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)
                        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
                        (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 Balling Line at Pellet Plant

4.20 pm  Coach travels to Whyalla airport
Presentations

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Geoff Plummer, Managing Director & CEO 4

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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
    - Focused 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

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
- Restructured business
  - Aligned production with domestic demand
  - Exit 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

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

The next refinancing is September 2009 with a maturity of $300 million.
Conversion of USD debt at September 2008 closing rate of 0.8022
Company overview

OneSteel’s Carbon Emissions
- OneSteel generates approximately 4.6mt of CO2-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 CO2 emissions
  - Scope 1 (direct) emissions approx 3.1mt CO2-e
  - Scope 2 (indirect electricity based) 1.5mt CO2-e

<table>
<thead>
<tr>
<th>OST total emissions per annum</th>
<th>Million Tonnes CO2-e per annum</th>
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</thead>
<tbody>
<tr>
<td>Integrated</td>
<td>2.8</td>
</tr>
<tr>
<td>EAF</td>
<td>1.2</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>4.6</td>
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</table>

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

<table>
<thead>
<tr>
<th>Materials</th>
<th>Manufacturing</th>
<th>Distribution</th>
<th>International Distribution</th>
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</thead>
<tbody>
<tr>
<td>Iron ore mines</td>
<td>Whalla Steelworks</td>
<td>Merchandising</td>
<td>Steel &amp; Tube Holdings (NZ)</td>
</tr>
<tr>
<td>Iron ore lump</td>
<td>Structural Rolling Mills</td>
<td>Metaland</td>
<td>(50.3% shareholding)</td>
</tr>
<tr>
<td>Iron ore fines</td>
<td>Rail Products Facilities</td>
<td>Piping Systems</td>
<td>Merchandising</td>
</tr>
<tr>
<td>Pellets</td>
<td>Steelmaking by-products (e.g. coke)</td>
<td>Steel, Coil &amp; Aluminium</td>
<td>Steel Distribution &amp;</td>
</tr>
<tr>
<td>One by-products</td>
<td>Laverton Steel Mill</td>
<td>Midalia Steel</td>
<td>Processing</td>
</tr>
<tr>
<td>Dolomite mines</td>
<td>Electric Arc Furnace</td>
<td>Steel and Tube</td>
<td>Roofing Products &amp;</td>
</tr>
<tr>
<td>Australian Recycling</td>
<td>Laverton Rolling Mills</td>
<td>Fagersta</td>
<td>Reinforcing</td>
</tr>
<tr>
<td>International Recycling</td>
<td>Sydney Steel Mill</td>
<td>Coil Coaters</td>
<td>Piping Systems</td>
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<tr>
<td></td>
<td>Electric Arc Furnace</td>
<td>Pipe &amp; Tube Mills</td>
<td>Fasting Systems</td>
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<tr>
<td></td>
<td>Sydney Bar Mill</td>
<td>Oil &amp; Gas Pipe Mill</td>
<td>Chain &amp; Rigging</td>
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<td></td>
<td>Waralah Steel Mill</td>
<td>Precision Tube Mills</td>
<td>Stainless Steel</td>
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<tr>
<td></td>
<td>Electric Arc Furnace</td>
<td>Structural Tube Mills</td>
<td>Hurricane Wire Products</td>
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<tr>
<td></td>
<td>Bar Mill</td>
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<tr>
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<td>Rail and Forge</td>
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<tr>
<td></td>
<td>Grinding Media</td>
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<tr>
<td></td>
<td>Newcastle Rod &amp; Bar Mills</td>
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<tr>
<td></td>
<td>Bar Mill</td>
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<td></td>
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<tr>
<td></td>
<td>Wire Mills</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Newcastle Wire Mill</td>
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<td></td>
<td>Geelong Wire Mill</td>
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<td></td>
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<tr>
<td></td>
<td>Wire Ropery</td>
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</tr>
</tbody>
</table>

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Whyalla Business Structure

Executive General Manager
OneSteel Whyalla
Mark Parry

GM Manufacturing
Jon Hobbs
GM Mines & Export
Gavin Hobart
GM Business Sustainability
Jim White
Manager Marketing
OneSteel Whyalla
Graeme Barkway
Manager Human Resources
Alan Tidswell
Manager Commercial
Gideon Janssen
Product Manager Structural
Scott Bourne

Whyalla Operations

- Mining operation - mining in excess of 11 mbcm\(^1\) 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
  - Maxmise slab export and scrap arbitrage opportunities

1mbcm – million bank cubic metres
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

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Whyalla Mining

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
  - Jinxin
  - 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
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
Whyalla Mining

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

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

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

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Whyalla Mining

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 1st 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 1st 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)

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

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**Whyalla Mining**

**Project Magnet Phase 2 (Stream 2)**

- Iron Knob Mining Area
- Katunga (East & West) Exploration targets
- Cooyerdoo Exploration target
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

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 Launders
    - 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

Focus on Maximising Production
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.
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

Labour

- **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**

### Ore products

<table>
<thead>
<tr>
<th>Event</th>
<th>Year</th>
</tr>
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<tbody>
<tr>
<td>Pellet Plant</td>
<td>1968</td>
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<tr>
<td>PP starts as export facility</td>
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</tr>
<tr>
<td>Flux pellets for Whyalla</td>
<td>1965</td>
</tr>
<tr>
<td>Waste Gas Cleaning Plant</td>
<td>1998</td>
</tr>
<tr>
<td>Kiln and cooler upgrade</td>
<td>2002-2005</td>
</tr>
<tr>
<td>Roller Feeder replacement</td>
<td>2002</td>
</tr>
<tr>
<td>Grate Upgrade</td>
<td>2006</td>
</tr>
<tr>
<td>Filter Flux commissioned</td>
<td>2007</td>
</tr>
</tbody>
</table>
| **Rail**
| Major track upgrade (inc 40 to 60kmph)    | 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 591                    | 2008   |

### Continuous Maintenance and Capital Investment

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**OneSteel Whyalla - Facility Upgrades**

### Blast Furnace History and Operations

<table>
<thead>
<tr>
<th>Event</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 2 Furnace Blown in</td>
<td>1965</td>
</tr>
<tr>
<td>Reline 1</td>
<td>1972</td>
</tr>
<tr>
<td>Reline 2</td>
<td>1981</td>
</tr>
<tr>
<td>Casthouse Floor Revamp</td>
<td>1993</td>
</tr>
<tr>
<td>Record Production</td>
<td>1999</td>
</tr>
<tr>
<td>Dust Catcher</td>
<td>2001</td>
</tr>
<tr>
<td>Water Treatment Plant</td>
<td>2002</td>
</tr>
<tr>
<td>Near Record Campaign</td>
<td>2004</td>
</tr>
<tr>
<td>Life of 23 years</td>
<td>2004</td>
</tr>
<tr>
<td>Reline</td>
<td>2004</td>
</tr>
</tbody>
</table>

---

1. Better management of material quality and flow into the furnace
2. Critical zone for smooth iron and slag flow. New operating parameters aimed at increasing thermal reserve at this level.
### OneSteel Whyalla – Facility Upgrades

#### Basic Oxygen Steelmaking

<table>
<thead>
<tr>
<th>Event</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 vessels @ 130t</td>
<td>1965</td>
</tr>
<tr>
<td>Hot Metal Desulphuriser</td>
<td>1991</td>
</tr>
<tr>
<td>IRUT/Sublance/Electric/Controls</td>
<td>1992</td>
</tr>
<tr>
<td>Ladle Met Furnace/Alloy System</td>
<td>1999</td>
</tr>
<tr>
<td>New Vessel Shells</td>
<td>1999/2000</td>
</tr>
<tr>
<td>BOC Oxygen Plant Commissioned</td>
<td>2001</td>
</tr>
<tr>
<td>Desulphurisation Plant Commissioned</td>
<td>2007</td>
</tr>
</tbody>
</table>

Continuous Maintenance and Capital Investment

### Integrated Steelworks Facilities

#### Caster

<table>
<thead>
<tr>
<th>Event</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combination slab/bloom/billet caster</td>
<td>1962</td>
</tr>
<tr>
<td>Five-strand billet caster</td>
<td>1999</td>
</tr>
<tr>
<td>160 mm billets</td>
<td>2008</td>
</tr>
</tbody>
</table>

#### Route to Market – Semi-Finished Products

<table>
<thead>
<tr>
<th>Product</th>
<th>Distribution Channel</th>
<th>End Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billets</td>
<td>Inter-divisional to Market Mills</td>
<td>Used to produce rod and bar</td>
</tr>
<tr>
<td>Slabs</td>
<td>Direct to re-roller</td>
<td>Used to produce various flat products</td>
</tr>
</tbody>
</table>

Semi-Finished Products

- **Slab**: 600 – 1850 mm, ~12m
- **Bloom**: 80 – 450 mm, ~8m, 250mm
- **Billet**: 127 & 175mm, ~12m

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**Page 60**
Integrated Steelworks Facilities

**Rolling**

**Event**
- Commenced rolling ingots: 1964
- Rail finishing end: 1982
- Revamp for slabs/blooms (new rolling stands, etc): 1992
- Cooling beds/Capacity Upgrade: 1996

**Finished products route to market**

- **Columns***
  - 100 mm to 310 mm

- **Beams***
  - 150 mm to 610 mm

- **Channels***
  - 125 mm to 200 mm

- **Angles***
  - 125 mm to 200 mm
  - 150 x 90 & 150 x 100

- **Rail-direct to end-user***
  - 41 Kg/m – 68 Kg/m
  - Plain Carbon - Head Hardened

- **Sleeper section (direct to end-user)**
  - Mainline
  - Heavy Haul
  - 6.5 mm to 10 mm
  - 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.

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**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

<table>
<thead>
<tr>
<th>Project</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blast Furnace Casthouse Floor</td>
<td>18</td>
</tr>
<tr>
<td>BOS Secondary Fume Emissions</td>
<td>9</td>
</tr>
<tr>
<td>Coke Ovens Battery Doors</td>
<td>5</td>
</tr>
<tr>
<td>Reed Beds</td>
<td>4</td>
</tr>
<tr>
<td>Site Upgrade and Regreening</td>
<td>1</td>
</tr>
<tr>
<td>Pellet Plant Waste Gas Cleaning Project</td>
<td>36</td>
</tr>
<tr>
<td>Pellet Plant Fugitive Dust</td>
<td>7</td>
</tr>
<tr>
<td>Blast Furnace Water Treatment</td>
<td>7</td>
</tr>
<tr>
<td>Project Magnet Environmental Spend</td>
<td>60</td>
</tr>
<tr>
<td>TOTAL</td>
<td>147</td>
</tr>
</tbody>
</table>

ISO14001 Accreditation achieved – Environment Management Systems

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Sustainable Business

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
Sustainable Business

CO₂ Emissions and Carbon Trading

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