

Steel & Tube Holdings Limited – Impact of Tax Changes

ASX/MEDIA RELEASE

Release date: 1 July 2010

OneSteel Limited (ASX:OST) has a 50.3% shareholding in Steel & Tube Holdings Limited (NZSX:STU), a public listed company in New Zealand which processes and distributes a comprehensive range of steel and allied products in the construction, manufacturing and rural industries in New Zealand.

Attached is a copy of Steel & Tube Holdings Limited's announcement which was released to the New Zealand Stock Exchange today.



Kara Nicholls
Company Secretary
OneSteel Limited

For more information visit www.onesteel.com



The New Zealand Exchange Limited
WELLINGTON

NZX ANNOUNCEMENT

TAX CHANGES IMPACTING STEEL & TUBE HOLDINGS LIMITED

The Government's Budget announced a reduction in the corporate tax rate from 30% to 28% and the reduction of the tax depreciation rate on buildings with a life of 50 years or more, to zero percent, with effect from 1 July 2011.

These announcements are expected to increase the Company's deferred tax liability as at 30 June 2010 and reduce the reported net profit after tax for the financial year ending 30 June 2010, by approximately \$4 million.

The deferred tax increase is a one-off non cash adjustment which has no effect on the Company's underlying profitability, dividends or cash flows for the year ending 30 June 2010.

There will be no change to the actual tax paid until the 2011/12 year with the additional tax payable due to the change in tax depreciation estimated to be approximately \$0.2 million per annum.

A handwritten signature in black ink, appearing to be 'A C Candy', is positioned above the typed name.

A C Candy
Company Secretary

1 July 2010