



**CHINA STEEL
AUSTRALIA**

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China Steel Australia (ASX:CNH)

**Court Summons received by Linyi Yilida Steel Mill Co. Ltd (“our subsidiary”) -
update**

Further to the announcement made on 24th February 2011, the Board of Directors of China Steel Australia wishes to inform Shareholders the update of court hearing on 4th March 2011.

No conclusion was reached during the negotiation between our subsidiary and Hebei Metallurgical Construction Group Co. Ltd.

Both parties have not fixed a new date for the negotiation. However, it would be reasonable to expect that the new date for negotiation would be within a month after the court hearing. The Board will keep shareholders informed of any new developments.

Shareholders and potential investors should note and be cautioned that while negotiations toward a settlement agreement are in advance stage, there is no assurance that such negotiations will be successful. The Board will inform Shareholders should there be further developments on the above.

China Steel Australia is an enterprise with a licence to manufacture steel and iron in China. The Brisbane-based company produces both nickel pig iron (NPI) and merchant pig iron (MPI) at its plant near the city of Linyi in China’s Shandong Province.

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