

ASX RELEASE

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COMPLETION OF ACQUISITION OF WPG RESOURCES IRON ORE SUBSIDIARIES

(ASX:OST) OneSteel Limited announced today that it has completed the acquisition of WPG Resources Limited's (WPG) subsidiary companies that own iron ore assets in northern South Australia.

Today's announcement follows OneSteel's August release outlining the company's intention to expand its Iron Ore business through increasing the capacity of its Whyalla port to approximately 12 million tonnes per annum, underpinned by the signing of an agreement to purchase the WPG iron ore assets. Acquisition of the WPG iron ore assets was subject to limited conditions including approval by ordinary resolution by WPG shareholders.

The WPG iron ore assets include the Peculiar Knob high grade DSO hematite project that is currently underway and the Buzzard and Tui DSO hematite deposits at Hawks Nest, as well as the WPG magnetite deposits. Final consideration for the subsidiaries is approximately \$320 million, and OneSteel expects to invest an estimated additional \$80 million for capital expenditure to complete the infrastructure at Peculiar Knob and bring the mine into production. OneSteel expects to be in a position to commence sales of iron ore from Peculiar Knob in the fourth quarter of the 2012 calendar year.

Following completion of the acquisition, OneSteel will now finalise its plans for the Peculiar Knob operations. OneSteel intends to conduct a market briefing on the announced expansion of its Iron Ore business including the WPG iron ore assets in due course.

ENDS

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Further information about OneSteel can be accessed via the website www.onesteel.com