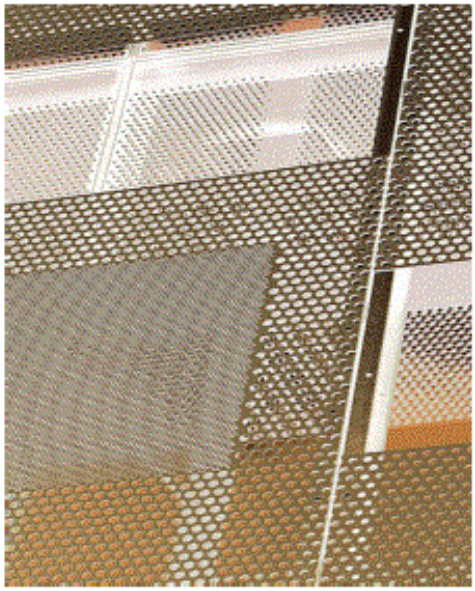
Project Magnet – Barges

Project Magnet – Cape Vessel

Project Magnet Summary

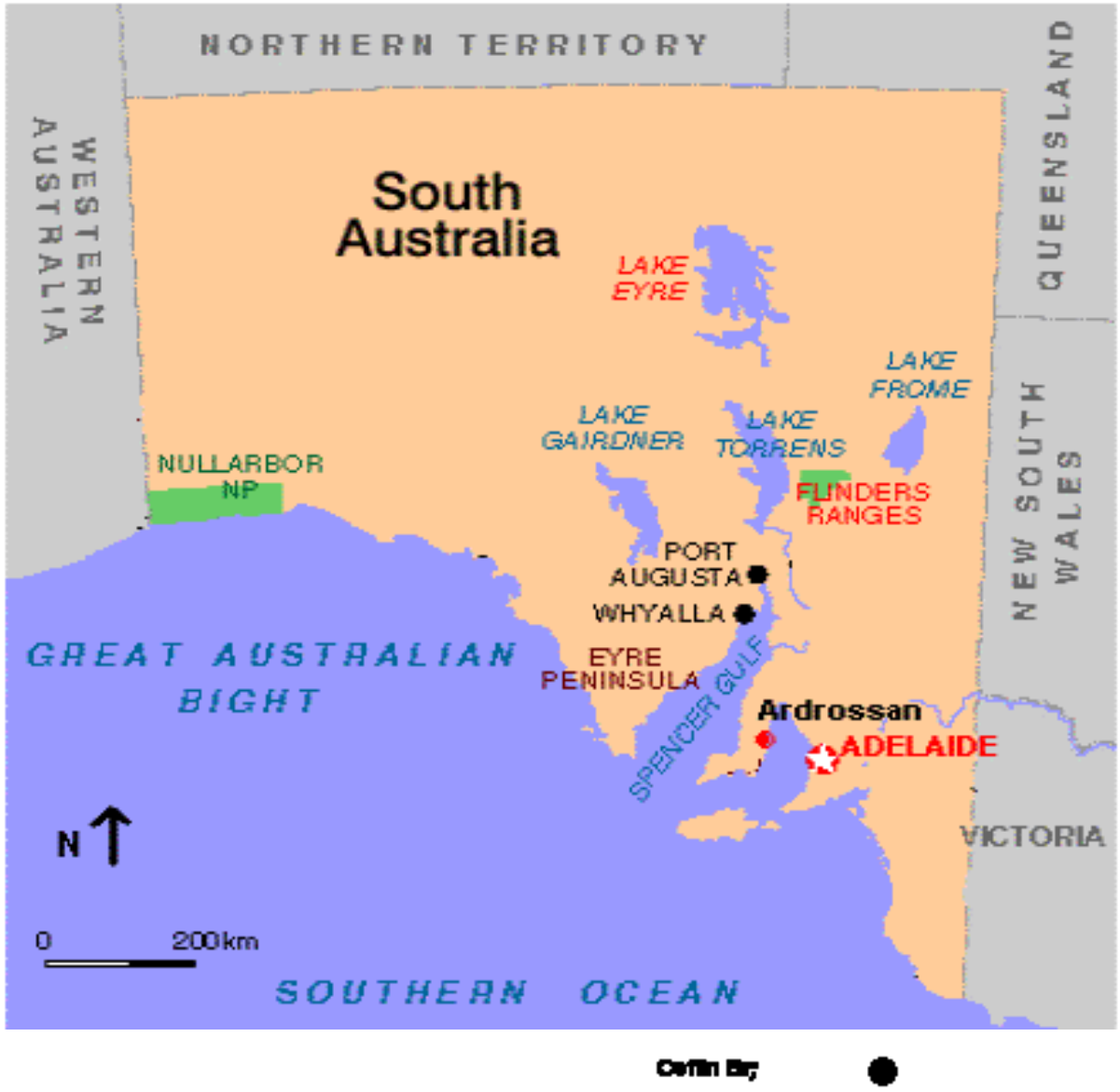
- **Valuable, attractive long-term project for OneSteel and its stakeholders, underpins Whyalla and its key competitive advantage of owning iron ore mines**
  - **Extends life of Whyalla to at least 2027**
  - **Improves competitive position by cutting cost of steelmaking by up to 5%**
  - **Generates new stream of earnings and profit**
  - **$390 million investment including environmental spend**
  - **Environmental & community benefits – 10 year operating licence**
- **Fits OneSteel strategy of optimising its assets**
- **Expands on OneSteel's integration and horizontal flexibility – flat & long products/domestic & export markets**
- **Improves the quality and lowers the volatility of OneSteel's earnings**



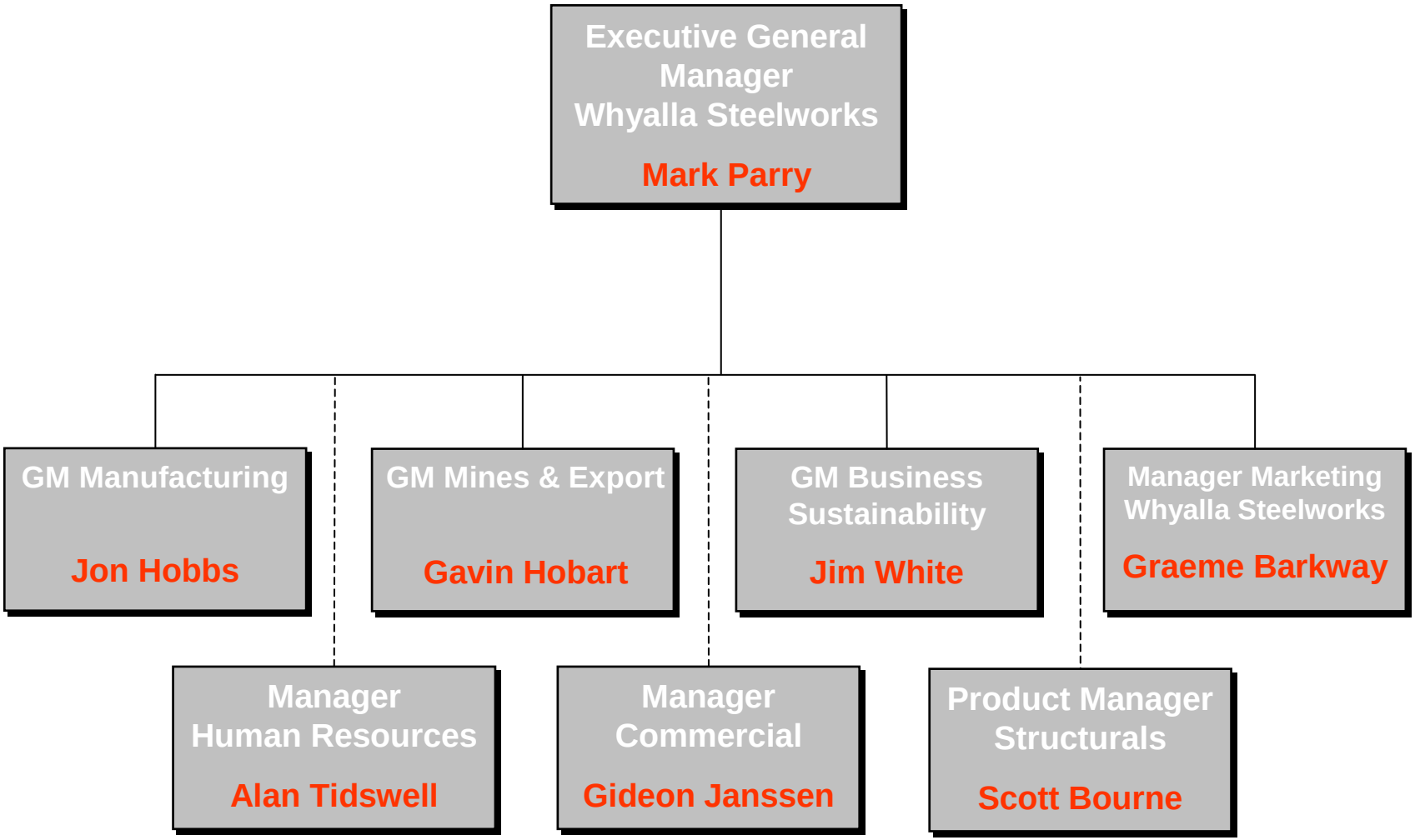



Whyalla Steelworks Attachments

Whyalla Steelworks Location

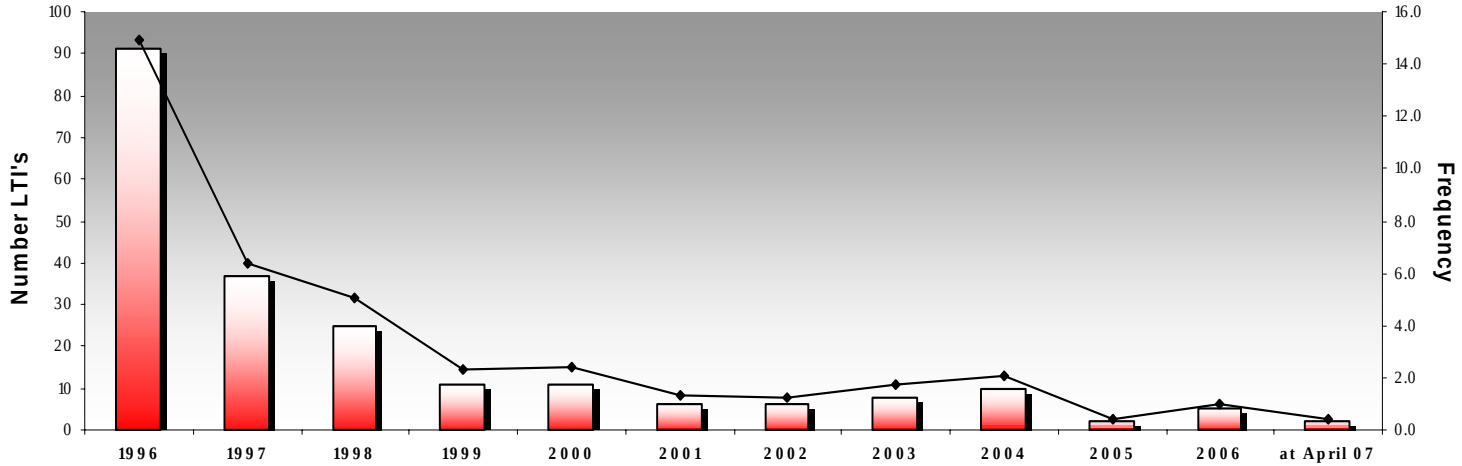


Whyalla Business Structure

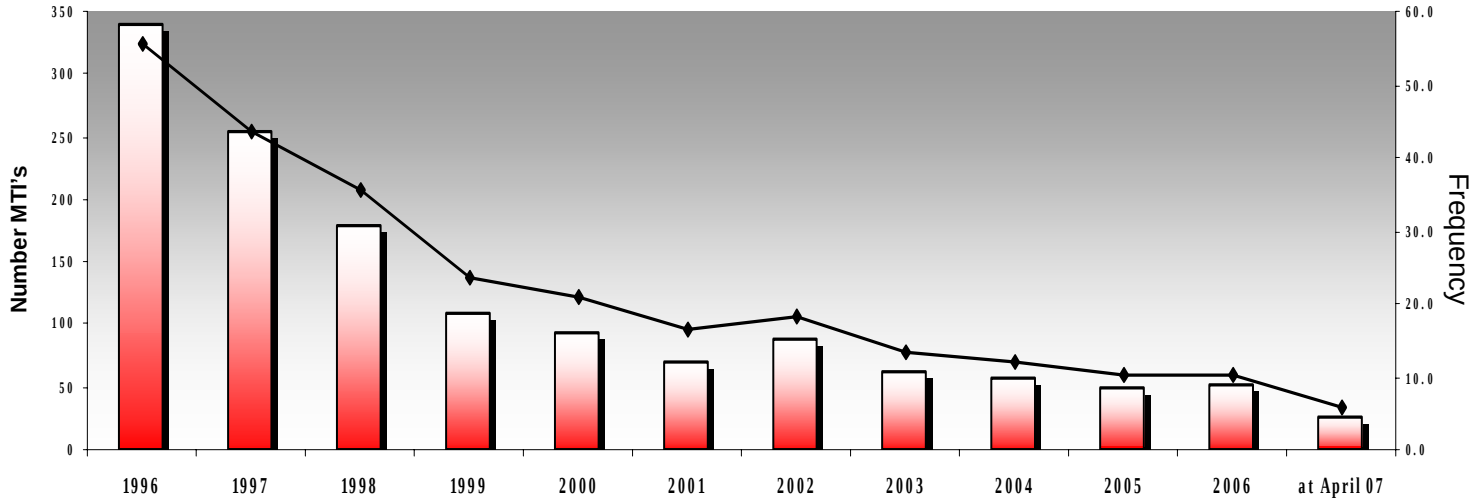


Whyalla Steelworks Combined History

LTIFR



MTIFR



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Labour

- Whyalla OneSteel Employees
  - **1,650 – increase from**
    - **Bringing contractors in-house**
    - **Increased apprentices**
    - **Project Magnet**
- Significant Contractor Base ~ 40% of hours
  - **Mining - HWE**
  - **Railways – Genesee Wyoming**
  - **Materials Handling - Brambles / Metserv**
  - **Oxygen - BOC**
  - **IT Support - CSC**
  - **Laboratories - Amdel**
  - **Engineering - Hatch**
  - **Sea Transport - CSL/ISM**

Contractor focus on reducing service delivery cost

Integrated Steelworks Facilities – Pellet Plant & Coke Ovens

Event			Year
Ore Products			
Pellet Plant	-	PP starts as export facility	1968
	-	Flux pellets for Whyalla	1981
	-	Waste Gas Cleaning Plant	1998
	-	Kiln and cooler upgrade	2002-2005
	-	Roller Feeder replacement	2002
	-	Grate Upgrade	2006
Rail	-	Major track upgrade, (inc 40 to 60km/h)	comp (2006)
	-	New fleet (56) higher capacity wagons	comp (2006)
	-	Upgrade 75 RSK wagons	comp (2006)
Ore Beneficiation Plant commissioned			2005
Crushing and Screening commissioned			2007
Coke Ovens			
Battery 1 (72 ovens)			1968
Battery 2 (36 ovens)			1980
Reed Beds 1996			
Refractory Asset Life extension			ongoing
Through wall repairs (2 ovens)			2006
Weak Ammonia Liquor Still			2008

Continuous Maintenance and Capital Investment

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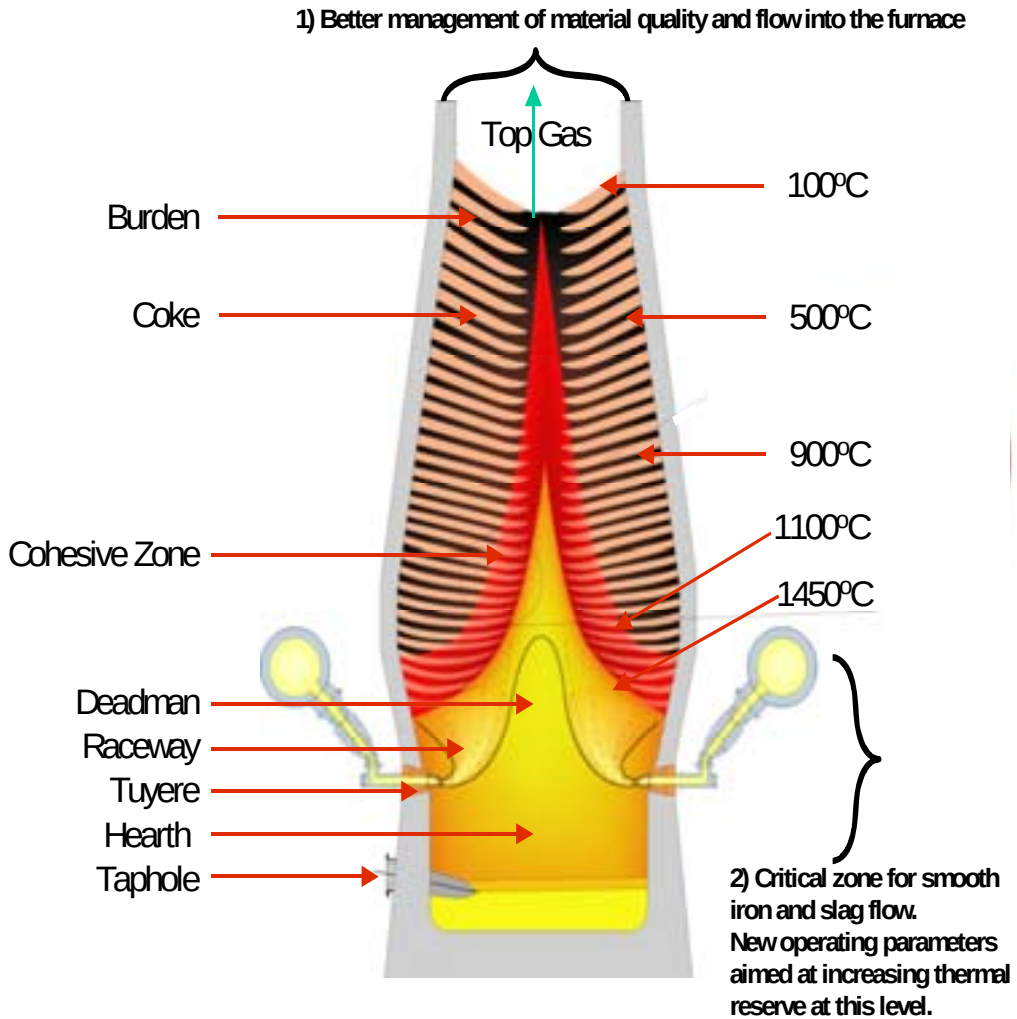
Integrated Steelworks Facilities – Blast Furnace History and Operations

No. 2 Furnace Blown in	1965
Reline 1	1972
Reline 2	1981
Casthouse Floor Revamp	1993
Record Production	1999
Dust Catcher	2001
Water Treatment Plant	2002
Near Record Campaign Life of 23 years	2004
Reline	2004



Integrated Steelworks Facilities – Basic Oxygen Steelmaking

Event	Year
2 vessels @ 130t	1965
Hot Metal Desulphuriser	1991
IRUT/Sublance/Electric/Controls	1992
Ladle Met Furnace/Alloy System	1999
New Vessel Shells	1999/2000
BOC Oxygen Plant Commissioned	2001
Planned replacement of Desulphurisation Plant (including new baghouse as part of Environmental Improvement Plan)	2007

Continuous Maintenance and Capital Investment

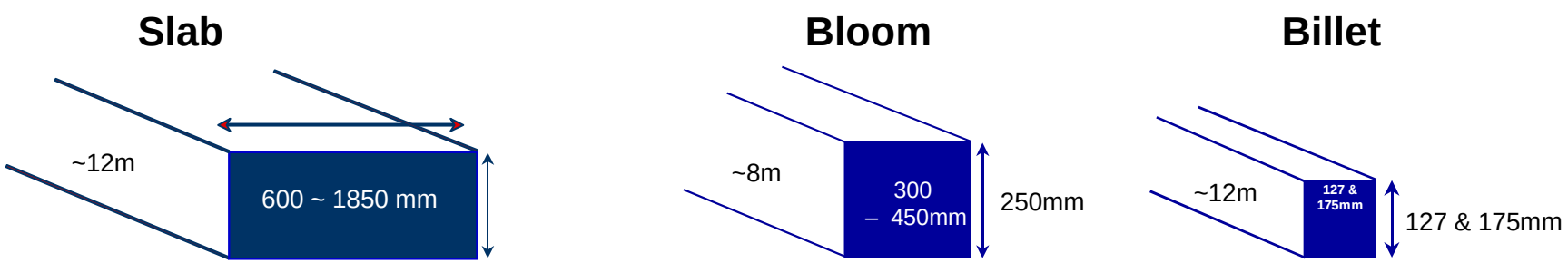
Integrated Steelworks Facilities – Caster

Event	Year
Combination slab/bloom/billet caster	1992
Five-strand billet caster	1999

Route to Market – Semi-Finished Products

Product	Distribution Channel	End Use
Billets	**Inter-divisional to Market Mills**	**Used to produce rod and bar**
Slabs	**Direct to re-roller**	**Used to produce various flat products**

Semi-Finished Products



Integrated Steelworks Facilities – Rolling

Event	Year
Commenced rolling ingots	1964
Rail finishing end	1982
Revamp for slabs/blooms (new rolling stands, etc)	1992
Cooling beds/Capacity Upgrade	1996

Finished Products and Route to Market

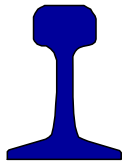
Columns*

100 mm to 310 mm

Channels*

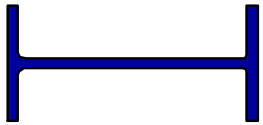
125 mm to 200 mm

Rail – direct to end user



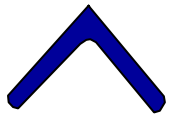
41 Kg/m – 68 Kg/m
Plain Carbon - Head Hardened

Beams*

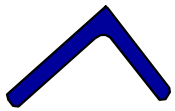


150 mm to 610 mm

Angles*



125 mm to 200 mm



150 x 90 & 150 x 100

Sleeper Section – direct to end user

Mainline	– 6.5 mm to 10 mm
Heavy Haul	– 9 mm to 14 mm

*** Structural products are distributed by domestic steel distribution companies, including OneSteel Distribution. They are used in structural frames for buildings, factories, bridges and other infrastructure**

Technology / Operational Alliances

• Ore Products	-	BHPB (Export)
	-	Poetscka (OBP)
	-	JK Tech (Crushing and Screening)
	-	Midland (Concentrator)
	-	Danieli Corus (Filter Flux)
	-	Danieli Corus (Pellet Plant)
• Ironmaking	-	Kobe
	-	BlueScope Steel Limited
• Steelmaking	-	Kobe (BOS)
	-	Salzgitter Flachstahl (Desulph)
• Steel Products	-	Nippon Steel Corporation

Energy & Services Data

	Total	Bought in (over fence)	Magnitude comparator
Electricity	40-45 megawatts (360,000 MWh pa)	15-20 megatwatts (150,000 MWh pa)	Total is 3.0% of state load 20,000 room air conditioners
Total Water Usage	>200,000 mega litres pa	4,500 mega litres pa	180,000 mega litres pa saltwater Sydney Harbour is approximately 500,000 mega litres (40% of Sydney Harbour pa)
Natural Gas -General - Co Gen Plant	3.5-4.0 petajoules pa 0.9 petajoules pa	All All (COGEN plant produces 100,00 MWh pa)	About 6% of state load. Excluding power stations, OneSteel is the second largest customer in the state.
By-products Gas	Approx 12 petajoules pa (50% Blast furnace gas; 50% Coke ovens gas)	All As Coal	These by-product gases displace $40m pa of what otherwise would be purchased natural gas and/or electricity
Oxygen Nitrogen Argon	160,000 tonnes pa 15,000 tonnes pa 2,000 tonnes pa	All (from on-site BOC-owned plant)	Largest customer of these gases in SA. Equivalent to 50,000 standard oxygen cylinders per day

“Licence to Operate” – Environment

- **Major Environmental Projects since 1993**

Project	$ million
Blast Furnace Casthouse Floor	18
BOS Secondary Fume Emissions	9
Coke Ovens Battery Doors	5
Reed Beds	4
Site Upgrade and Regreening	1
Pellet Plant Waste Gas Cleaning Project	36
Pellet Plant Fugitive Dust	7
Blast Furnace Water Treatment	7
Project Magnet Environmental Spend	60
TOTAL	147

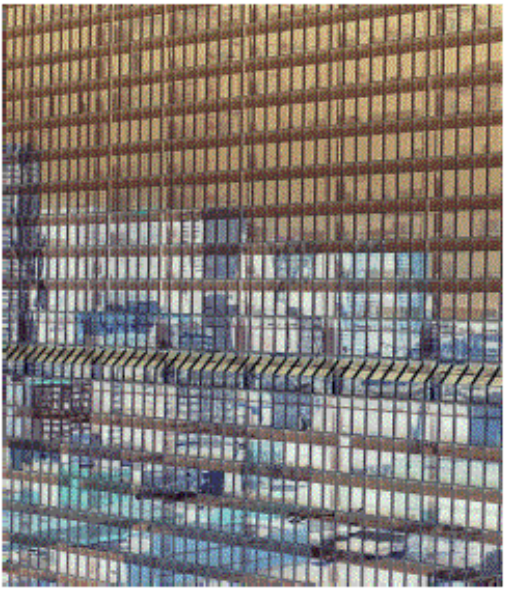
ISO14001 Accreditation achieved – Environment Management Systems

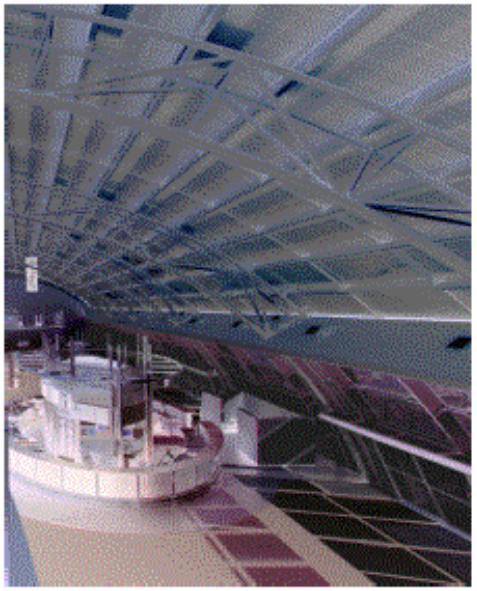
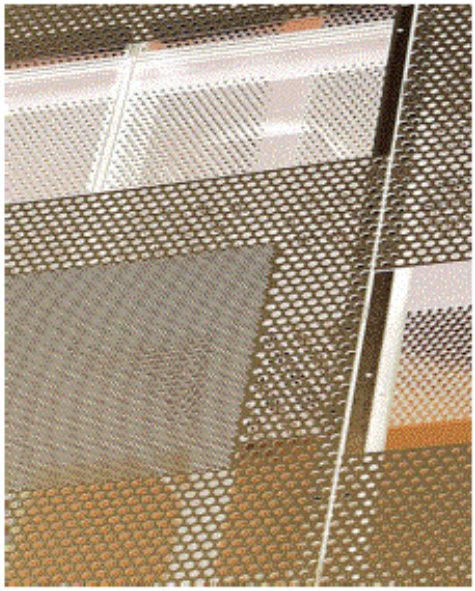
Competitive Position

- Main Competitors include:

Structurals – Imports Thailand, Korea, South Africa
Structurals – Domestic Steel Competitors Structural tube, Roll-formed sections
Structurals – Intermaterial Products Concrete (in-situ, pre-stressed, tilt-up), Structural timber
Rails – Imports Various international mills
Rail Products – Inter-material Products Concrete, Timber

Key Advantages
- Sole domestic manufacturer of a large range of structural and rail products
- Short supply lead times and reliable delivery performance
- Superior sales and service



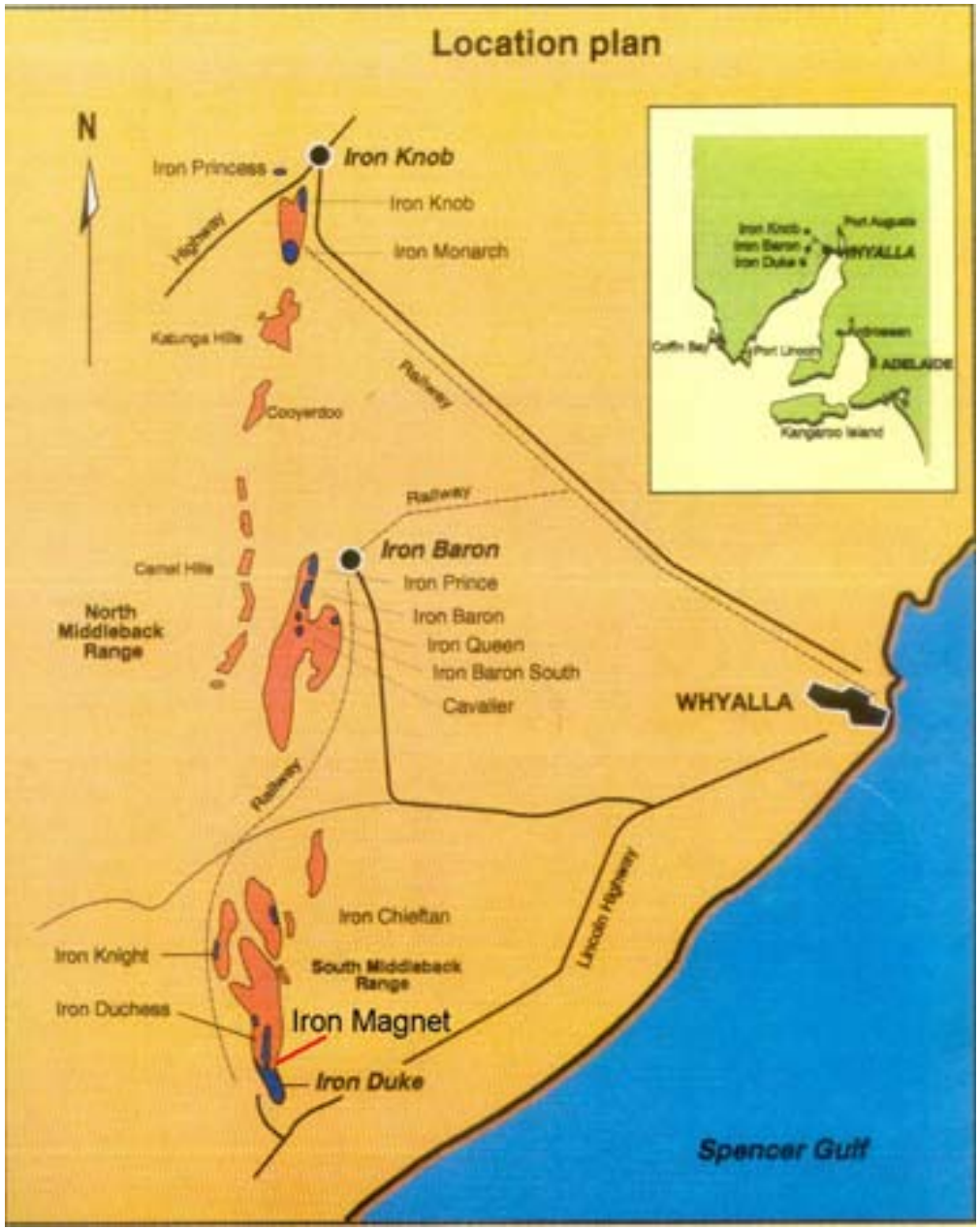



Project Magnet Attachments

Mines – Raw Materials Supply

- Iron Ore Mines (All mines ~ 80 km by rail from Whyalla Steelworks)
  - Iron Duke
  - Iron Duchess
  - Iron Knight
  - Iron Magnet (~ 60km by slurry pipeline from Whyalla Steelworks)
- Metallurgical Flux Mines
  - Near Iron Knob, Quartz
  - Ardrossan Dolomite
- Imported Raw Materials
  - Coal, NSW, NQLD & NZ
  - Limestone, Japan
  - Ferrous Alloys – Various

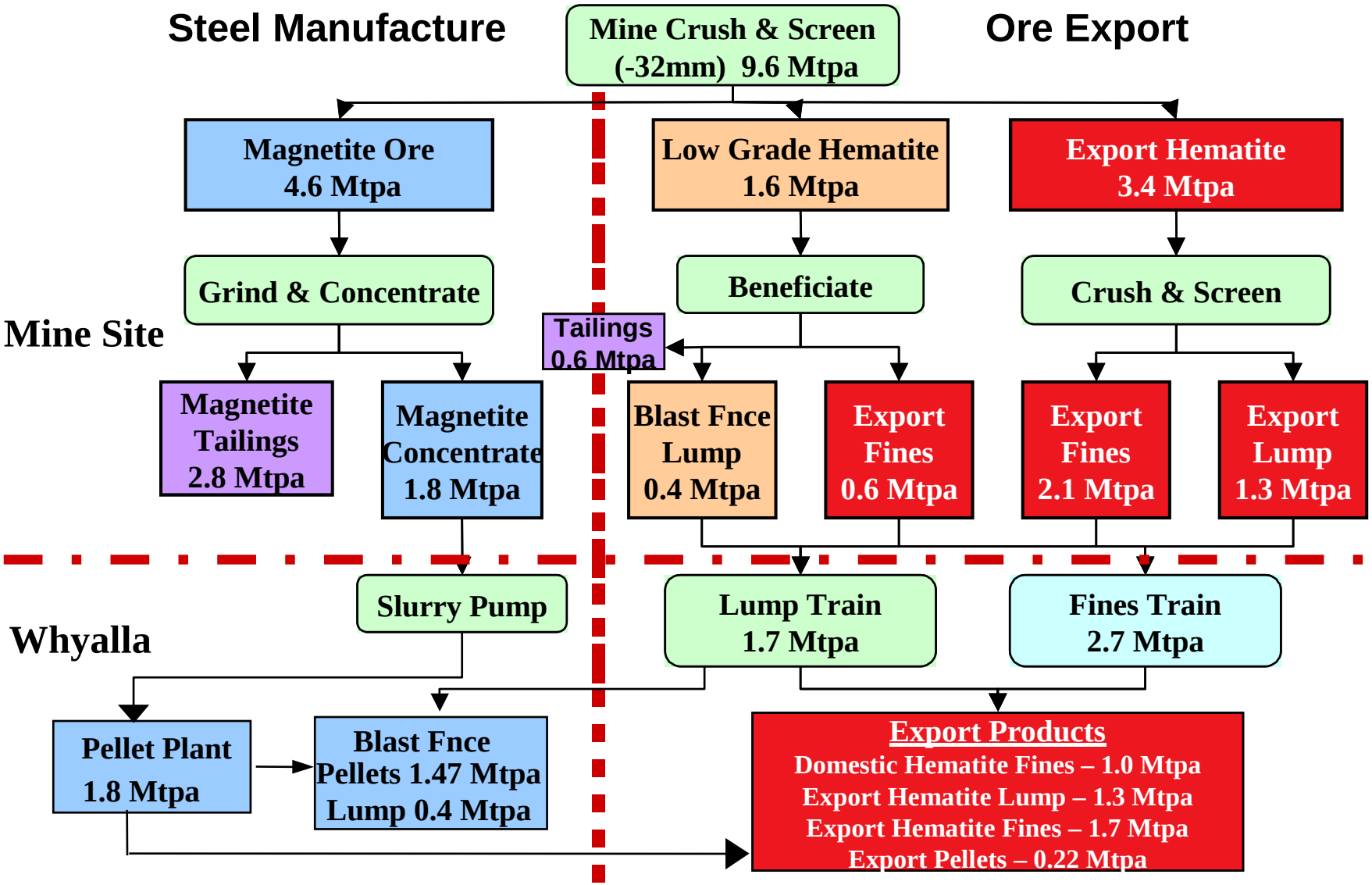
Mine Location



Mines – Operations History

1899	**BHP Started Mining at Iron Knob** (Iron Ore Flux for Port Pirie Smelter)
1901	**Tramway from Iron Knob to Hummock Hill Completed**
1914	**Newcastle Steelworks started**
1930	**Iron Baron Mine Developed**
1970	**Mine Production Peaked @ 7.6mt p.a.**
1989	**Iron Duke Mine Opened - Iron Baron Mine Closed**
1998	**Iron Duchess Mine Opened - Iron Knob Mine Closed**
1999	**Iron Knight Mine Opened**
2004	**Commissioning of Ore Beneficiation Plant**
2006	**Iron Magnet Mine**
2007	**Commissioning of Trans-shipping, Crushing & Screening**

Capacities and Material Flows



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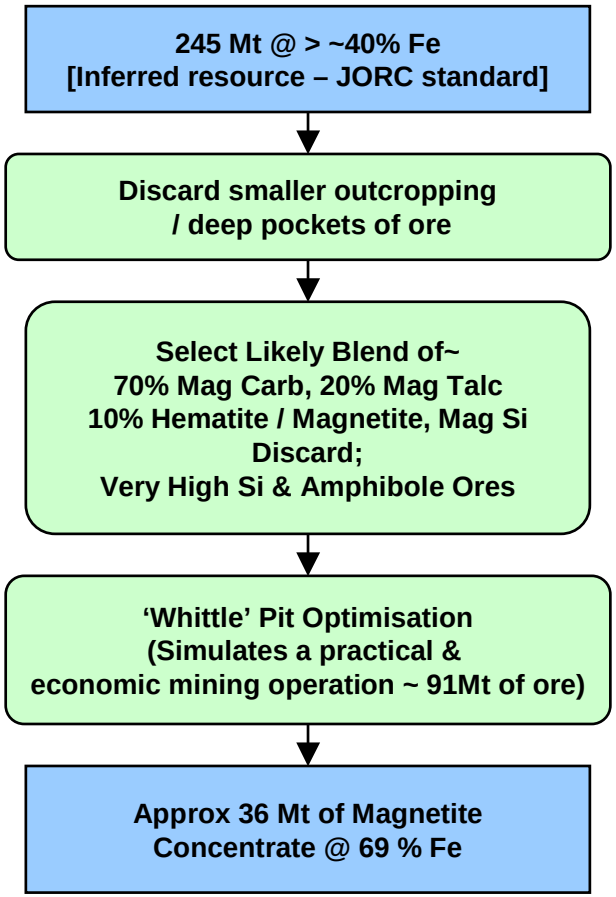
Magnetite Mine Ore Calculation

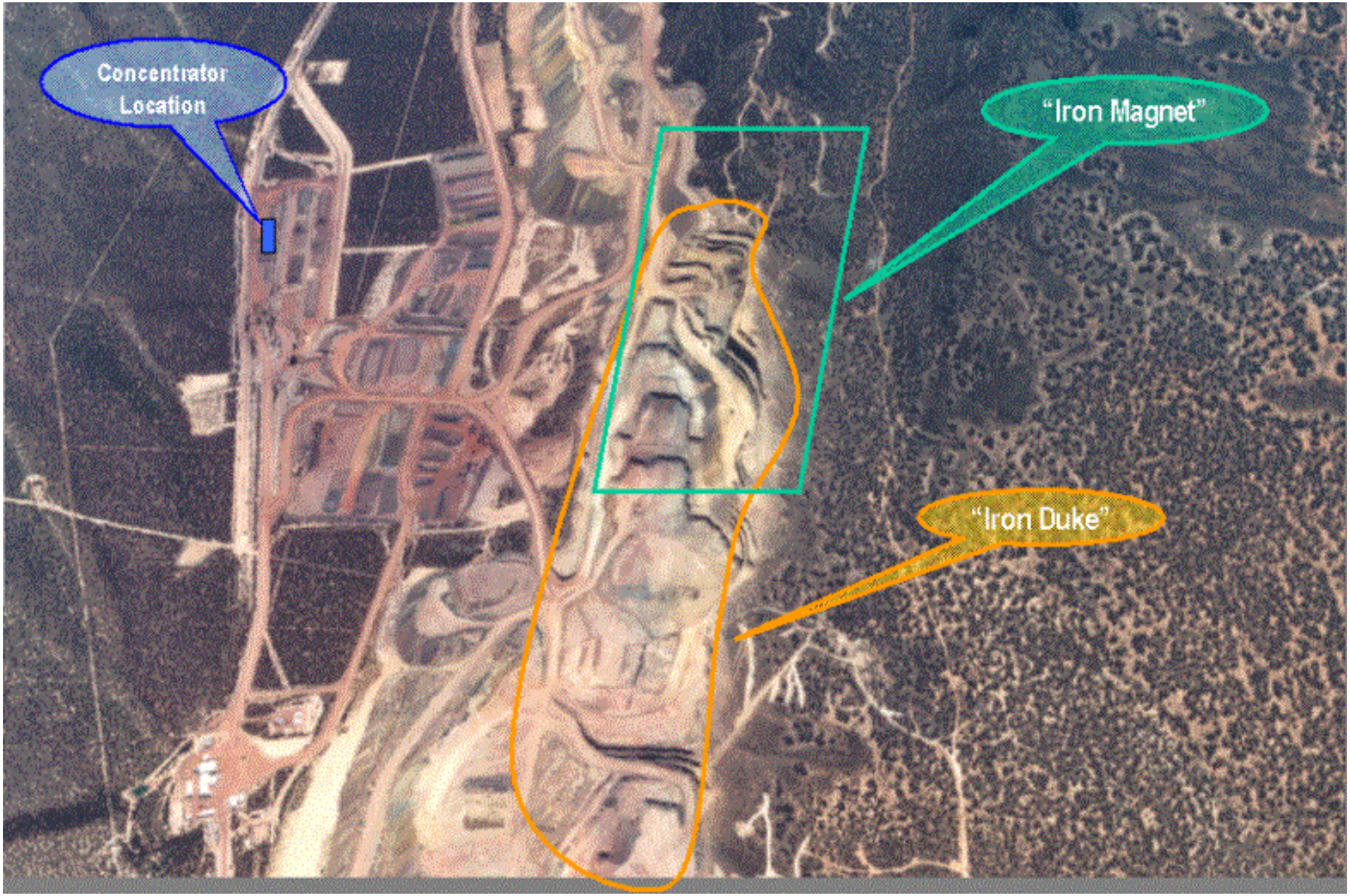
Magnetite ore calculation based on JORC standard

- **Total Magnetite Resource in South Middleback Ranges – based on JORC standard**
- **Select target area of most likely feasible magnetite deposit**
- **Select ore types that are 'usable' in beneficiation process, in percentages that are achievable**
- **Pit Optimisation Process**

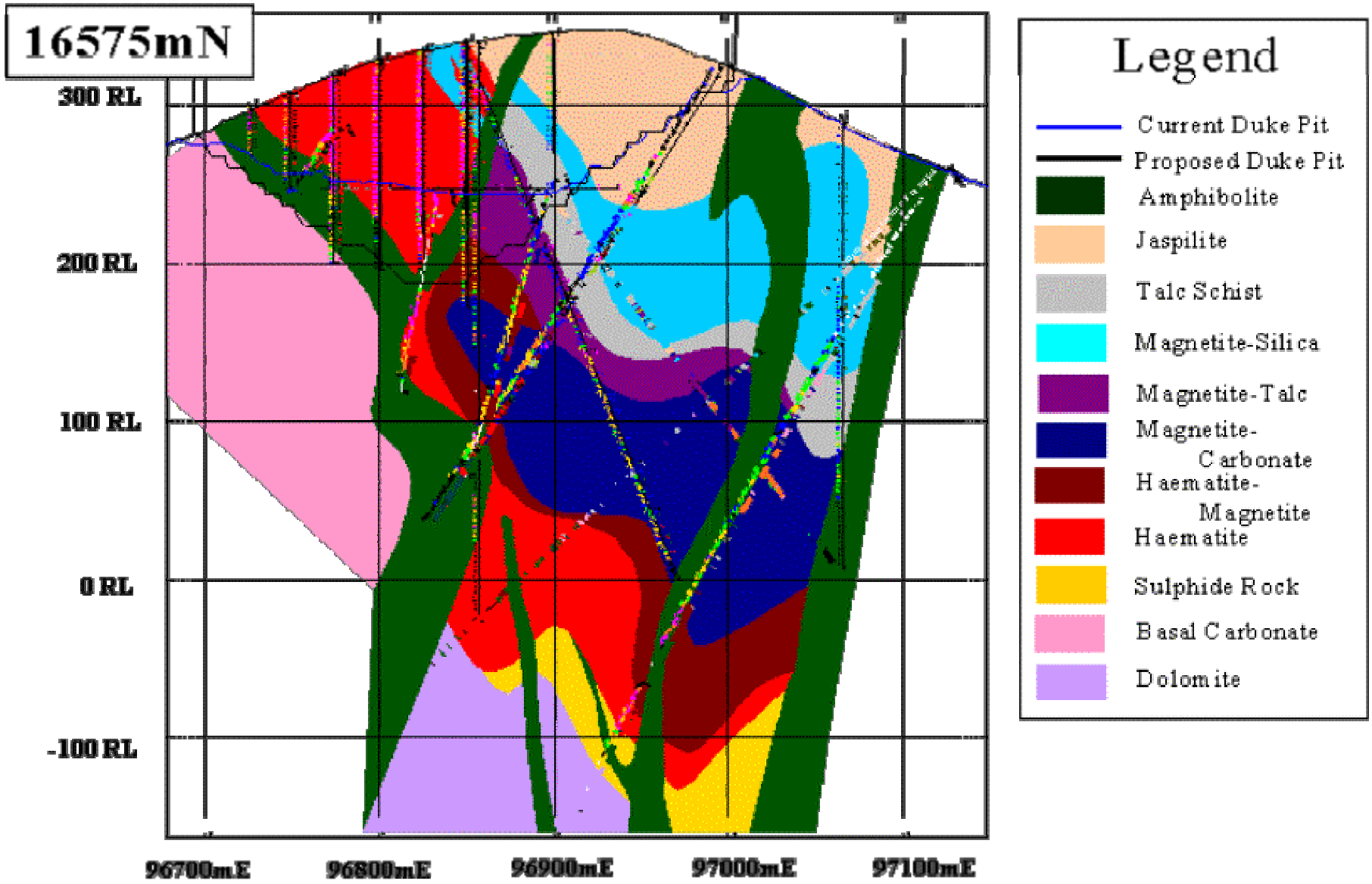
  (What can economically be mined)
- **Beneficiation process with 40% mass recovery, producing concentrate at ~ 69% Fe**



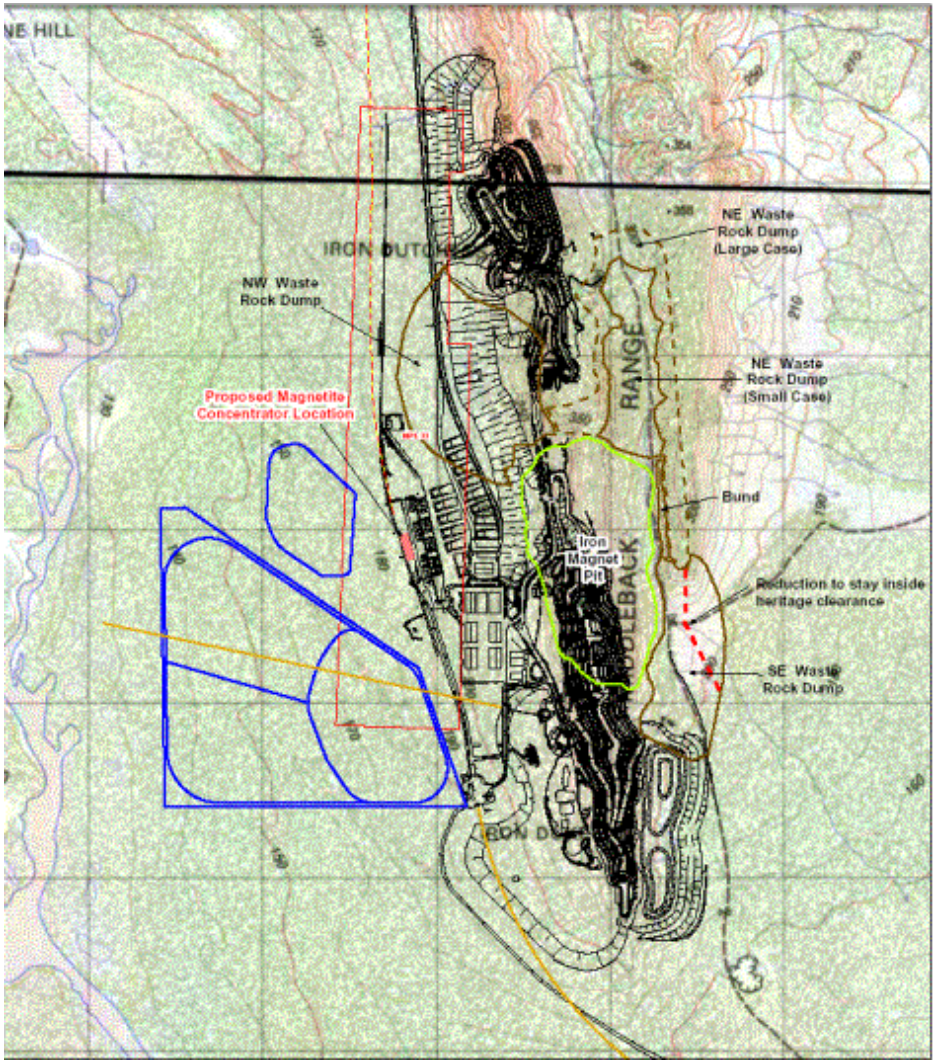
Project Magnet – Resource Location



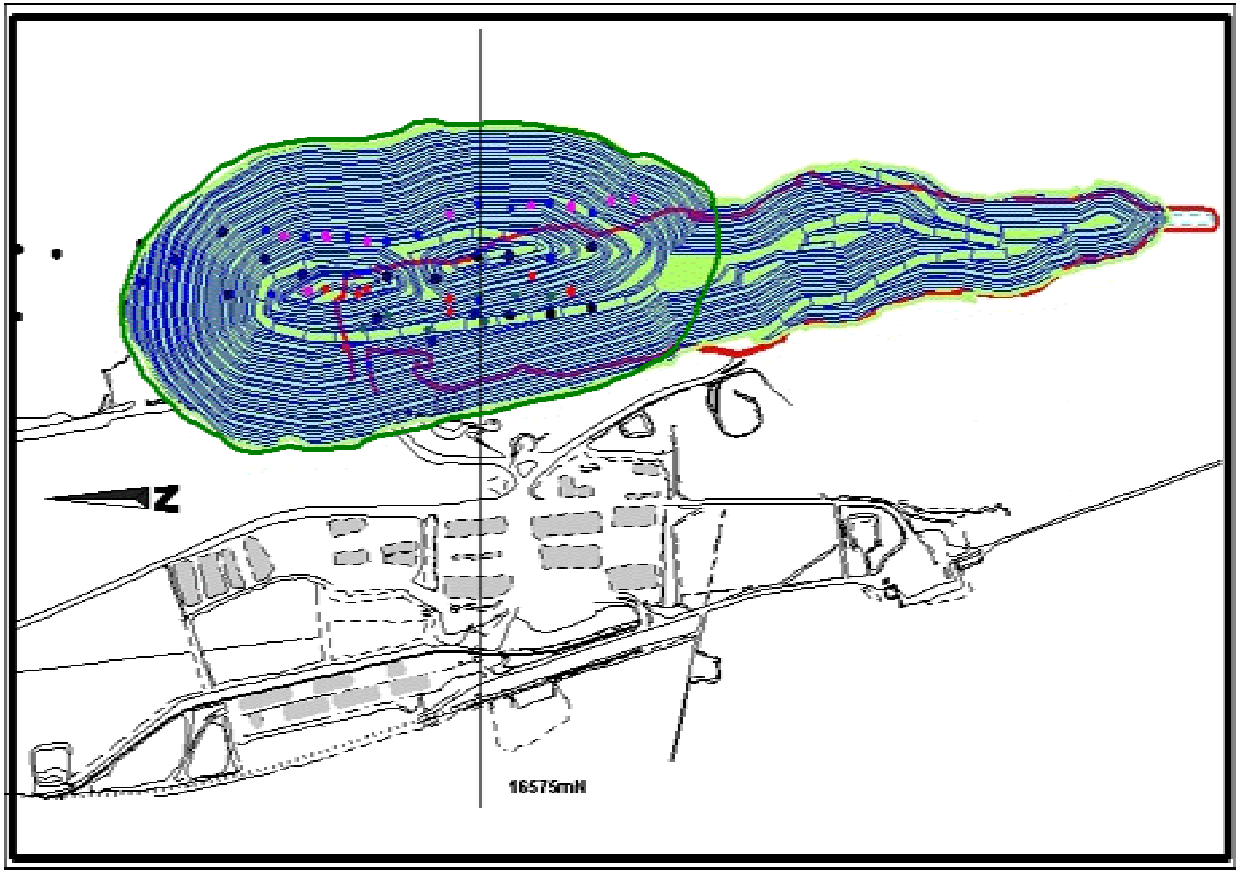
Project Magnet - Geology



Iron Magnet Mine Site



Iron Magnet Mine Site



Drill Holes

Iron Duke Pit Outline

Iron Magnet Pit Outline