

**21 October 2008**

## **WHYALLA INVESTOR SITE TOUR PRESENTATION**

Please find attached a presentation being delivered today by Geoff Plummer, OneSteel's Managing Director and CEO, and Mr Mark Parry, Executive General Manager of OneSteel Whyalla in South Australia.

*- End -*



# OneSteel - Whyalla Analyst Site Tour

21 October 2008



## Analyst Visit to OneSteel Whyalla

21 October 2008

### Itinerary

- |                   |   |
|-------------------|---|
| 8.00 am - 9.30 am | Welcome and Company Overview (Geoff Plummer)<br>Whyalla Overview, Priorities & Outline itinerary (Mark Parry) |
| 9.30 am - 1.00 pm | Travel and Mine Tour  |
| 1.00 pm - 1.40 pm | Lunch   |
| 1.40 pm - 2.20 pm | Hummock Hill Lookout to view tip pocket, export shed, shiploader<br>(may see a barge loading)                 |
| 2.20 pm           | Coaster departs for airport (for those on 3pm flight)   |
| 2.30 pm - 4.20 pm | Tour Filter Flux Plant and Baling Line at Pellet Plant  |
| 4.20 pm           | Coach travels to Whyalla airport  |

# Presentations



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# OneSteel Overview

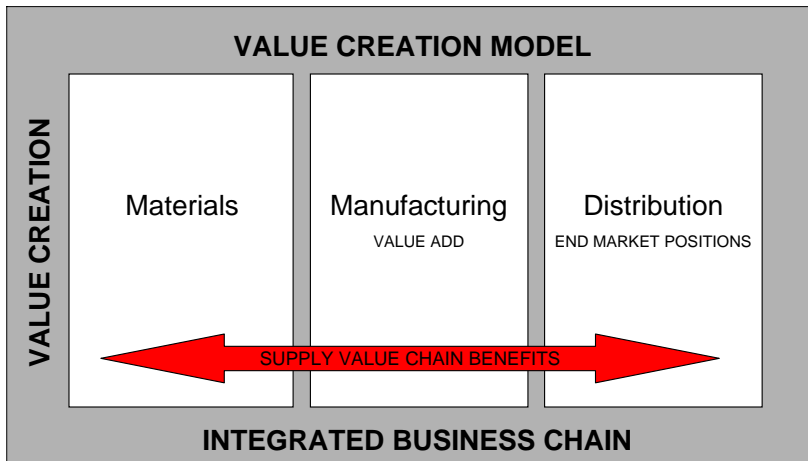
Geoff Plummer, Managing Director and CEO

# Company overview



- OneSteel is a fully integrated global manufacturer and distributor of steel and finished steel product. We are self sufficient in iron ore and partially sufficient in scrap metal.
  - FY08 revenues A\$7.4 billion
- Vertically integrated from mining through to distribution in four segments:
  - Materials
  - Manufacturing
  - Distribution
  - International Distribution
- Recent growth initiatives have transformed OneSteel into a larger more diversified company and help position it to capitalise on an expanded range of growth opportunities
  - Project Magnet
    - Focussed on the commercialisation of OneSteel's magnetite ore reserves for producing steel and sale of hematite ore to global markets
    - Second phase of the project is aimed at increasing sales of iron ore
  - Smorgon Steel Merger
    - Delivery of significant synergies and improved cost base
    - Enhanced vertical integration by providing a presence in the recycling business
    - Increased product offerings including grinding media, rail & forge and LiteSteel™ beam products

# Company overview



OneSteel operates a value chain extending from steel making materials supply, to steel making and conversion mills, to final processing and distribution, with the capability to manufacture and market a broad range of metal products and related services

## Competitive advantages & market position

- Industry market positioning
  - Recycling – major national player
  - Iron ore – established customer relationships and long-term contracts
  - Australian long products market leader
    - 2.8 million tonnes steel capacity
    - Employs 11,000+ in Australia & New Zealand
    - Leading market shares for key products
  - Strong market position
    - 2007 merger with Smorgon Steel
    - Niche positions in grinding media, mining ropes, rail & rail wheels, and fluid transmission
  - Restructured business
    - Aligned production with domestic demand
    - Exited unprofitable segments
    - Rationalised facilities and optimised supply chains to increase footprint with facilities closer to market and expand product and service offers
- Competitive advantages
  - Vertically integrated business
    - Complete value chain:
      - Resources & recycling
      - Steel production
      - Value-add rolling mills
      - Distribution
    - Some ability to arbitrage slab and long products via EAF and integrated production routes
    - OneSteel recycling business provides partial offset
  - Self-sufficient in high quality iron ore
    - Iron ore requirements internally sourced
    - Proven magnetite iron ore reserves to at least 2027
  - Leading metals distributor
    - Strong in-market presence with 150+ sites, centres & franchises
    - Leading metals distributor in New Zealand
    - Well positioned in regional areas close to market
  - History of strong cash generation



# Company overview



## Strategic priorities

- Improving returns from existing businesses
- Realise full benefits from Project Magnet
- Pursue opportunities with Project Magnet Phase 2
- Continue to effectively integrate the former Smorgon Steel businesses
- Cash generation
- Growing and diversifying earnings
- Building organisational capability

# Company overview



## Investment merits

- Leading market positions in Australia
  - #1 in general steel distribution
  - #1 in Wire
  - #1 in Reinforcing
  - #1 in New Zealand general distribution
  - #2 in Recycling in Australia
- Strong position in niche markets
  - Rail wheels
  - Grinding media
  - Mining ropes
  - Rail
  - Fluid transmission
- Vertically integrated operations
- Self-sufficient in iron ore and ability for self sufficiency in scrap
- Flexible steel production
  - Integrated and EAF process enables production of long products and slab
- History of solid cash generation
- Strong distribution capabilities
- History of solid improvement in key business metrics

# Company overview

## Summary of outstanding facilities

Year of Maturity	Type of Facility	Facility Amount \$m
FY09	Bilateral loans, Inventory financing facility	125
FY10	Lease facility, bi-laterals, syndicated loan, US note issues	573
FY11	Syndicated loan	300
FY12	Bi-lateral, syndicated loan, US note issues	407
FY13	Syndicated loan, US note issues	1,140
FY14		-
FY15	US note issues	168
FY15+	US note issues	249
<b>Total</b>		<b>\$2,962m</b>

The next refinancing is September 2009 with a maturity of \$300million.

Conversion of USD debt at September 2008 closing rate of 0.8022

# Company overview

## OneSteel's Carbon Emissions

- OneSteel generates approximately 4.6mt of CO<sub>2</sub>-e per annum
- Emissions are driven predominantly from Whyalla steel making and the Laverton, Sydney, and Waratah EAFs contributing approximately 87% of total emissions
- Of 4.6mt of CO<sub>2</sub> emissions
  - Scope 1 (direct) emissions approx 3.1mt CO<sub>2</sub>-e
  - Scope 2 (indirect electricity based) 1.5mt CO<sub>2</sub>-e

### OST total emissions per annum

<u>Process</u>	<u>Million Tonnes CO<sub>2</sub>-e per annum</u>
Integrated	2.8
EAF	1.2
Other	0.6
<b>Total</b>	<b>4.6</b>

FY08 emissions data corrected to be in line with National Greenhouse Emissions Reporting Scheme reporting standards

# Outlook



- The fundamentals suggest the outlook for the medium to longer-term should remain positive, however the events of the past few weeks has resulted in uncertainty for the near-term. We do not expect the extent of the impact on activity to be clear until there is greater clarity in international financial markets.
  - The fundamentals for continued strength in our key segments of resources and domestic construction, particularly engineering and infrastructure remain sound
  - Domestic manufacturing, residential construction and rural segments are expected to remain relatively weak
  - International prices for steel and steelmaking inputs are expected to remain volatile. Despite prices falling from their peaks of a few months ago, they are expected to be above historical standards over the medium to longer-term
  - The fundamentals for continued strong demand for steel and steel making inputs that underpin these higher prices are expected to exist in the medium to longer-term
  
- A further update will be provided at the AGM on 17 November 2008



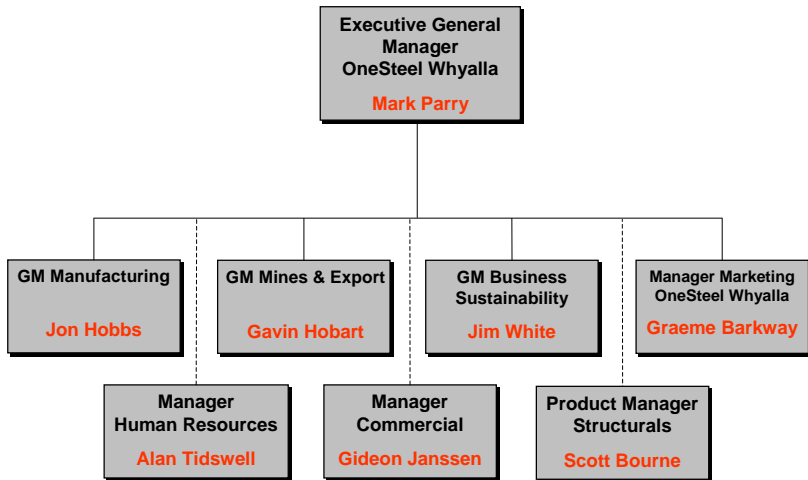
# OneSteel Whyalla Operations Overview

Mark Parry, Executive GM OneSteel Whyalla

# OneSteel Operations

Materials	Manufacturing	Distribution	International Distribution
<b>Iron ore mines</b> Iron ore lump Iron ore fines Pellets Ore by-products <b>Dolomite mines</b> <b>Australian Recycling</b> <b>International Recycling</b>	<b>Whyalla Steelworks</b> Structural Rolling Mills Rail Products Facilities Slabs & Billets (feed to East Coast mills) Steelmaking by-products (e.g. coke) <b>Laverton Steel Mill</b> Electric Arc Furnace Laverton Rolling Mills <b>Sydney Steel Mill</b> Electric Arc Furnace Sydney Bar Mill <b>Waratah Steel Mill</b> Electric Arc Furnace Bar Mill Rail and Forge Grinding Media <b>Newcastle Rod &amp; Bar Mills</b> Rod Mill Bar Mill <b>Wire Mills</b> Newcastle Wire Mill Geelong Wire Mill Wire Ropery	<b>Merchandising</b> Metaland Piping Systems Sheet, Coil & Aluminium Midalia Steel Steel and Tube Fagersta <b>Coil Coaters</b> <b>Pipe &amp; Tube Mills</b> Oil & Gas Pipe Mill Precision Tube Mills Structural Tube Mills <b>LiteSteel™ Technologies</b> <b>ARC – Australian Reinforcing Company</b>	<b>Steel &amp; Tube Holdings (NZ)</b> (50.3% shareholding) <b>Merchandising</b> Steel Distribution & Processing Roofing Products & Reinforcing Piping Systems Fastening Systems Chain & Rigging Stainless Steel Hurricane Wire Products

# Whyalla Business Structure





# Whyalla Operations



- Mining operation - mining in excess of 11 mbcm<sup>1</sup> of Magnetite and Hematite ore. Up to 5.0mt of iron ore expected to be sold to external customers in FY09
- Manufacturing - produces approximately 1.2 million tonnes per annum of steel utilising own magnetite (pellets) and hematite lump iron ore feed. Of this, ~625,000 tonnes of billet go to East Coast sites for rolling and the remainder in blooms, for structural beams and rail, together with some sales of slab
- Key Objectives
  - Ramp up iron ore mining as aggressively as possible
    - Sell 5mt in FY09
    - Deliver required capacity improvements to lift sales to a rate of 6 mtpa from start FY10
  - Increase steel production to 1.3mtpa
    - Continue ramp up and capability improvements in Magnetite stream to deliver Magnet business case and Value In Use (VIU) benefits
  - Supply Billet to Newcastle at lowest possible cost and at the rate and grade section required by customers
  - Meet customer requirements for supply of rail and structural beam
  - Maximise slab export and scrap arbitrage opportunities

# Whyalla Operations

## Project Magnet - Recap

- Project Magnet is the commercialisation of OneSteel's magnetite ore reserves for producing steel and the sale of hematite ore reserves to global markets that adds significant value to OneSteel
- Total capital expenditure of \$402 million
- Hematite
  - Iron Ore Sales
    - FY2006 ~ 1.700kt iron ore lump and fines (1.5mt originally targeted)  
~ 300kt ore by-products
    - FY 2007 ~ 2.8m tonnes ore (2.5mt originally targeted)  
~ 266k tonnes ore by-products
    - FY08 ~ 4.4m tonnes lump and fines (4.0mt originally targeted)  
~ 500k tonnes ore by-products



# OneSteel Whyalla Mining Update

Mark Parry, Executive GM OneSteel Whyalla

# Whyalla Mining



- Total ore mined estimated to be:
  - ~ 4.6 mtpa magnetite ore per annum to be ground and concentrated to slurry to Pellet Plant.
  - ~ 0.4 mtpa blast furnace lump
  - ~ 5.0 mtpa for external sale
  
- Key Objectives
  - Address / action concentrator performance with respect to quality and rate
  - Pursue options and selective investment to mine and ship increased levels of iron ore

## External Iron Ore Customers

- OneSteel has four 10-year export sales agreements with Chinese customers
- The four contracts cover in excess of 23 million tonnes of hematite ore planned for export over a 10-year time horizon
  - Rizhao
  - Haixin
  - Jinxi
  - Guofeng
- The agreements commenced on a staggered basis through the 2007/08 financial year
- They are based on international benchmark pricing
- OneSteel arranges and provides shipping
- Exports utilise Whyalla's Cape-size vessel capability which was commissioned in 2007
- OneSteel also supplies hematite ore domestically to BlueScope Steel

# Whyalla Mining

## Chinese Customers



Steel Mill Locations  
with Iron Ore  
Agreements

- Rizhao
- Jinxi
- Haixin
- Guofeng

# Whyalla Mining



## External Iron Ore Sales – FY09

- Expect to sell up to 5mt of hematite ore
  - 3mt expected to be sold under contract
  - 2mt expected to be sold at spot
- Mix expected to approximately be in the proportion of 65% fines and 35% lump

## Project Magnet Phase 2

In February 2008, the company announced work was underway to:

- Further increase iron ore sales above 4 million tonnes per annum (Stream 1)
- Identify and prove up increased iron ore reserves (Stream 2)
  - Stream 1
    - Aimed at lifting sales through improving operational and supply chain capability
    - Reviewing all operational and supply chain aspects including mining, handling, crushing and screening, rail, warehousing and barging
    - This review addresses:
      - What can be done through optimising existing facilities, processes and infrastructure
      - What can be achieved with ‘quick’ capital or other process/operational changes
      - What would a more fundamental change in investment be capable of delivering



# Whyalla Mining

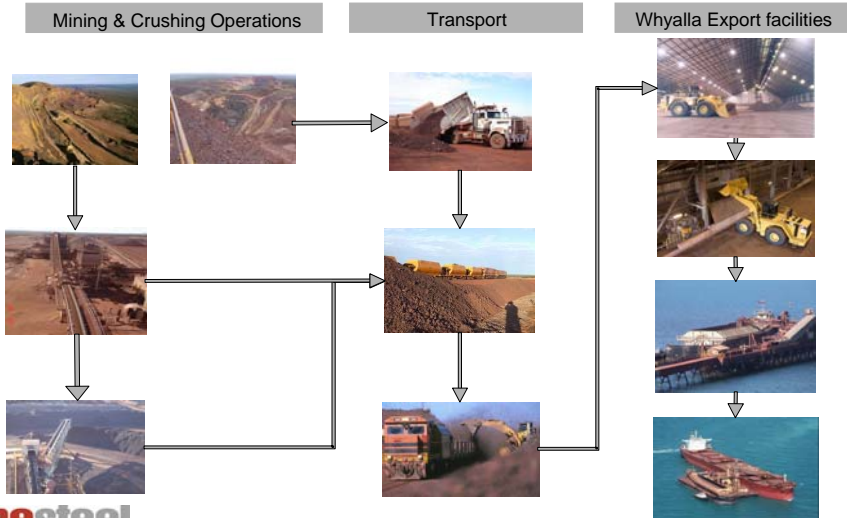


## Project Magnet Phase 2 (continued)

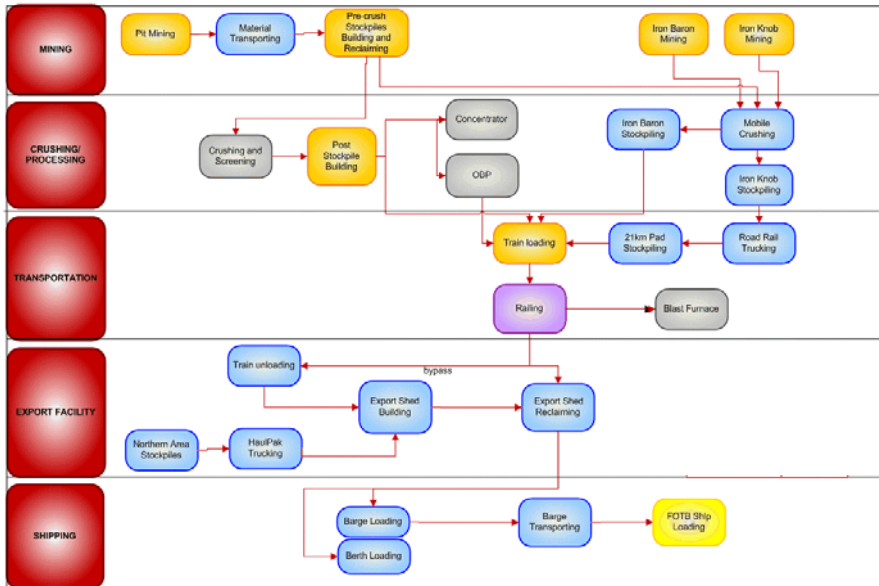
- Stream 2
  - Involves three phases of work:
    - Optimising existing mine plans using appropriate assumptions
    - Extensions to existing mines as a result of further geological work/drilling
    - Exploration of likely hematite targets on the exploration lease
- Ferrous/Non-ferrous
  - Focus over the next two years is on ferrous reserves and resources, but as opportunity allows, the company will develop and progress non-ferrous exploration programs

# Whyalla Mining

## Export Supply Chain Overview



## Supply Chain Export Stream Operations



## Project Magnet Phase 2 – update

- Stream 1
  - Optimisation – substantially complete
  - Quick capital – substantially complete
  - Substantive change / investment – commenced

Delivering 6 mtpa rate from start FY10 – on track

- Being delivered by combination of optimisation and ‘quick capital’
- Optimisation
  - Driver tree analysis conducted of supply chain to identify potential existing operational improvement opportunities e.g. train passing, tipping and loading performance
- Mining
  - Work and planning progressing to plan with HWE
  - Reworking Life Of Mine (LOM) Schedule - iterations underway
  - Decisions on extra mining equipment will be made by Dec 08

## Project Magnet Phase 2 – update (continued)

- Stream 1 (continued)
  - Delivering 6 mtpa rate from start FY10 (cont)
    - Crushing and Screening
      - Work, procurement and resource planning progressing to plan
      - Mobile crushing and screening facility in place at Iron Knight and currently being commissioned
      - Being operated by WALGA Mining in conjunction with HWE
      - Evaluating fixed Vs modular crushing plant options for longer term (decision by Dec 08)
    - Rail - procurement of additional wagons and locos currently on schedule for entering operation during 1<sup>st</sup> quarter 09.
      - Existing train will increase from 28 to 44 wagons, 3 extra locomotives will provide additional haulage capability.
      - Rail loop components being fabricated and location/configuration being finalised
    - Export Shed – procurement of additional loader commenced (due 1<sup>st</sup> quarter 09)
    - Transshipping – initial review with CSLA has indicated there are no substantive changes required to existing facilities to achieve 6mtpa rate from start FY10

## Project Magnet Phase 2 – update (continued)

- Stream 1 (continued)
  - Substantive Change / Investment
    - Supply chain dynamic modelling (commenced)
      - Work has been facilitated through Optika Solutions and in addition to OneSteel involves GWA, HWE, BIS and CSL as key stakeholders. Intent is to identify critical infrastructure bottlenecks and capacity constraints within the inload and outload circuits of the Export supply chain.
      - Identify options to increase capacity to enable cost benefit analysis
      - Detailed scenario testing commenced to understand impact of:
        - Mine source and its implications for train scheduling/sequencing
        - Optimal passing locations in Rail system
        - Number and size of train services being operated
        - Additional storage and loading facilities

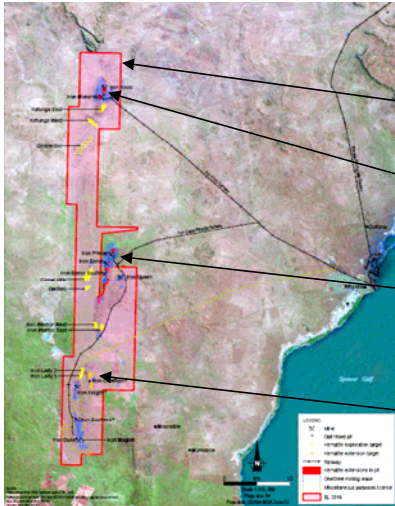
## Project Magnet Phase 2 – update (continued)

### ▪ Stream 2

- Initial mine planning changes (new plan and update of plans) – first phase hematite work complete. Magnetite work to be progressed.
- Extensions work - resources (drills and specialist staff) progressively added.
- Exploration work - initially a 2 year program.
- Expected spend in FY09 ~\$10M
- Current Status
  - The Gomex RC drill rig started drilling the Iron Chieftain extension targets in June 08
  - To end of September 08, a total of 11,600 metres have been drilled in this area, testing for potential extensions to the North and South of this deposit - awaiting sample results
  - The Gomex rig has now been re-mobilised to the Iron Princess region in the Iron Knob Mining Area (IKMA)
  - The first Boart Longyear drill rig arrived in Whyalla early October and has commenced drilling for potential Iron Prince extensions in the Iron Baron Mining Area (IBMA)
  - The second Boart Longyear rig is due to arrive at the end of October and will replace the Gomex rig in the IKMA
  - Drilling over the next 3 to 4 months will focus on testing for potential extensions in the Iron Knob and Iron Baron mining areas, prior to moving onto new exploration targets

# Whyalla Mining

## Project Magnet Phase 2 (Stream 2)



Regional map with OneSteel Exploration Lease and Mining Leases

EL 3516

Iron Knob Mining Area (IKMA)  
(Extension drilling started)

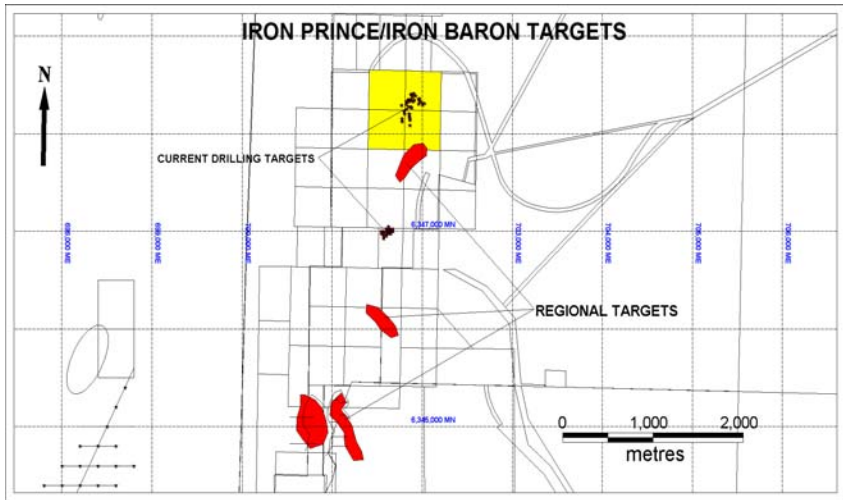
Iron Baron Mining Area (IBMA)  
(Extension drilling started)

Iron Chieftain (New Mine)  
(Extension drilling completed)



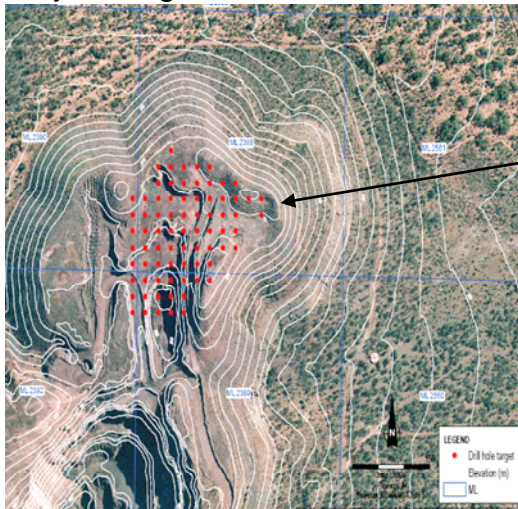
# Whyalla Mining - Project Magnet Phase 2 (Stream 2)

## Iron Baron Mining Area (IBMA) Extension Targets



# Whyalla Mining

## Project Magnet Phase 2 (Stream 2)



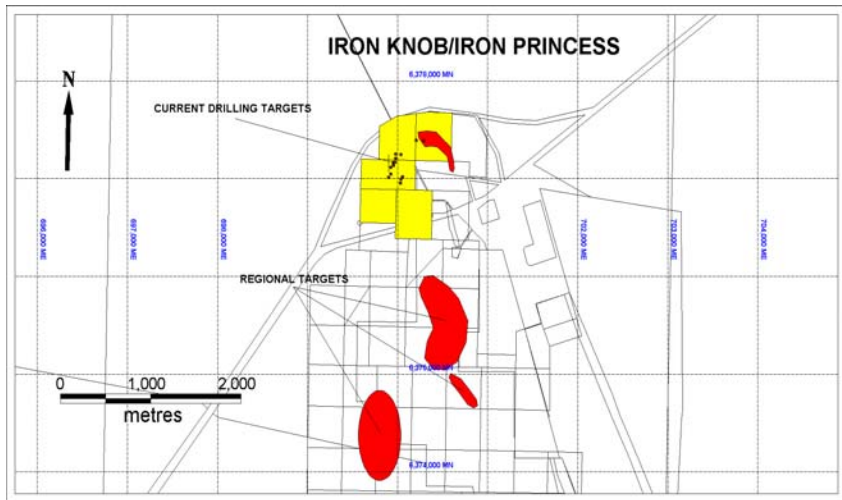
Iron Baron Mining Area

Iron Prince North  
(Extension Drilling)



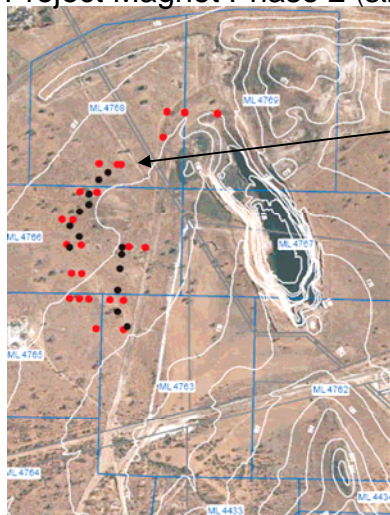
# Whyalla Mining - Project Magnet Phase 2 (Stream 2)

## Iron Knob Mining Area (IKMA) Extension Targets



# Whyalla Mining

## Project Magnet Phase 2 (Stream 2)

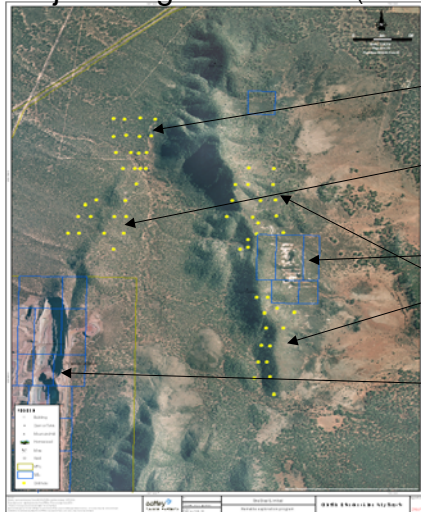


Iron Knob Mining Area

Iron Princess  
(Extension Drilling)

# Whyalla Mining

## Project Magnet Phase 2 (Stream 2)



South Middleback Ranges Mining Area

Iron Lady  
Exploration target

Iron Knight  
North Extension Drilling

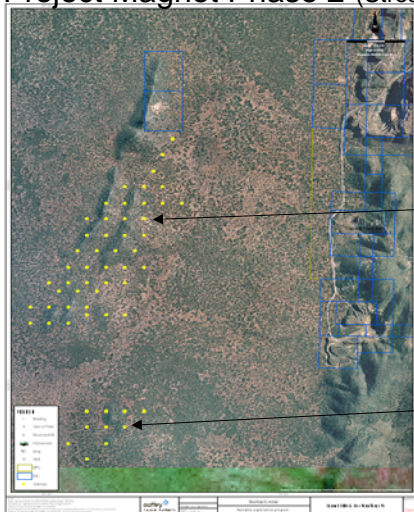
Iron Chieftain - New Mine

Iron Chieftain  
North & South Extension Drilling

Iron Knight - existing mine

# Whyalla Mining

## Project Magnet Phase 2 (Stream 2)



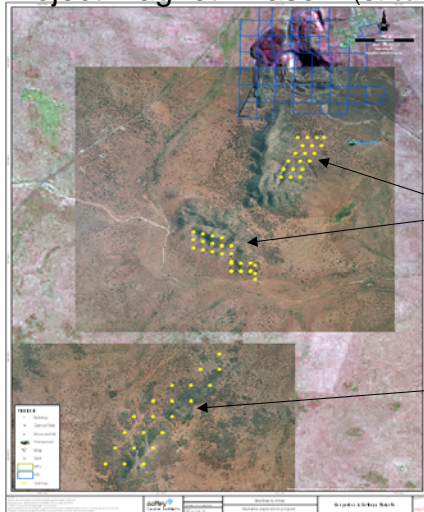
Iron Baron Mining Area

Camel Hills  
Exploration target

Geotem  
Exploration target

# Whyalla Mining

## Project Magnet Phase 2 (Stream 2)



Iron Knob Mining Area

Katunga (East & West)  
Exploration targets

Cooyerdoo  
Exploration target



# OneSteel Whyalla Manufacturing Update

Mark Parry, Executive GM OneSteel Whyalla



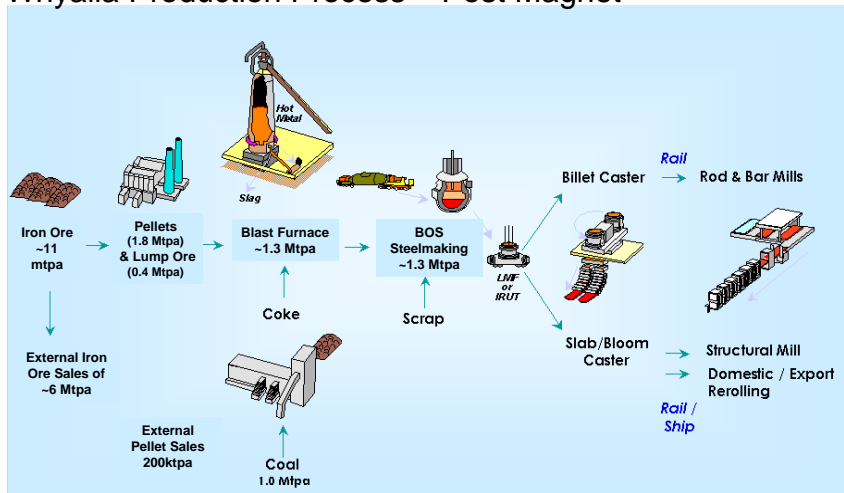
# Whyalla Manufacturing - Update

## Project Magnet

- Processes and equipment associated with the Magnetite stream commenced operation during the year
- Pellet Plant transitioned to magnetite concentrate feed
  - Pellet plant process has responded well to the magnetite-based feed
  - Environmental improvements of magnetite feed are now being realised
  - Pellet plant transition has freed rail infrastructure capacity to transport hematite
- Blast furnace cutover to magnetite-based pellets complete
  - The blast furnace successfully cut over to magnetite ore feed
  - Optimisation of the integrated concentrator – pellet plant chain is progressing
  - Pellet Plant and BF outputs are being limited by feed availability from the Concentrator and the need to conserve pellet for the Pellet Plant cold shut planned for November
  - Action plans have been developed and are being progressed to debottleneck several concentrator processes to enable ramp up of production toward budgeted levels of production
  - Value in use benefits will accrue in line with the optimisation of the integrated chain

# Whyalla Manufacturing - Update

## Whyalla Production Process – Post Magnet



# Whyalla Manufacturing - Update



## Focus on Maximising Production

- Achieving VIU including 1.3 mtpa BF and Steelmaking output
  - Debottlenecking concentrator output remains the No 1 priority in achieving VIU and 1.3 mtpa
    - Key activities underway include:
      - Johnston screen re-engineering
      - RMS Launderers
      - HPGR Recirculating Load
      - Diverter Gate Re-engineering
  - Silica levels in output concentrate remain high. Higher silica replaces Fe in pellet and hence reduces BF productivity
  - Significant work has been undertaken to understand the root cause of the problem and provide an engineering solution

# Whyalla Manufacturing - Update



## Concentrator Silica Grade

- Impact on downstream operations of high Silica include:
  - Additional costs of downstream operations
    - Additional fluxes – limestone and dolomite
    - Higher energy input to process pellets with higher gangue concentrations
  - Each 1% increase in silica results in approximately a 2% reduction in the iron concentration of the pellet

# Whyalla Manufacturing - Update



## Concentrator Silica Grade

- The following technologies for improving the removal of silica have been identified:
  - Hydroseparation
  - Flotation
  - Modified Magnetic Separation
  - Screening of final concentrate
- Screening of final concentrate is now being explored

# Whyalla Manufacturing - Update



## Concentrator Silica Grade

- Path Forward
  - Pilot plant to be operated on site late October to late December to test the technology and essential design data  
This plant will process 25% of total throughput during that period
  - Full scale engineering underway with a view to commissioning of the full process planned for May 2009

# Whyalla Manufacturing - Update



## Concentrator Rate and Availability

- HPGR roll wear rate

Although now improved, this issue has resulted in a number of unplanned delays to replace rolls

- Rapid wear of chutes and transfer pipes in the concentrator resulting in unplanned downtime to replace. Significant progress has occurred and a solution is expected to be in place by the end of this financial year.
- Higher recirculating loads over the concentrator screens causes a production bottleneck.

Optimisation of operator setpoints currently in progress with a solution expected to be in place by the end of the financial year.

# Whyalla Manufacturing - Update

## Continued focus on driving down the cost base

- Initiatives include:
  - Six Sigma – reducing loss and variation
    - Total Black Belts (BB)            29 trained, 13 active BB
    - Total Green Belts (GB)        99 trained, 44 active
    - Number of completed and active projects – (18BB, 25GB active) (21 completed)
  - Engagement of Partners in Performance (PIP)
    - Diagnostic for Steelmaking and Steel Products complete
    - PIP scheduled to commence program in Steel Products during October 08
  - Continued progress of Operational Excellence strategic initiative
  - Supply / Procurement activities to reduce cost base
    - Contractor rate review
    - Competitive tendering
    - Reducing Contractor spend
    - OneSteel National framework (economy of scale)





## 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 OneSteel Whyalla 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.
- 6 OneSteel Whyalla has a drug and alcohol policy which could require you to undertake a test based on a random selection process and/or testing for cause.

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



# Appendix

# Whyalla Pellet Plant



- Whyalla Pellet Plant currently produces approximately 1.6 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
  - 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 560,000 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
  - Additional production of coke available to export market
  - 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 1.2 million tonnes
- Key Objectives
  - Manage Blast Furnace operations to safe operating window
  - Extract productivity improvements from relined furnace and value in use from utilising magnetite feed
- Benchmarking operations against international Blast Furnace operators

# Whyalla Steelmaking



- Key Objectives
  - 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 430,000 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



- Whyalla OneSteel Employees
  - 1,850 – 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 / Worley Parsons
  - Sea Transport - CSL/ISM

Contractor focus on reducing service delivery cost

# OneSteel Whyalla – Facility Upgrades

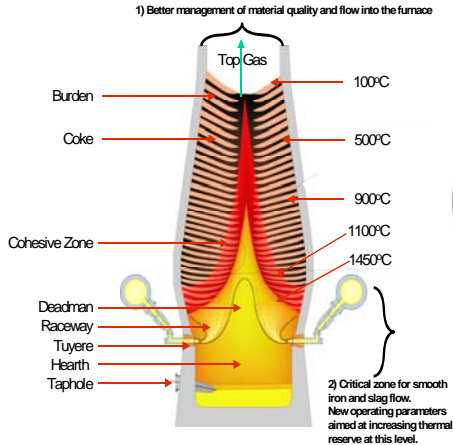
<u>Event</u>	<u>Year</u>
Ore products	
Pellet Plant	
PP starts as export facility	1968
Flux pellets for Whyalla	1981
Waste Gas Cleaning Plant	1998
Kiln and cooler upgrade	2002-2005
Roller Feeder replacement	2002
Grate Upgrade	2006
Filter Flux commissioned	2007
Rail	
Major track upgrade, (inc 40 to 60km/h)	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
Concentrator commissioned	2007
Export Ore Facility 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 (8 ovens complete, 2 in progress)	2006-2008
Weak Ammonia Liquor Still	2008

Continuous Maintenance and Capital Investment

# OneSteel Whyalla - Facility Upgrades

## 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



# OneSteel Whyalla – Facility Upgrades

## 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
Desulphurisation Plant Commissioned	2007

Continuous Maintenance and Capital Investment

# Integrated Steelworks Facilities

## Caster

### Event

Combination slab/bloom/billet caster

Five-strand billet caster

160 mm billets

### Year

1992

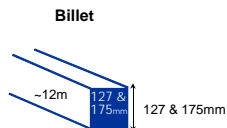
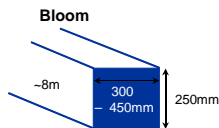
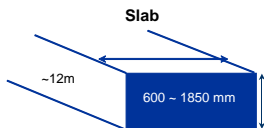
1999

2008

## 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

Commenced rolling ingots

Rail finishing end

Revamp for slabs/blooms (new rolling stands, etc)

Cooling beds/Capacity Upgrade

### Year

1964

1982

1992

1996

## Finished products 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)
  - Runge / HWE (Mine Planning / Scheduling)
  - JK Tech, PDS (Crushing and Screening)
  - Midland / Jim Wennan (Concentrator)
  - Frank Salt (Pipeline)
  - Coffey (Tailing Dam)
  - Thompson Clark Shipping (Port)
  
- Ironmaking
  - BlueScope Steel Limited
  - Danieli Corus
  
- Steelmaking
  - Kobe (BOS)
  
- Steel Products
  - Nippon Steel Corporation

# “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



## Water

- Water usage
  - 5,800 megalitres of fresh water, > 200,000 megalitres of salt water, 35 times more salt than fresh
  - Extensive recycling of process water
- Water Saving Program
  - Concentrator, Caster, Mill efficiency / upgrades
  - Recycled water for dust suppression
  - Awareness campaign, showers, toilets, gardens
- Water Making Investigation
  - Feasibility of a 1,000 megalitre desalination plant

## CO<sub>2</sub> Emissions and Carbon Trading

- Our focus in on efficiency
- Mapping iron units through the plant (eg recovery processes, yields)
- Mapping all waste streams and opportunities for re-use (eg slag, dusts, paper)
- Energy mapping, maximise in-house power generation, capture heat and waste gases