

29 September 2008

OneSteel lodges notice of intention to make \$4.00 cash offer for Steel & Tube

OneSteel Limited (ASX: OST) today announced that its wholly owned subsidiary OneSteel NZ Holdings Limited ("OneSteel") has given notice to Steel & Tube Holdings Limited (NZX: STU) ("Steel & Tube") of its intention to make a cash offer for all of the shares in Steel & Tube that it does not already own (the "Offer"). OneSteel is the largest shareholder in Steel & Tube and owns 50.27% of the shares on issue.

OneSteel's offer price of NZ\$4.00 cash per Steel & Tube share would provide all Steel & Tube shareholders with the opportunity to realise a very attractive value for their shares. OneSteel's offer is subject to limited conditions and, importantly, is not subject to OneSteel raising finance.

Peter Smedley, OneSteel Limited's Chairman, said:

"If OneSteel's offer proceeds, Steel & Tube shareholders will have the opportunity to sell their shares for cash at a significant premium. The opportunity for all Steel & Tube shareholders to be able to receive cash is attractive given the illiquid market for Steel & Tube shares and the current economic uncertainty and market volatility."

OneSteel is seeking a unanimous recommendation from the Steel & Tube Board, in the absence of a superior proposal.

The Steel & Tube Board has indicated that it intends to obtain an Independent Adviser's report in relation to the Offer before making a formal recommendation to Steel & Tube shareholders. Consequently, OneSteel has today lodged a takeover notice, which will facilitate Steel & Tube's appointment of an Independent Adviser that is approved by the New Zealand Takeovers Panel. Assuming the Steel & Tube Board recommends the Offer, OneSteel expects to despatch the offer document within four weeks.

The Offer price of NZ\$4.00 cash per share:

- represents a 33% premium to the last price of Steel & Tube shares traded on NZX on 26 September 2008, being the last trading date prior to this announcement;¹
- represents a 17% premium to the volume weighted average price of Steel & Tube shares traded on NZX during the month ended on 26 September 2008;
- represents a 31% premium to the volume weighted average price of Steel & Tube shares traded on NZX during the 3 months ended on 26 September 2008;
- is significantly higher than the average of broker analyst price targets of NZ\$3.66 per share² and broker analyst valuations of NZ\$3.82 per share;³ and
- values Steel & Tube at an enterprise value of NZ\$437.9 million, which represents a 2008 EV/EBITDA multiple of 9.6x.⁴ This is significantly higher than other comparable steel distribution transactions.

¹ Steel and Tube closing share price on 26 September 2008 was NZ\$3.00.

² Average of price targets published by 7 brokers, being ABN AMRO, Citi, Credit Suisse, Forsyth Barr, Goldman Sachs JBWere, Macquarie and UBS, from reports published post 14 August 2008.

³ Average of valuations published by 7 brokers, being ABN AMRO, Citi, Credit Suisse, Forsyth Barr, Goldman Sachs JBWere, Macquarie and UBS, from reports published post 14 August 2008.

Geoff Plummer, OneSteel Limited's Managing Director and Chief Executive Officer, said:

"If OneSteel's offer proceeds, it will allow OneSteel to simplify its corporate structure and efficiently manage the Steel & Tube business as part of the OneSteel group."

"OneSteel's proposal confirms its commitment to the New Zealand market and to Steel & Tube's business, employees, customers and suppliers. If OneSteel's offer proceeds, OneSteel intends to retain the Steel & Tube brand, grow the Steel & Tube business and maintain a quality product offering and high level of service."

Based on the Offer price of NZ\$4.00 per share and excluding transaction costs, OneSteel expects the transaction to be EPS accretive in the first full year following its completion of the transaction and thereafter.

OneSteel intends to fund the Offer entirely from existing debt facilities.

The Offer is subject to limited conditions, including OneSteel receiving sufficient acceptances to increase its shareholding in Steel & Tube to at least 90%, Overseas Investment Office approval and the NZX50 does not close below 2,710 on three consecutive trading days between today and the end of the period by which the offer must become unconditional.

A copy of the takeover notice is set out in Annexure A.

For further information please contact:

Steve Ashe
General Manager
Investor Relations & External Affairs
Tel: +612 9239 6616
Mob: 0408 164 011
Email: ashes@onesteel.com

⁴ Assuming NZ\$83.8 million of net debt (as at 30 June 2008).

ANNEXURE A

**NOTICE OF INTENTION TO MAKE AN OFFER FOR STEEL & TUBE HOLDINGS LIMITED
UNDER THE TAKEOVERS CODE**

To: Steel & Tube Holdings Limited
15-17 Kings Crescent
Lower Hutt

Cc: Takeovers Panel
Level 8 Unisys House
56 The Terrace
PO Box 1171
Wellington 6011

Cc: New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
PO Box 2959
Wellington 6011

OneSteel NZ Holdings Limited advises, pursuant to Rule 41 of the Takeovers Code, that it intends to make a full offer under the Takeovers Code to purchase all of the equity securities in Steel & Tube Holdings Limited not already held by it.

Attached is the form of offer document proposed to be sent to Steel & Tube Holdings Limited shareholders. It includes the information specified in Schedule 1 to the Takeovers Code which is required to be contained in, or to accompany, this notice, stated as at the date of this notice.

The offer to Steel & Tube Holdings Limited shareholders will be made in the form of the attached offer document, with any modifications and additional information permitted or required by the Takeovers Code.

Please provide the class notice, in accordance with Rule 42A of the Takeovers Code, containing a description of each class of Steel & Tube Holdings Limited's equity securities, whether voting or non-voting securities.

This notice is dated 29 September 2008.

OneSteel NZ Holdings Limited



Geoff Plummer
Director
OneSteel NZ Holdings Limited

FULL OFFER BY

ONESTEEL NZ HOLDINGS LIMITED

TO PURCHASE ALL THE EQUITY SECURITIES IN

STEEL & TUBE HOLDINGS LIMITED

MADE PURSUANT TO THE TAKEOVERS CODE

DATED [] 2008

IMPORTANT:

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Steel & Tube Holdings Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or agent (eg the broker) through whom the sale was made, to be passed to the purchaser.

Steel & Tube Holdings Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

SUMMARY OF OFFER

OneSteel NZ Holdings Limited ("**OneSteel**") is making a full takeover offer ("**Offer**") for all of the fully paid ordinary shares in Steel & Tube Holdings Limited ("**Steel & Tube Shares**") that it does not already hold. The key terms of the Offer are:

- The consideration offered is \$4.00 in cash for each Steel & Tube Share you own.
- The Offer is a conditional offer, with the principal conditions being that OneSteel:
 - receives acceptances for such number of voting securities of Steel & Tube Holdings Limited ("**Steel & Tube**") which, when aggregated with those held or controlled by OneSteel, comprise not less than 90% of all voting securities; and
 - obtains approval under the Overseas Investment Act 2005 to the acquisition of the Steel & Tube Shares.
- The Offer closes at 5 pm on [] 2008 unless extended in accordance with the Takeovers Code.

Detailed terms of the Offer are set out on pages [] to [] of this document ("**Offer Document**").

HOW TO ACCEPT THIS OFFER

To accept the Offer by OneSteel, you should complete the form of acceptance and transfer ("**Acceptance Form**") enclosed with this Offer in accordance with the instructions set out on the form. Then mail the Acceptance Form in the enclosed prepaid envelope to:

OneSteel NZ Holdings Limited
C/o Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

Alternatively, you may **deliver** your completed Acceptance Form to OneSteel at the following address:

OneSteel NZ Holdings Limited
C/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road,
Takapuna, Auckland
New Zealand

You may also **fax** your completed Acceptance Form to OneSteel on +64 9 488 8787.

If you have sold all or some of your Steel & Tube Shares, please refer to the instructions below.

If you have any queries about the Offer, please contact Computershare Investor Services Limited on 0800 107 108 within New Zealand, or +64 9 488 8700 outside New Zealand, or seek assistance from a professional adviser.

IMPORTANT

ACCEPTANCES MUST BE RECEIVED BY COMPUTERSHARE INVESTOR SERVICES

LIMITED BY 5 PM ON [Date] 2008

(UNLESS EXTENDED)

PLEASE NOTE**IF YOU HAVE SOLD ALL YOUR STEEL & TUBE SHARES**

Please send this Offer Document and all enclosures (including the Acceptance Form) at once to the new Steel & Tube shareholder or the broker through whom you made the sale requesting that they be forwarded to the new Steel & Tube shareholder.

IF YOU HAVE SOLD SOME OF YOUR STEEL & TUBE SHARES AND WISH TO ACCEPT THE OFFER

Please alter the total holding on the Acceptance Form to the number of Steel & Tube Shares which you have retained, complete in accordance with the instructions set out in the Acceptance Form, and forward the amended Acceptance Form in the reply paid envelope supplied to OneSteel.

Upon receipt of the amended Acceptance Form, OneSteel will recalculate the amount of cash comprising your consideration to reflect the number of Steel & Tube Shares sold by you.

Please also request the broker through whom you made the sale to advise the purchaser or purchasers of your Steel & Tube Shares of this Offer Document and that copies of it are available from Computershare Investor Services Limited by calling Computershare Investor Services Limited on 0800 107 108 within New Zealand or + 64 9 488 8700 outside New Zealand. Please also advise Computershare Investor Services Limited of the number of Steel & Tube Shares sold and the broker concerned.

ENQUIRIES

If you have questions regarding the Offer or how to complete the Acceptance Form, please call Computershare Investor Services Limited on 0800 107 108 within New Zealand, or + 64 9 488 8700 outside New Zealand.

**FULL OFFER BY ONESTEEL NZ HOLDINGS LIMITED
IN RELATION TO STEEL & TUBE HOLDINGS LIMITED**

TO: The shareholders of Steel & Tube Holdings Limited ("**Steel & Tube**").

1. THE OFFER

1.1 OneSteel NZ Holdings Limited ("**OneSteel**") offers to purchase all the fully paid ordinary shares in Steel & Tube ("**Steel & Tube Shares**") not already held by OneSteel at the date of this Offer, including all rights attached to the Steel & Tube Shares on 29 September 2008, being the date on which OneSteel gave Steel & Tube notice of intention to make this Offer (the "**Notice Date**") or which arise subsequently.

1.2 The Offer is dated [] 2008 and remains open for acceptance until [Time] on [Date] ("**Offer Period**"). OneSteel may extend the Offer Period, subject to the provisions of the Takeovers Code. The expiry of the Offer Period (as it may be extended from time to time (if at all)) is referred to as the "**Closing Date**".

1.3 A holder of Steel & Tube Shares may accept this Offer in respect of all or any Steel & Tube Shares held by that holder.

1.4 This Offer is made on the terms, and subject to the conditions, set out in this Offer Document and on the terms contained in the Takeovers Code (except to the extent that the terms contained in the Takeovers Code are, where permitted by the Takeovers Code, varied by this Offer).

2. CONSIDERATION

Steel & Tube Shares

2.1 Subject to the terms of this Offer, the consideration offered for each Steel & Tube Share is \$4.00 in cash.

3. TERMS OF THE OFFER

3.1 All Steel & Tube Shares in respect of which this Offer is accepted (including all rights attached to those Steel & Tube Shares at the Notice Date or which arise subsequently), and all shares, options and other securities of the nature referred to in clauses 7.2 to 7.4, must be free of all liens, charges, mortgages, encumbrances and other adverse interests or claims of any kind when they are transferred to OneSteel.

4. ACCEPTANCE OF OFFER

- 4.1 To accept this Offer, you must complete the enclosed Acceptance Form and return it to OneSteel, in accordance with the instructions printed on each Acceptance Form, as soon as possible but in any event so as to be received not later than the Closing Date. No acknowledgement of the receipt of acceptances will be issued by OneSteel.
- 4.2 OneSteel may, in its discretion, treat any acceptance form as valid whether or not it complies with clause 4.1 or is otherwise irregular. OneSteel may also, in its discretion, rectify any errors in, or omissions from, any Acceptance Form to enable that Acceptance Form to constitute a valid acceptance of the Offer and to facilitate registration of the transfer of the relevant Steel & Tube Shares to OneSteel, including inserting or correcting details of the Steel & Tube Shares held by the acceptor and filling in any blanks. The determination of OneSteel will be final and binding on all parties.
- 4.3 Except as provided in clauses 4.4 and 4.5, acceptances are irrevocable and acceptors are not entitled to withdraw their acceptances of this Offer, whether or not this Offer has been varied by OneSteel in accordance with the Takeovers Code.
- 4.4 If the consideration is not sent within the period specified in clause 6.1 to any acceptor whose Steel & Tube Shares are taken up under this Offer, that acceptor may withdraw acceptance of this Offer:
- (a) by notice in writing to OneSteel; but only
 - (b) after the expiration of 7 days' written notice to OneSteel of that acceptor's intention to do so.
- However, the right to withdraw acceptance of this Offer does not apply if that acceptor receives the consideration during the 7 day period referred to in paragraph (b).
- 4.5 OneSteel and every acceptor shall be released from their obligations under this Offer, and arising from acceptance of this Offer, if:
- (a) this Offer is withdrawn with the consent of the Takeovers Panel; or
 - (b) this Offer lapses as a result of any condition in section 5 not being satisfied or, if permitted, waived by the date specified in clause 5.6 as the latest date for satisfaction of that condition.
- 4.6 This Offer is open for acceptance by all persons who have acquired Steel & Tube Shares from any person to whom this Offer has been sent by OneSteel.

- 4.7 Except where OneSteel is required by the Takeovers Code to give or send notice of any matter to the holders of Steel & Tube Shares, notice by OneSteel to New Zealand Exchange Limited ("**NZX**") and to Steel & Tube of any matter relating to this Offer will constitute notice of that matter to Steel & Tube Shareholders and will be deemed to have been duly given on the day following the date of notification to NZX.

5. CONDITIONS

- 5.1 This Offer is conditional on acceptances being received, by the Closing Date, in respect of that number of Steel & Tube Shares which, when taken together with Steel & Tube Shares already held or controlled by OneSteel, confer 90% or more of the total voting rights in Steel & Tube.
- 5.2 This Offer is also conditional on OneSteel obtaining all necessary approvals under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 on terms and conditions which are usual for the granting of such consents.
- 5.3 This Offer is also subject to the following further conditions:
- (a) That during the period from the Notice Date until the date by which this Offer must become unconditional as referred to in clause 5.6, no enquiry, action, suit, proceeding or investigation has been commenced, implemented or threatened against Steel & Tube and/or any of its subsidiaries by any governmental, quasi-governmental, statutory, regulatory or investigative body or authority in any jurisdiction; and
 - (b) That during the period from the Notice Date until the date by which the Offer must become unconditional as referred to in clause 5.6, the level of the NZX50 index does not close below 2,710 on any three consecutive trading days.
- 5.4 Each of the conditions set out in clauses 5.1, 5.2 and 5.3 are separate conditions subsequent, and acceptance of this Offer by each acceptor shall constitute a contract by that acceptor with OneSteel subject to those conditions. The conditions set out in clauses 5.1 and 5.3 are for the sole benefit of OneSteel and may be waived in whole or in part by OneSteel in its discretion. The Offer will only proceed if all the conditions in clauses 5.1, 5.2 and 5.3 are satisfied or waived (if capable of waiver).
- 5.5 To the extent required by the Takeovers Code, where the condition set out in clause 5.2 requires a determination as to whether a matter is or could reasonably be excepted to be unusual or not before the condition may be invoked, such determination must be made by a suitably qualified expert jointly appointed by OneSteel and the independent

directors of Steel & Tube, in any case who is not an associate of OneSteel, prior to OneSteel being able to invoke the condition.

- 5.6 The latest date on which this Offer can become unconditional (unless the Offer Period is extended) is **[Date]**. Should this Offer not become unconditional by or on that date it will lapse and all Acceptance Forms will be returned by OneSteel to acceptors.

6. SETTLEMENT

- 6.1 The consideration for the Offer will be paid by OneSteel by cheque sent by ordinary mail or paid in cleared funds by electronic transfer to each holder of Steel & Tube Shares who accepts the Offer ("**Accepting Steel & Tube Shareholders**") by the later of:

- (a) 7 days after the date on which this Offer becomes unconditional; or
- (b) 7 days after the date on which that acceptor's acceptance is received; or
- (c) **[Date]** being 7 days after the end of the Offer Period specified in clause 1.2.

Accepting Steel & Tube Shareholders may elect their preferred method of payment on the Acceptance Form.

7. DIVIDENDS AND CHANGES TO CAPITAL STRUCTURE

- 7.1 If Steel & Tube pays any dividend or other cash distribution in respect of Steel & Tube Shares on or after the Notice Date then, at the option of OneSteel, either:

- (a) the consideration per Steel & Tube Share payable under clause 2.1 will be reduced by an amount equivalent to that dividend or other cash distribution per Steel & Tube Share to take account of the amount of such dividend or other cash distribution; or
- (b) acceptors of this Offer will be bound to pay to OneSteel in respect of each Steel & Tube Share for which they have accepted this Offer (provided the dividend or other cash distribution is paid or payable in respect of that Steel & Tube Share) an amount equivalent to that dividend or other cash distribution.

- 7.2 If Steel & Tube makes any bonus issue of shares, options, or other securities in respect of Steel & Tube Shares on or after the Notice Date, then either:

- (a) if the bonus issue is of Steel & Tube Shares, then the consideration per Steel & Tube Share payable under clause 2.1 shall be reduced to take account of the

effect of the bonus issue such that the total aggregate consideration payable for all fully paid Steel & Tube Shares in this Offer (including those bonus shares), if accepted in full, remains the same as it would have been had not such bonus issue taken place;

- (b) if the bonus issue is of securities other than Steel & Tube Shares, each acceptor must transfer to OneSteel, without additional consideration, the number of those securities which is attributable to the Steel & Tube Shares transferred, and if an acceptor fails to do so, the consideration payable by OneSteel to that acceptor shall be reduced by such amount as OneSteel reasonably considers appropriate to take account of that failure.

7.3 If Steel & Tube subdivides or consolidates the Steel & Tube Shares on or after the Notice Date this Offer will be for the securities resulting from such subdivision or consolidation and the consideration per Steel & Tube Share payable under clause 2.1 will be correspondingly reduced or increased to the extent (if any) required to reflect such subdivision or consolidation and acceptors must transfer the relevant subdivided or consolidated shares to OneSteel without any additional consideration.

7.4 If Steel & Tube issues any further fully paid ordinary shares on or after the Notice Date whether pursuant to any dividend reinvestment plan, share investment scheme or employee share scheme, or otherwise, and clause 7.2 does not apply, this Offer will extend to such of those shares as are not held by OneSteel.

8. BROKER HANDLING FEE

8.1 Subject to the terms in this section 8, if the Offer becomes or is declared unconditional, OneSteel will pay a broker handling fee ("**Broker Fee**") to NZX Trading and Advising Firms ("**Broker**") in respect of all Acceptance Forms which are received by OneSteel prior to the Closing Date in accordance with section 4, which bear the stamp of that Broker. The Broker Fee will be paid by OneSteel and not by acceptors.

8.2 The amount of the Broker Fee will be 0.75% of the consideration payable by OneSteel under the Offer to the relevant shareholder in respect of the Acceptance Form received. The Broker Fee will be subject to a minimum amount of \$50 and a maximum amount of \$750 for any single Acceptance Form, inclusive of GST, if any. OneSteel reserves the right to aggregate any Acceptance Forms in determining the Broker Fees payable to any Broker if OneSteel believes that a party or parties has/have structured holdings of Steel & Tube Shares to take advantage of the Broker Fee.

- 8.3 The Broker Fee is payable, upon the Offer becoming unconditional, to any Broker whose stamp appears on the Acceptance Form. Only one Broker Fee will be paid in respect of any qualifying Acceptance Form.
- 8.4 The Broker Fee is payable to Brokers only. No part of any Broker Fee may be passed on or paid to the accepting Steel & Tube shareholders.
- 8.5 Subject to the terms of this section 8, payment of the Broker Fee, in respect of a valid Acceptance Form bearing the Broker's stamp, will be sent at the later of within 7 days after the end of the Offer Period and within 7 days after the consideration payable to the relevant acceptor has been sent to that acceptor.
- 8.6 The determination of any matter pursuant to this section 8 by OneSteel will be final and binding on all parties.

9. GENERAL

- 9.1 By acceptance of this Offer, each acceptor will be deemed to:
- (a) authorise OneSteel to advise Steel & Tube and/or its share registrar of the details of that acceptor's acceptance and to note the registers of Steel & Tube Shares with those details; and
 - (b) represent and warrant to OneSteel that title to that acceptor's Steel & Tube Shares (including all rights attached to those Steel & Tube Shares at the Notice Date or which arise subsequently), and to all other shares, options and other securities of the nature referred to in clauses 7.2, 7.3 and 7.4 will pass to OneSteel free of all charges, liens, mortgages, encumbrances and other adverse interests and claims of any kind, and that that acceptor has full power and capacity to sell and transfer all such securities.
- 9.2 All cheques, Acceptance Forms and other documents to be delivered or sent by or to a holder of Steel & Tube Shares will be delivered or sent to or from that holder at that holder's own risk.
- 9.3 The provisions set out in the Acceptance Form forms part of the terms of the Offer.
- 9.4 All references in this document and in the Acceptance Form to:
- (a) currency are to New Zealand currency, unless stated otherwise;
 - (b) time are to New Zealand time, unless stated otherwise;

(c) the singular include the plural and vice versa, unless the context otherwise requires.

9.5 Headings are for convenience only and do not affect the interpretation of this document or the Acceptance Form. Any expression that is defined in the Takeovers Act 1993, or in the Takeovers Code, and used (but not defined) in this Offer has the same meaning as in the Takeovers Act or Takeovers Code.

9.6 This Offer may be varied by OneSteel in accordance with the Takeovers Code.

9.7 This Offer, and all contracts arising from acceptance of it, will be governed by the laws of New Zealand. OneSteel and each acceptor submit to the non-exclusive jurisdiction of the courts of New Zealand.

10. ADDITIONAL INFORMATION

10.1 The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer Document, is set out below.

OneSteel and its directors

10.2 The registered office and address for service of OneSteel is C/- PricewaterhouseCoopers, Level 8, PricewaterhouseCoopers Tower, 188 Quay Street, Auckland.

10.3 The directors of OneSteel are:

- Antony Harvey Combe
- Geoffrey John Plummer
- Stuart Earl Bauld

Ownership of equity securities of Steel & Tube

10.4 The table below sets out the number, designation, and percentage of equity securities of any class of Steel & Tube held or controlled by:

- (a) OneSteel; and
- (b) any related company of OneSteel; and
- (c) any person acting jointly or in concert with OneSteel; and

- (d) any director of any of the persons described in paragraphs (a) to (c); and
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of OneSteel.

Name	Number of equity securities held or controlled	Type of equity security	Percentage of class
OneSteel NZ Holdings Limited	44,504,814	Ordinary Shares	50.27

Except as disclosed above, as far as OneSteel is aware, none of the other persons referred to in paragraphs (a) to (d) of this clause 10.4 holds or controls equity securities of Steel & Tube.

Trading in Steel & Tube equity securities

- 10.5 During the 6 month period before the date of this takeover notice none of the persons referred to in paragraphs (a) to (d) of clause 10.4 has acquired or disposed of equity securities of Steel & Tube.

Agreements to accept offer

- 10.6 No person has agreed conditionally or unconditionally to accept this Offer.

Arrangements to pay consideration

- 10.7 OneSteel confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of this Offer and to pay any debts incurred in connection with this Offer (including the debts arising under Rule 49 of the Takeovers Code).
- 10.8 A statement setting out the rights of offerees under Rule 34 of the Takeovers Code is set out in clause 4.4.

Arrangements between OneSteel and Steel & Tube

- 10.9 No arrangement or agreement (whether legally enforceable or not) has been made, or is proposed to be made, between OneSteel or any associates of OneSteel, and Steel & Tube or any related company of Steel & Tube, in connection with, in anticipation of, or in response to, the Offer.

Arrangements between OneSteel, and directors and officers of Steel & Tube

- 10.10 No arrangement or agreement (whether legally enforceable or not) has been made, or is proposed to be made, between OneSteel or any associates of OneSteel, and any directors or senior officers of Steel & Tube or any related company of Steel & Tube, in connection with, in anticipation of, or in response to, the Offer.

Financial assistance

- 10.11 If, as a result of the Offer or otherwise, OneSteel becomes entitled to acquire compulsorily all the equity securities in Steel & Tube that OneSteel does not already hold or control, it is intended that those compulsory acquisition rights will be exercised ("**successful completion of the Offer**"). On successful completion of the Offer, OneSteel intends that Steel & Tube and its subsidiaries will become part of the charging group for the purposes of OneSteel and its related companies' banking facilities.

Likelihood of changes in Steel & Tube

- 10.12 Following successful completion of the Offer, OneSteel's current intention is to continue to operate Steel & Tube's existing business in their current markets and therefore does not foresee any significant changes to employee numbers will result from the Offer. OneSteel does not intend to make any material changes in respect of the business activities of Steel & Tube and its subsidiaries, other than:

- (a) to review Steel & Tube's safety systems and bring them into line with OneSteel's;
- (b) changes to improve operational efficiency identified through OneSteel's integration process;
- (c) to integrate and streamline Steel & Tube's corporate governance systems to bring them into line with those of OneSteel and its related companies; and
- (d) following a successful completion of the Offer, OneSteel will seek to delist Steel & Tube from the NZSX and remove the independent Steel & Tube directors.

Pre-emption clauses in Steel & Tube's constitution

- 10.13 There are no restrictions on the right to transfer equity securities to which the Offer relates that are contained in the constitution of Steel & Tube and have the effect of

requiring the holders of the securities to offer the securities for purchase to members of Steel & Tube or to any other person before transferring the securities.

Escalation clauses

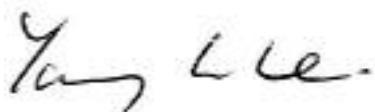
- 10.14 No agreement or arrangement (whether legally enforceable or not) has been made, or has been proposed to be made, under which:
- (a) any existing holder of equity securities in Steel & Tube will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer; or
 - (b) any prior holder of equity securities in Steel & Tube will or may receive any consideration or other benefit as a consequence of the Offer.

Certificate

- 10.15 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the takeover notice is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the offeror under the Takeovers Code.



Chief Executive Officer of OneSteel Limited
(fulfilling the role of Chief Executive Officer and
Chief Financial Officer of OneSteel NZ Holdings
Limited)



Director on behalf of the board of directors of
OneSteel NZ Holdings Limited, pursuant to a
resolution of the board passed on 28 September
2008



Director on behalf of the board of directors of
OneSteel NZ Holdings Limited, pursuant to a
resolution of the board passed on 28 September
2008

1. **TO ACCEPT THE OFFER:**
 - (a) Insert the number of Steel & Tube Shares in respect of which you wish to accept the Offer in the space provided.
 - (b) Insert the date of signing in the space provided. Please ensure that all details on this form are correct. Please alter this form if required.
 - (c) Sign this form where marked "For an Individual or holder of Power of Attorney". Companies must sign where marked "For a Company" in accordance with the Companies Act 1993 or other applicable law.
2. **NUMBER OF STEEL & TUBE SHARES NOT STATED:** If a Transferor does not indicate in this form the number of Steel & Tube Shares in respect of which he or she wishes to accept the Offer, the Transferor will be deemed to have accepted the Offer in respect of all of his or her Steel & Tube Shares and to have stated that number in the boxes on the front page.
3. **JOINT HOLDERS:** If your Steel & Tube Shares are registered in the names of joint holders, all must sign the form.
4. **SHARES HELD BY NOMINEES:** If your Steel & Tube Shares are held through a nominee, advise your nominee that you wish to sell the relevant number of Steel & Tube Shares and instruct it to complete, sign and return this form to the Transferee in accordance with the instructions contained in it.
5. **POWER OF ATTORNEY:** If the form is signed under a power of attorney, the relevant power of attorney must be submitted with the form for noting and return, and the certificate printed below must be completed by the attorney.
6. **ON COMPLETION:** Either deliver, mail or fax the signed form (and any relevant power of attorney) as provided for below soon as possible, so it is received not later than 5.00pm on [] 2008 (or, if the Closing Date of the Offer is extended, by the extended Closing Date):

Shareholders resident outside New Zealand are encouraged to return the acceptance form by fax.

- (a) **Mail:** Place the signed form in the enclosed reply paid envelope and post to:

OneSteel NZ Holdings Limited,
C/- Computershare Investor Services Limited
Private Bag 92119,
Auckland 1142
New Zealand; or
 - (b) **Deliver:** Deliver the signed form to OneSteel NZ Holdings Limited at the following address:

OneSteel NZ Holdings Limited
C/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road,
Takapuna, Auckland
New Zealand

Note: These offices are only open on weekdays during normal business hours;
 - (c) **Fax:** Fax the signed form to OneSteel NZ Holdings Limited on +64 9 488 8789.
7. **PREVIOUS SALE:** If you have sold all your Steel & Tube Shares, please pass this form together with the Offer documents to your sharebroker or the purchaser of such shares. If you have sold part of your shareholding, or acquired more shares, record that fact on this form by amending the number of shares noted as being held by you on the fact of this form.
 8. **INTERPRETATION:** In this form references to the singular shall include plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCE, PLEASE TELEPHONE COMPUTERSHARE INVESTOR SERVICES LIMITED ON 0800 107 108 WITHIN NEW ZEALAND OR +64 9 488 8700 OUTSIDE NEW ZEALAND.

ONLY COMPLETE THE FOLLOWING SECTION IF THE FORM IS SIGNED UNDER A POWER OF ATTORNEY
Certificate of Non-Revocation of Power of Attorney

I/we, _____ of _____	
(insert name of attorney signing)	(Address and Occupation of attorney signing)

HEREBY CERTIFY THAT:

By a Power of Attorney dated the ____ day of _____, the Transferor named and described on the face of this form ("the Donor") appointed me/us his/her/its attorney on the terms and conditions set out in that Power of Attorney.

I/we have executed the form printed on the face of this document as attorney pursuant to the powers conferred on me/us by that Power of Attorney. At the date of this certificate, I/we have not received any notice or information of the revocation of that Power of Attorney, whether by the death or liquidation of the Donor or otherwise.

SIGNED at _____ this _____ day of _____ 2007
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Signature(s) of Attorney(s)

Note: Your signature does not require witnessing