

Address all shareholder correspondence to
OneSteel's share registry:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne VIC 3001 Australia
Phone (within Australia) 1300 364 787
Phone (outside Australia) +61 3 9415 4026
Facsimile +61 3 9473 2500

16 October 2008

Dear Shareholder

ANNUAL GENERAL MEETING – 17 NOVEMBER 2008

I have pleasure in inviting you to the eighth Annual General Meeting of OneSteel to be held in Sydney on Monday 17 November 2008 at the City Recital Hall, Angel Place, Sydney at 2.30 pm. A map is provided below to assist you with directions.

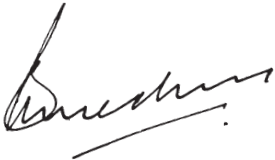
The formal Notice of Meeting is set out on the following pages and a Proxy Form is enclosed separately. The Proxy Form contains a barcode to assist with the registration process at the meeting. If you are attending the meeting, please bring this form with you. If you do not plan to attend the meeting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

The agenda for the meeting contains three items of business. These are to receive and consider the financial statements and reports of the directors and auditor, to approve the remuneration report, to approve the re-election of directors.

The Board recommends that shareholders vote in favour of the adoption of the remuneration report, the re-election of Mr Colin Galbraith, Mr Peter Nankervis, Mr Dean Pritchard and myself.

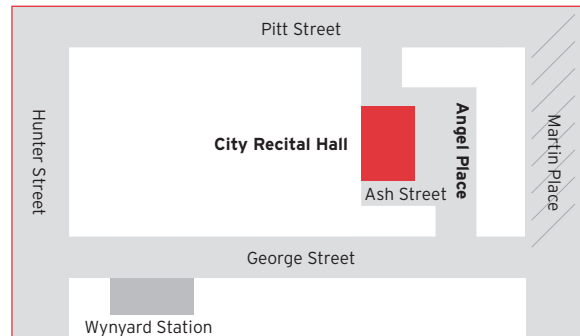
I am looking forward to welcoming you to OneSteel's annual general meeting. I extend a warm invitation to you to join directors and executives for afternoon tea at the conclusion of the meeting.

Yours sincerely,



Peter Smedley
CHAIRMAN

LOCATION OF ANNUAL GENERAL MEETING



OneSteel Limited ABN 63 004 410 833

OneSteel Head Office: Level 40, 259 George Street,
Sydney NSW 2000, GPO Box 536,
Sydney NSW 2001, Australia

Phone: +61 2 9239 6666

Facsimile: +61 2 9251 3042

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Notice of annual general meeting

The eighth Annual General Meeting of OneSteel Limited (ABN 63 004 410 833) ("the Company") will be held at the City Recital Hall, Angel Place, Sydney, NSW, Australia on Monday 17 November 2008 at 2.30pm AEDT. Registration will commence at 1.30 pm AEDT.

ORDINARY BUSINESS

1 Financial and Other Reports

To receive and consider the Financial Report and the Directors' Report for the year ended 30 June 2008, together with the Auditor's Report to the members of the Company.

2 Adoption of the Remuneration Report for the Year Ended 30 June 2008

To adopt the Remuneration Report for the year ended 30 June 2008.

3 Election of Directors

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

- (a) Mr C R Galbraith retires and being eligible, offers himself for re-election;
- (b) Mr P G Nankervis retires and being eligible, offers himself for re-election;
- (c) Mr D A Pritchard retires and being eligible, offers himself for re-election; and
- (d) Mr P J Smedley retires and being eligible, offers himself for re-election.

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

By order of the Board



Sharyn Page
COMPANY SECRETARY

16 October 2008

PROXIES

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

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

A member wishing to vote by proxy should complete the Proxy Form accompanying this notice and ensure that it is received by 2.30 pm AEDT on Saturday 15 November 2008 at the Company's share registry:

Computershare Investor Services
Pty Limited
Level 3, 60 Carrington Street
Sydney, NSW 2000, Australia
(Postal address: GPO Box 242,
Melbourne Vic 3001)
Facsimile: Australia 1 800 783 447;
International +61 3 9473 2555

or at the Company's registered office:

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

If you are returning your proxy by post, you should note that there will be no postal deliveries on Saturday 15 November 2008.

CORPORATE REPRESENTATIVE

In order to vote in person at the meeting, a corporation that is a shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act 2001 (Cth). The representative should bring to the meeting evidence of their appointment including an authority under which it is signed.

VOTING

For the purposes of voting at the meeting, the directors have determined that all shares of the Company that are quoted securities at 2.30 pm AEDT on Saturday 15 November 2008 are taken to be held by the persons who are registered as holding them at that time. The entitlement of members to vote at the meeting will be determined by reference to that time.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

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

Similarly, a reasonable opportunity will be given to shareholders to ask OneSteel's external auditor, KPMG, questions relevant to the conduct of the audit and the Auditor's Report in respect of OneSteel's Financial Report for the year ended 30 June 2008.

Shareholders may also submit a written question to KPMG. Relevant written questions for KPMG must be received no later than 5.00 pm AEDT on Monday, 10 November 2008.

ANNUAL REPORT

You can access OneSteel's 2008 Annual Report on the Company's website at www.onesteel.com.

EXPLANATORY NOTES

Item 1 – Financial Statements and Reports

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

Item 2 – Adoption of Remuneration Report by ordinary resolution

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

The Remuneration Report is also available on OneSteel's internet site (www.onesteel.com).

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

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

Item 3 – Election of Directors by ordinary resolutions

Article 9.2 of the Company's Constitution requires that at each Annual General Meeting, one-third of the directors and any other director who has held office for three years or more, must retire from office. As a consequence, Mr Colin Galbraith, Mr Dean Pritchard and Mr Peter Nankervis, who were last elected in November 2005, will each retire at this Annual General Meeting and offer themselves for re-election. Mr Peter Smedley will also retire (having been last elected November 2006) and will offer himself for re-election.

Details for the retiring directors are as follows:

C R (COLIN) GALBRAITH AM

LLB (Hons), LL.M., FAICD

Independent Non-Executive Director

Age 60. Appointed a director in October 2000. Mr Galbraith is Chairman of the Governance & Nominations Committee and a member of the Audit & Compliance Committee. He is a Special Adviser at Gresham Partners Limited having previously been a partner at law firm Allens Arthur Robinson specialising in commercial law. He is a director of Commonwealth Bank of Australia, CARE Australia and the Australian Institute of Company Directors, Chairman BHP Billiton Community Trust and a trustee of Royal Melbourne Hospital Neuroscience Foundation. Previously, he has been a director of Colonial Group, Azon Limited and GasNet Australia Limited (group).

Other listed company directorships held during the period 1 July 2005 to 30 June 2008:

- Commonwealth Bank of Australia since June 2000
- GasNet Australia Limited (group) from December 2001 until November 2006.

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P G (PETER) NANKERVIS

B Ec(Hons), FCPA, GAICD,
Independent Non-Executive Director

Age 58. Appointed a director in December 2004. Mr Nankervis is Chairman of the Audit & Compliance Committee and a member of the Operational Risk Committee. He is also a director of Dairy Australia Limited and Mitchell Communication Group Limited. Previously he was Chief Financial Officer of Cadbury Schweppes Asia Pacific and Finance Director of Cadbury Schweppes Australia Limited.

Other listed company directorships held during the period 1 July 2005 to 30 June 2008:

- Mitchell Communication Group Limited from 12 March 2007.

D A (DEAN) PRITCHARD

BE, FIE Aust, CP Eng, FAICD
Independent Non-Executive Director

Age 64. Appointed a director in October 2000. Mr Pritchard is a member of the Occupational Health, Safety & Environment Committee, the Human Resources Committee and the Operational Risk Committee. He is Chairman of Steel & Tube Holdings Limited, a New Zealand listed company in which OneSteel holds a 50.3% interest. He is also a director of OZ Minerals Limited, Spotless Group Limited and Eraring Energy. Previously, he was Chief Executive Officer of Baulderstone Hornibrook, Chairman of ICS Global Limited, a director of Railcorp and Zinifex Limited.

Other listed company directorships held during the period 1 July 2005 to 30 June 2008:

- ICS Global Limited from June 1999 until June 2007
- Zinifex Limited from March 2004 to July 2008
- Steel & Tube Holdings Limited since May 2005
- Spotless Group Limited since May 2007
- OZ Minerals Limited since June 2008.

P J (PETER) SMEDLEY

BCom, MBA, FAICD
Chairman
Independent Non-Executive Director

Age 65. Appointed a director and Chairman in October 2000. Mr Smedley is Chairman of the Operational Risk Committee and a member of the Governance & Nominations Committee and the Human Resources Committee. He is Chairman of Spotless Group Limited, and CARE Australia, and Deputy Chairman of the Colonial Foundation. He is also a director of The Australian Ballet and the Haven Foundation. His previous roles included Managing Director and Chief Executive Officer of Mayne Group Limited, Managing Director & Chief Executive Officer of the Colonial Group Limited, Chairman of the State Bank of New South Wales, Executive Director, Downstream Oil and Chemicals and Executive Director, Coal and Metals for Shell Australia Limited, Deputy Chairman of Newcrest Mining Limited and director of Austen & Butta Limited.

Other listed company directorships held during the period 1 July 2005 to 30 June 2008

- Spotless Group Limited appointed 8 December 2006.

The Board recommends that shareholders vote in favour of the re-election of Mr Galbraith, Mr Nankervis, Mr Pritchard and Mr Smedley.