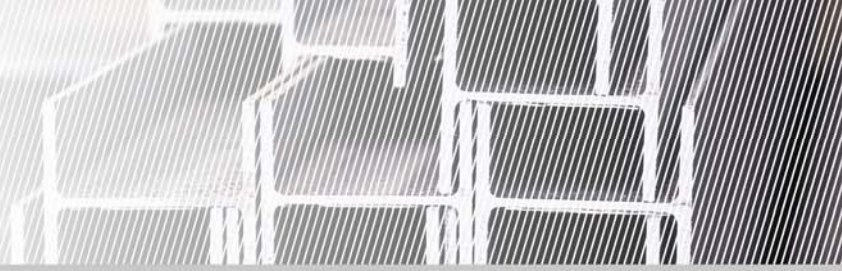




Investor presentation
Mining consumables acquisition
Geoff Plummer
Managing Director and CEO
15 November 2010

onesteel



This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of OneSteel, Moly-Cop and AltaSteel and certain plans and objectives of the management of OneSteel. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of OneSteel, which may cause the actual results or performance of OneSteel, Moly-Cop or AltaSteel to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the economic environment and capital market conditions in Australia, North and South America and globally, the cyclical nature of the steel industry, the level of activity in the construction, manufacturing, mining, agricultural and automotive industries in Australia and North and South America, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, OneSteel's, Moly-Cop's and AltaSteel's relationships with, and the financial condition of, their suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect OneSteel's, Moly-Cop's and AltaSteel's businesses, including environmental laws, a carbon tax, proposed mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

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Acquisition details

- OneSteel has agreed to acquire Anglo American Plc's Moly-Cop and AltaSteel businesses in the Americas⁽¹⁾ for US\$932m⁽²⁾
- Includes:
 - Moly-Cop, a leading producer of forged steel grinding balls with production facilities in Chile, Peru, Mexico and Canada supplying a full range of heat-treated grinding media, and with established customer relationships with major mining companies
 - AltaSteel, a steel mini-mill in Canada supplying ballstock for the production of forged grinding balls to Moly-Cop and heat-treated grinding rod to the Americas' mining industry
- Acquisition of economic interest effective 1 July 2010, with OneSteel receiving the benefit of cash flows from this date
- Acquisition is subject to regulatory approval in Canada and is expected to close end CY 2010 (subject to timing of approvals)

1. Also includes a 40% shareholding in Australian grinding media producer, Donhad. Donhad's revenue and sales volumes for FY09 were A\$163 million and 97 thousand tonnes respectively. OneSteel intends to provide undertakings to the ACCC to hold this shareholding separate from its own businesses and will consider the future ownership of this asset

2. Enterprise Value is at 1 July 2010 and before net adjustments in respect of net debt and cash and debt like items, financial assets and surplus working capital. It does not include adjustments that will be payable to the vendor in lieu of trading profits for the period from 1 July 2010 through to closing (which profits will accrue for the benefit of OneSteel).

Investment merits

- Provides a unique opportunity to establish OneSteel as a leading grinding media supplier in the high-growth mining consumables industry driven by expansion of copper and gold production
- Leverages OneSteel's existing core capabilities including product, technical, and customer knowledge in mining consumables to new regions and geographies
- Ensures OneSteel is ideally positioned to capitalise on mining growth, particularly copper and gold production
- Increased diversification from Australian construction and infrastructure cycles
- These businesses have an attractive risk profile
- Provides an ideal global footprint for further growth in mining consumables

Financial

- Acquisition will be debt-funded in USD
 - US\$500m acquisition bridge facility
 - Balance from existing undrawn syndicated and bi-lateral bank facilities
- Funding package designed to maintain robust credit metrics
 - Low USD cost of funding
 - Acquisition bridge to be taken out in international debt capital markets
 - Gearing expected to increase to around 30% ⁽¹⁾
- Enterprise value represents EBITDA multiple of 9.3x⁽²⁾
- Expected to be EPS accretive immediately ⁽³⁾ and mid single-digit percentage accretive in first full year commencing 1 July 2011
- Opportunity for synergies - but expected to be modest in context of transaction

1. Net debt/ net debt + equity

2. Based on forecast FY Dec 2010 EBITDA of approximately US\$100m

3. Excluding transaction costs

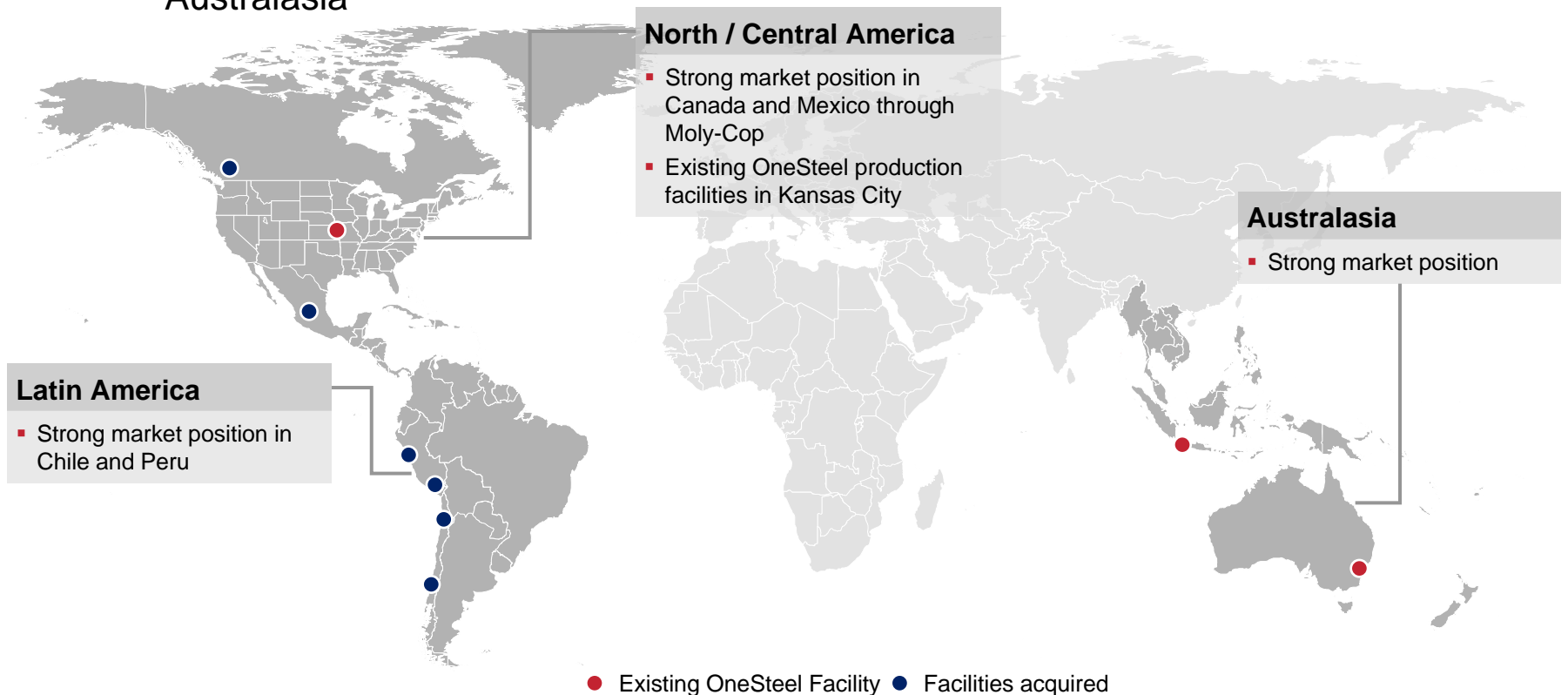


Grinding Media – Moly-Cop



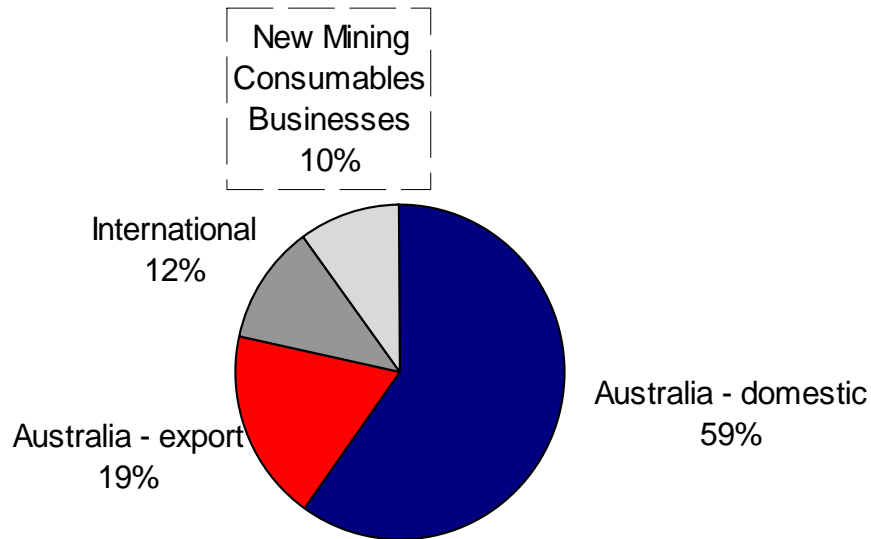
Global scale and presence

- The acquisition combined with OneSteel's existing businesses provides global scale and presence in key grinding media markets in North and South America, and Australasia

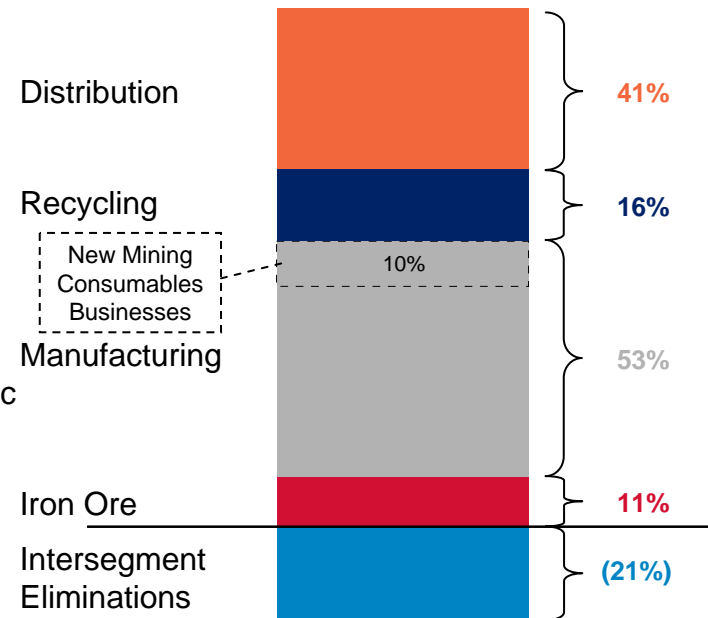


Increased mining consumables exposure

Pro forma FY2010 revenues ⁽¹⁾
by geography



Pro forma FY2010 revenues ^(1,2)
by business segment



1. New mining consumables businesses revenue calendarised to June year-end; converted to AUD at USD:AUD rate of 0.88
2. Excludes unallocated revenues and intersegment eliminations for OneSteel's current businesses

Leverage from existing core competence

- OneSteel has a long and successful history of supplying mining consumables to the Australasian and US mining markets
- Leverage existing core competence in mining consumables (grinding media, rail wheels and wire ropes)
- Very experienced OneSteel Grinding Media management team
 - Intimate industry and technical knowledge
 - Strong existing customer relationships with global mining companies
- OneSteel has a strong presence in grinding media in Australasia
- Leverage extensive steelmaking and scrap metal experience to drive value

OneSteel's existing Grinding Media business

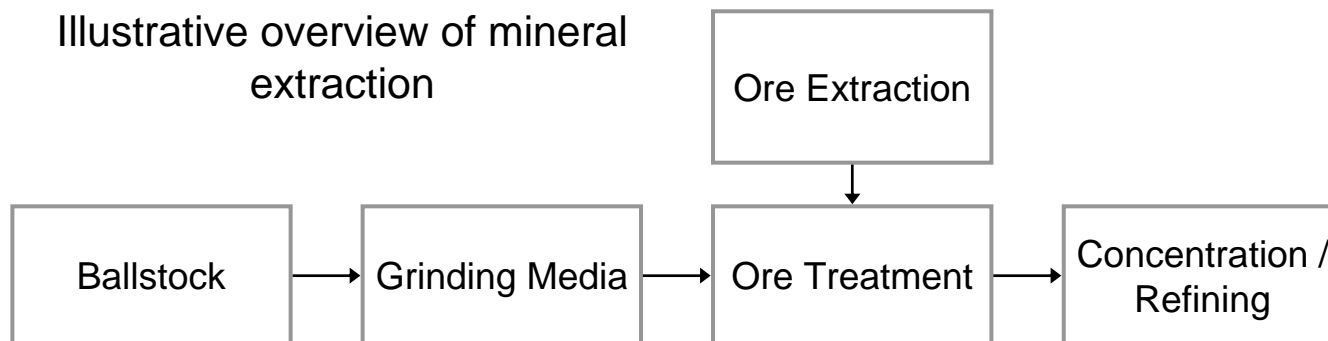
Location	Products	Capacity Kt
Waratah, Newcastle, Australia	SAG ball & small ball	250
Cilegon, Indonesia	Small ball	30
Kansas City, USA	SAG ball & small ball	180
Total capacity		460
Total sales volumes FY10		340

Grinding media – a key mining consumable

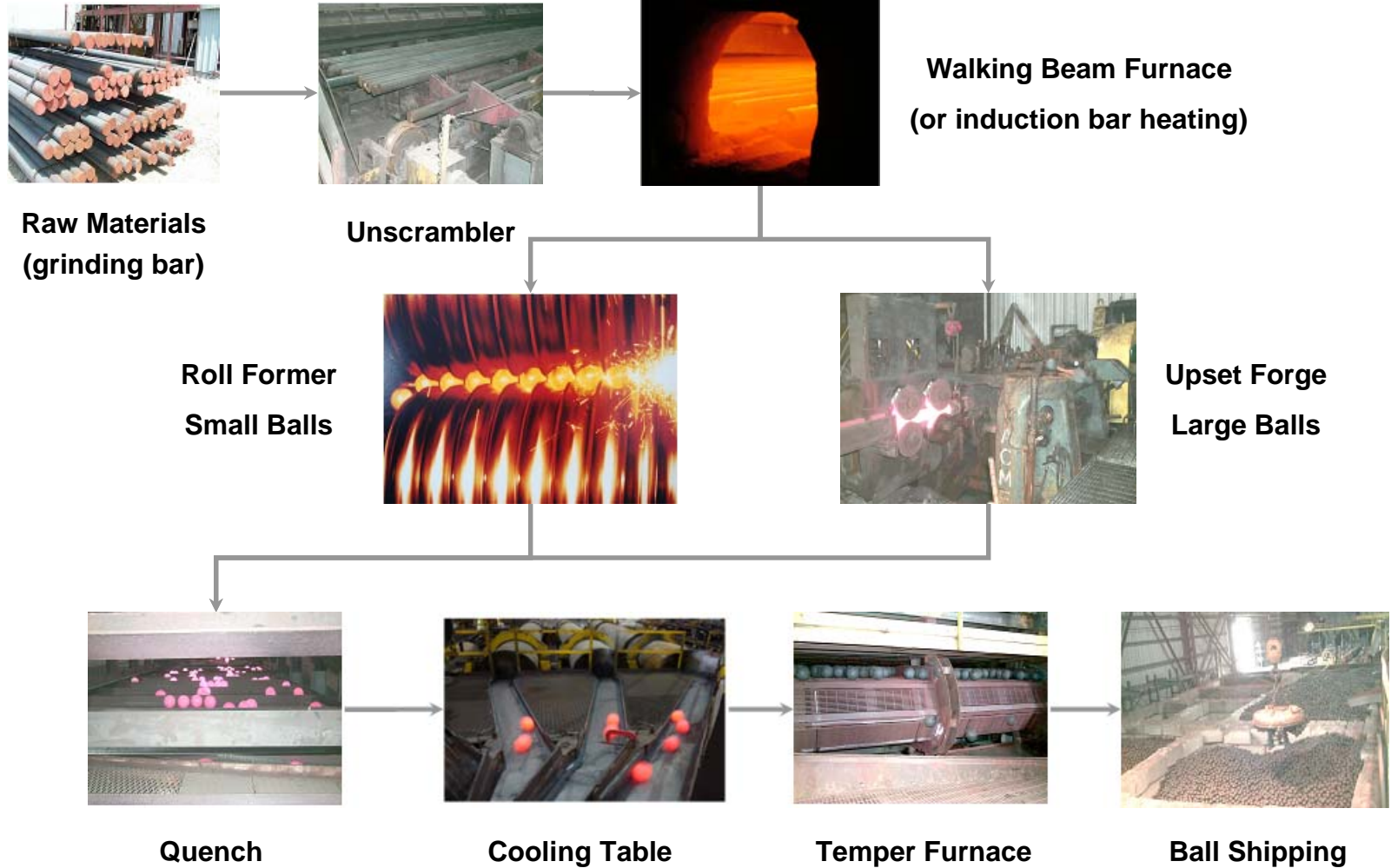
Essential for mineral extraction

- Grinding media are used in the process of extracting minerals from ore particularly in the fast growing copper and gold industries
 - Used to break down mined material so that contained metal is liberated for subsequent concentration and refinement
 - Grinding carried out in large mills, partially filled with steel balls or rods (grinding media)
 - Mills require continuous refilling with new grinding media
 - Consumption of grinding media related primarily to volume of ore processed and ore characteristics (grade + hardness)
- Growth in demand driven by new mining projects and expansion of existing mines
 - Limited cyclical of demand
- Concentration of high-quality customers – leading global resources companies

Illustrative overview of mineral extraction



Grinding media production process



Grinding media - attractive growth outlook

- Moly-Cop operates in some of the world's most significant and fastest-growing mining geographies
 - Strong market positions in Chile, Peru, Mexico and Canada
- Americas' grinding media demand – strong growth forecast
 - Forecast growth driven by expected expansion of Americas' copper and gold mining industries
 - The Americas currently accounts for c.60% of global copper reserves
 - Chile – highest copper-producing country globally and holds the world's largest copper reserves
 - Peru – third highest copper producer and fifth highest gold producer globally, and holds the world's second largest copper reserves
 - Canada – top ten global gold producer; Western Canada is home to some of the world's largest gold projects
 - Mexico – producer of gold and copper

Grinding media - attractive growth outlook

Demand

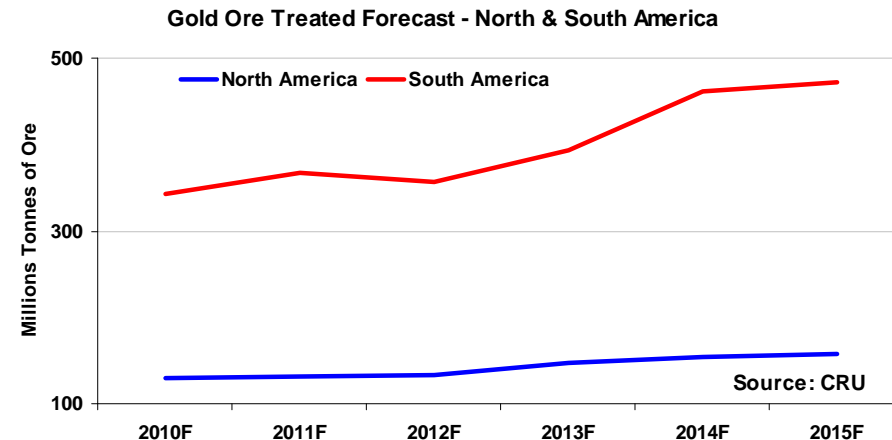
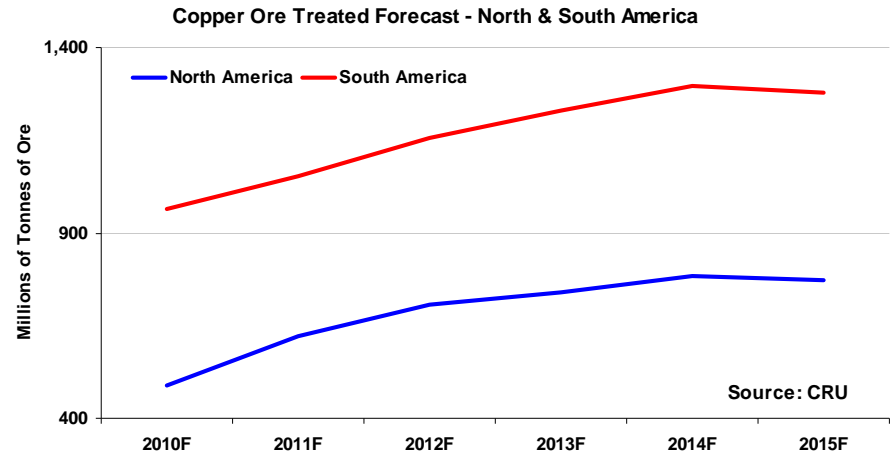
- Demand for grinding media is driven by copper and gold production
- Grinding media demand increased by trend of increasing ore hardness and declining ore grades (grinding harder ores consumes more grinding media per tonne of ore processed)

Copper

- Mine expansions and new projects expected to drive copper growth
- Chile, the USA, and Peru are the top 3 producers of copper in the world. Moly-Cop has a major presence in Chile and Peru. OneSteel has a presence in the USA
- Copper head grades forecast to fall from 2010 to 2015 requiring more grinding media per unit of copper (CRU)

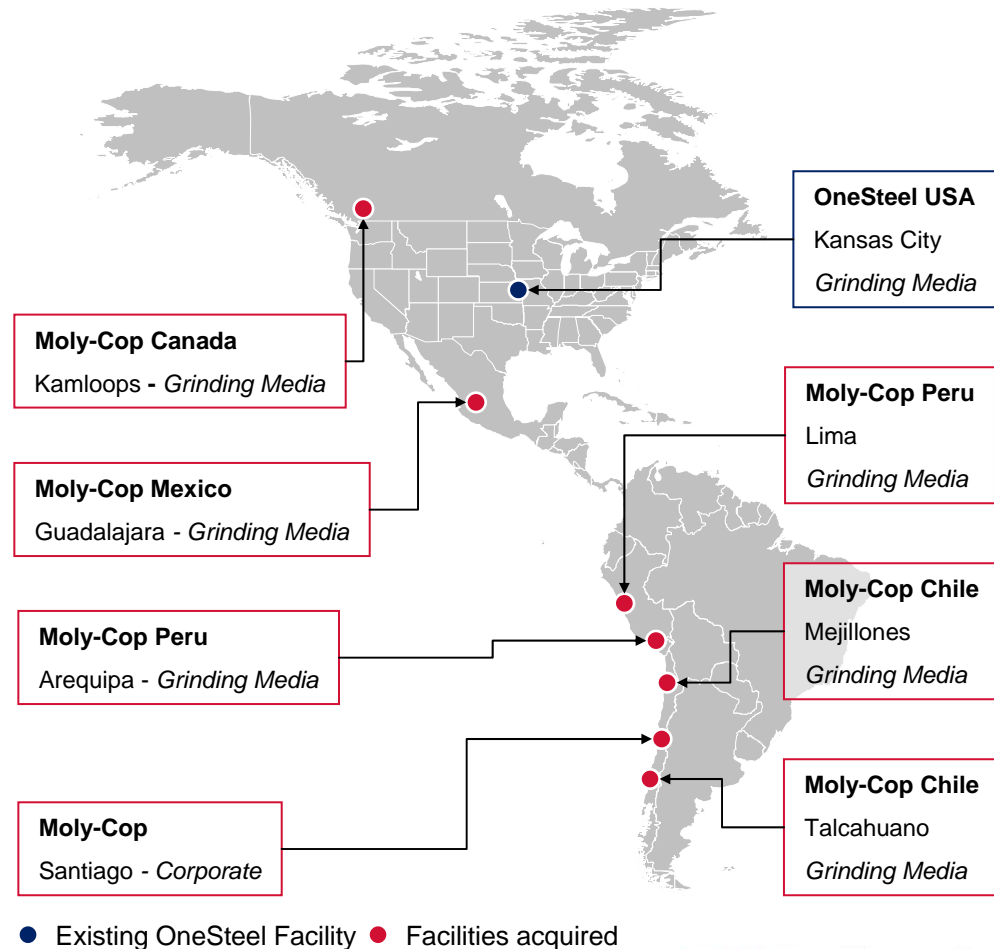
Gold

- South America treats the most gold ore (28% of global total).
- Higher gold prices results in lower cut-off grades leading to increased grinding media consumption per unit of gold



Established footprint across Americas

- Moly-Cop: six grinding media plants located in the Americas
 - Talcahuano, Chile
 - Mejillones, Chile
 - Arequipa, Peru
 - Lima, Peru
 - Guadalajara, Mexico
 - Kamloops, Canada

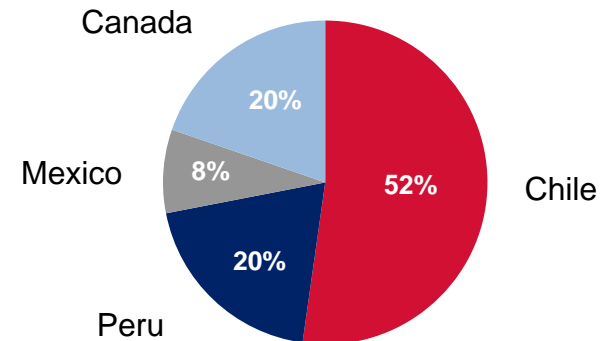


Moly-Cop – production overview

Grinding media plant details

Country	Locations	Regions Served	Capacity (2009) kt	Facility Type
Chile	Talcahuano, Mejillones	Chile, Argentina, Brazil	431	Roll Formed / Forged
Peru	Lima, Arequipa	Peru, Colombia, Bolivia, Venezuela, Ecuador	115	Roll Formed / Forged
Mexico	Guadalajara ⁽¹⁾	Mexico, Central America	175	Roll Formed / Forged
Canada	Kamloops	Canada	113	Roll Formed / Forged
Total			834	

CY2009 sales by region (kt)



1. Construction of new El Salto plant near Guadalajara commenced in March 2008 and production has commenced in 3Q2010. Capacity shown above is for new plant.

Moly-Cop overview

- Strong market positions in key Americas grinding media markets (Chile, Peru, Canada, Mexico)
- Diversifies earnings away from Australian construction to mining consumables
- Growth supported by mining consumables demand
- Established customer relationships with major mining companies
- Moly-Cop has excess capacity which will allow it to grow with increasing demand
- Track record demonstrating a high level of supply reliability for customers
- Quality product
- Strong relationships with raw materials suppliers
- Stable and experienced management, who are well respected within their regions
- Strong technical knowledge base



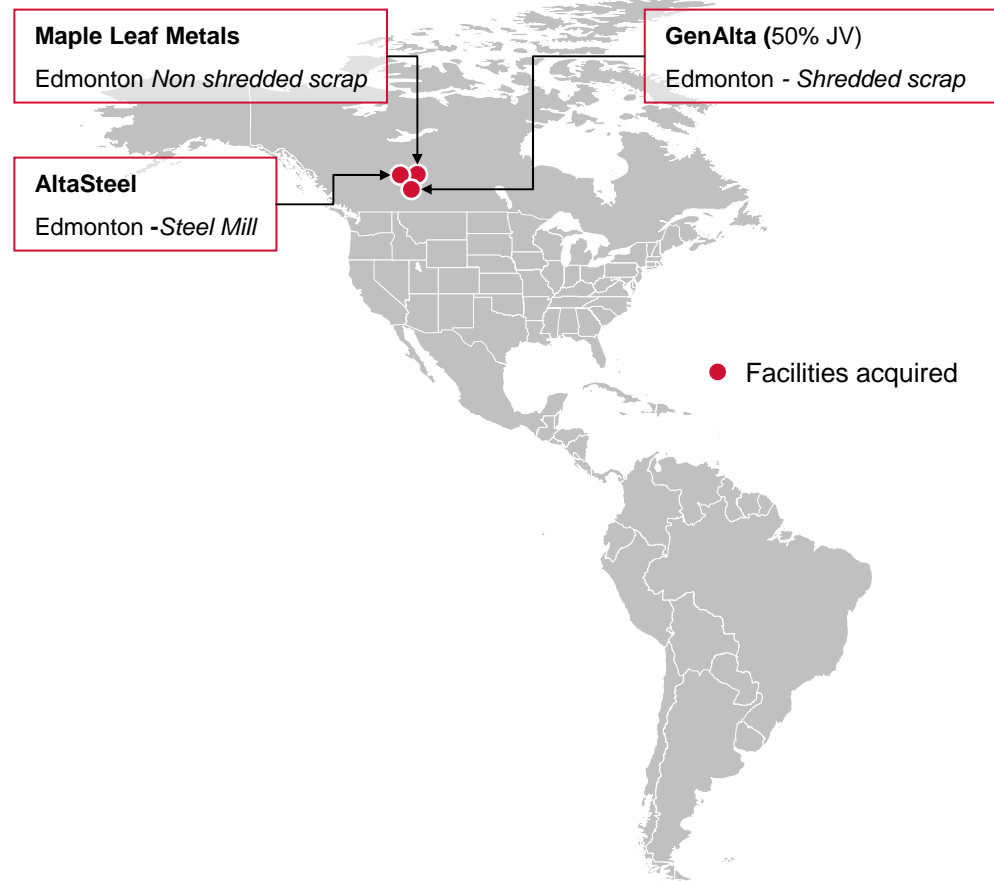
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AltaSteel

AltaSteel footprint

- AltaSteel: steel products business located in Edmonton, Canada

- EAF/bar mill/grinding rod facility
 - Capacity ~350kt (mix dependent)
 - Volume 250kt (FY10E)⁽¹⁾
- Wholly owned scrap business, Maple Leaf Metals
 - Volume 97kt (FY10E)⁽¹⁾
- 50% owned scrap business, GenAlta
 - JV with General scrap recycling

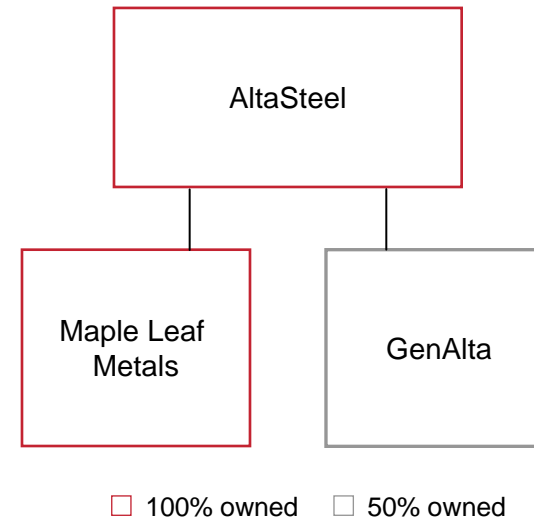


1. Estimate includes 9mths actuals (6mths audited) and 3mths estimate

AltaSteel overview

- EAF headquartered in Edmonton, Canada
 - Leveraged to key end markets in mining consumables and construction
- Producer of heat-treated grinding rods for the North American and South American mining industry
 - Grinding rods used in primary grinding stages following crushing
- Innovative technology with patented grinding rod product
- Supplier of ballstock to Moly-Cop business
- AltaSteel supplies rebar in to the Canadian construction industry
- Secure scrap supply through wholly-owned Maple Leaf Metals and 50% owned GenAlta

Business structure



AltaSteel – product mix

Key products



Grinding Bar
(ballstock)

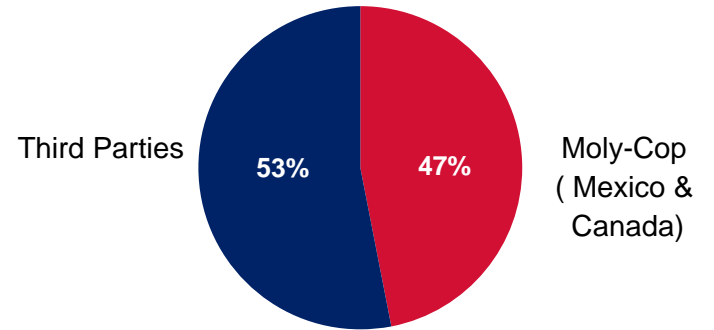


Heat-Treated Grinding Rod

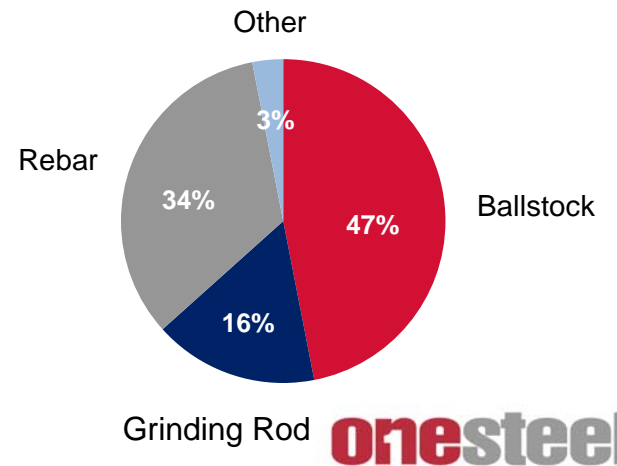


Rebar

2009 shipments by customer (kt)



2009 shipments by product (kt)



Historical financial performance

Consolidated

US\$M (unless stated) Year-End Dec 31	FY2007A	FY2008A	FY2009A	FY2010E
Sales Volume (kt)	766	823	732	803
Sales Revenue (US\$m) ¹	557	826	642	717
EBITDA	85	132	72	100
<i>EBITDA Margin</i>	<i>15%</i>	<i>16%</i>	<i>11%</i>	<i>13%</i>

- The business has delivered strong growth over the last few years
- Lower risk business profile reflected in stable margins
- Volumes in 2009 were impacted as a result of the Global Financial Crisis, however, have rebounded in 2010
- The Business has made a significant investment in expansionary capex over the past three years (~\$70m), which it will benefit from moving forward
- Modest stay in business capex of \$10 - \$15m per annum

1. Moly-Cop grinding media sales volumes & AltaSteel total sales volumes; excludes sales by Maple Leaf Metals

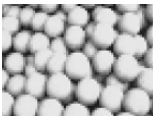
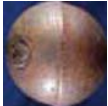
Financial reporting


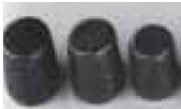
- OneSteel will establish a separate mining consumables segment
- Segment will include:
 - Existing OneSteel businesses:
 - Grinding media Kansas City, USA
 - Grinding media Cilegon, Indonesia
 - Waratah, NSW, Australia
 - Grinding media
 - Rail and forge
 - EAF and bar mill
 - Wire ropes Newcastle, Australia
 - Acquired Anglo American Plc businesses
 - Moly-Cop
 - AltaSteel
 - Maple Leaf Metals
 - GenAlta (50%)


Conclusion

- Strong strategic fit with OneSteel's Grinding Media business
- Establishes significant mining consumables business segment
- Attractive growth profile leveraged to copper and gold production
- Expanding existing presence in a global grinding media market
- Platform for further international earnings growth in mining consumables
- Diversification of earnings and operating cash flows
- Strong business profile with strong free cash flow generation
- Attractive acquisition metrics and conservative funding structure
- EPS accretive

Appendix – grinding media products

Source	Product	Process	Main Grinding Applications
Balls (Steel)		Forged	Copper, Gold, Fe Ore & Polymetallics
		Cast	Copper, Gold, Fe Ore & Polymetallics

Balls & Cylpebs (Iron)		Cast High Chrome	Cement, Coal, Industrial Metals, & Fe Ore
		Iron	Regrinds, Tower Mills, and Fine Grinding

Source	Products	Process	Main Grinding Applications
Rods		High Carbon (green)	Rod Mills
		Heat Treated	Rod Mills

Appendix – growth opportunities

Expansion/new mining projects

- Chile
 - Los Bronces
 - Pascua Lorna
 - Codelco expansions
- Peru
 - Antapaccay
 - Toquepala
 - Toromocho
- Mexico
 - Penasquito
 - Canaea
 - Pueblo Viejo
- Canada
 - Copper Mountain
 - Malartic
 - Mt Milligan

Indicative tonnes - 170kt