

ASX RELEASE

23 December 2010

SECURITIES DEALING POLICY – LISTING RULES 12.9 and 12.12

OneSteel Limited (ASX:OST) in accordance with Listing Rules 12.9 and 12.12 which come into effect on 1 January 2011 attaches a copy of its Securities Dealing Policy.



Kara Nicholls
Company Secretary
OneSteel Limited

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

OneSteel Limited Securities Dealing Policy

1. OVERVIEW

- 1.1 This document sets out the Securities Dealing Policy (“**Policy**”) of OneSteel Limited (“**OneSteel**”) regarding OneSteel and its controlled entities (“**OneSteel Group**”) directors, officers and employees, and certain consultants and contractors, engaging in dealings in Securities (defined below), particularly OneSteel Securities.
- 1.2 The objective of this Policy is not only to require that all OneSteel People (defined below) comply with the law at all times, but to ensure that their dealings in Securities and Inside Information of OneSteel and other entities with which OneSteel deals are above reproach. It also aims to assist OneSteel in its disclosure and reporting requirements.
- 1.3 This Policy requires all OneSteel Group directors, officers and employees (including employees on fixed term contracts), as well as relevant consultants and contractors retained by OneSteel from time to time (collectively “**OneSteel People**” and individually a “**OneSteel Person**”) to comply with the law relating to insider trading which is outlined in this Policy. The Policy contains additional responsibilities which apply to:
 - relevant OneSteel People who are managers at level 3 (General Managers) and above, including Directors and Senior Executives as defined below (collectively “**Relevant OneSteel People**” and individually a “**Relevant OneSteel Person**”); and
 - each director of OneSteel, the Company Secretary of OneSteel, the Managing Director & Chief Executive Officer (“**CEO**”), and CEO’s direct reports (“**Directors and Senior Executives**”).
- 1.4 Insider trading is a criminal offence, attracting potential fines and imprisonment. Civil penalties and compensation may also be ordered against a person engaging in insider trading. In addition to any consequences applicable under law, OneSteel People who fail to adhere to the requirements of this Policy may face disciplinary action, including dismissal.

2. RESPONSIBILITIES

- 2.1 Each OneSteel Person has an individual responsibility to ensure that they comply with the law relating to insider trading. This Policy is only a general guide in relation to complex legal provisions and should not be taken as legal advice.
- 2.2 If you do not understand this Policy or otherwise have questions, guidance can be obtained from the General Manager - Legal or the Company Secretary. However, that guidance will not affect your individual responsibility to comply with your obligations.

3. COMPLIANCE WITH THE LAW

3.1 What is Inside Information?

“**Inside Information**” is information that is not generally available to the public and, if it were available, could be expected to have a material effect on the price or value of a company's Securities. Information is 'generally available' if it is in the public arena, such as where it consists of readily observable matter or it has been brought to the attention of investors by an announcement to the Australian Securities Exchange ("**ASX**") and a reasonable period for its dissemination has elapsed since the announcement.

3.2 Examples of information that might be Inside Information include information relating to:

- financial performance of a company, for example, a material change in debt, liquidity and cash flow, or a material variance between the Company's sales and profits results and market expectations regarding those results; or
- a material acquisition or disposal of assets; or
- an actual or proposed takeover or merger; or
- a material management or business restructuring proposal; or
- an actual or proposed change to capital structure, for example a share issue proposal; or
- the entry into or termination of a material contract; or
- a significant change in or event affecting the level of production at OneSteel's facilities; or
- a significant change to or event effecting the availability of OneSteel's debt facilities; or
- a material claim or unexpected liability, for example the threat of major litigation against OneSteel.

3.3 Insider trading prohibition

OneSteel People must not engage in insider trading. This means that a OneSteel Person who possesses Inside Information in relation to Securities (whether of OneSteel or any other company) must not:

- apply for, acquire or dispose of those Securities, or agree to do so; or
- procure, encourage, incite or induce anyone else (for example, a family member, friend, or family company or trust) to do those things; or
- directly or indirectly communicate the Inside Information to any other person.

These restrictions cannot be avoided by another person doing things on the OneSteel Person's behalf. So, for example, if a family member acquires Securities for a OneSteel Person while the OneSteel Person is in possession of Inside Information in relation to those Securities, the OneSteel Person may face insider trading liability.

3.4 The prohibition in the *Corporations Act 2001* (Cth) (the "**Corporations Act**") against insider trading applies equally to where Inside Information is held by a OneSteel Person in respect of another company's Securities, as it does to Inside Information relating to the Securities of OneSteel.

3.5 For the purpose of the insider trading prohibition and this Policy:

- “**Securities**” include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives and other financial products covered by section 1042A of the Corporations Act;
- “**Derivatives**” includes options, forward contracts, swaps, futures, warrants, caps and collars as defined in section 761D of the Corporations Act;
- “**deal**” includes, in relation to Securities, an acquisition or disposal of the Securities, or the entry into a Derivative in relation to the Securities, or the grant, acceptance, acquisition, disposal or exercise of an option to acquire or dispose of the Securities, or the use of the Securities as security or the grant of any encumbrance over the Securities, or the engagement in any other transaction involving a beneficial interest or a change in beneficial ownership of the Securities, or the entry into any agreement to do any of the above things; and
- an “**Employee Equity Scheme**” means a scheme established by OneSteel solely or primarily for the benefit of OneSteel employees for the acquisition of OneSteel Securities, including the Tax Deferred and Exempt Staff Share Plans, the Executive Share Plan (Long Term Incentive Plan) and the Executive Option Plan.

4. PARTICIPATION IN EMPLOYEE EQUITY SCHEMES

- 4.1 Participation in Employee Equity Schemes by OneSteel employees is not subject to the insider trading prohibition outlined above. A OneSteel employee may enter into, join or vary their participation in a Employee Equity Scheme and exercise options to subscribe for OneSteel Securities while they possess Inside Information in relation to OneSteel Securities. This exception does not apply to any other equity purchase plan, such as the dividend reinvestment plan.
- 4.2 Any dealings in shares withdrawn from an Employee Equity Scheme following vesting or acquired on exercise of options (including any direction that the shares be transferred directly from the scheme to another person) are subject to all of the requirements of this Policy.

5. DEALINGS BY CONNECTED PERSONS

- 5.1 This Policy extends to the Connected Persons of a Relevant OneSteel Person in relation to OneSteel Securities.
- 5.2 This means that each OneSteel Person must not communicate any Inside Information regarding any Security to their Connected Persons or otherwise procure a dealing by any Connected Person in any Security about which the OneSteel Person has Inside Information.
- 5.3 For the purpose of this Policy, “**Connected Person**” means, in relation to a OneSteel Person, a person who materially influences or is materially influenced by that OneSteel Person in dealings with relevant Securities.

6. ADDITIONAL ONESTEEL POLICIES FOR ALL RELEVANT ONESTEEL PEOPLE

- 6.1 Relevant OneSteel People are subject to additional obligations as set out below. The Company Secretary may from time to time designate in writing additional OneSteel People as persons subject to these additional obligations as if they were Relevant OneSteel People for the purposes of this Policy.

6.2 Short-term or speculative dealing

6.2.1 Relevant OneSteel People are encouraged to be long-term holders of OneSteel Securities. No Relevant OneSteel Person may deal in OneSteel Securities for short-term gain. This means that Relevant OneSteel People must not acquire or subscribe for OneSteel Securities with the intention of selling them within the following 12 month period.

6.2.2 Limited exceptions apply in relation to Employee Equity Schemes. The vesting or exercise of options over or rights to OneSteel shares under any Employee Equity Scheme and the subsequent sale of these OneSteel shares within a 12 month period are permitted. Similarly, the sale of OneSteel shares at the end of a restriction period applying under an Employee Equity Scheme is not prohibited. Such a sale is nevertheless subject to the other provisions of this Policy.

6.3 Trading windows

6.3.1 Relevant OneSteel People may trade in OneSteel Securities only during a trading window ("**Trading Window**") of four weeks commencing at the conclusion of the event on the date on which each of the following events occurs:

- the Company's Annual General Meeting;
- release of the Company's Half Year Results to the ASX;
- release of the Company's Full Year Results to the ASX; and
- release of a disclosure document or a cleansing notice in connection with an offering of OneSteel securities.

It must always be remembered, however, that even when a Trading Window is open, Relevant OneSteel People may not deal in OneSteel Securities if they are in possession of Inside Information.

6.3.2 In addition, the Chairman or, in the Chairman's absence, the Chairman of the Governance and Nominations Committee, in their discretion may:

- designate additional Trading Windows;
- decide that a particular Trading Window is available only for certain designated Relevant OneSteel People or for Relevant OneSteel People with the exception of certain designated people; and
- prohibit trading in OneSteel Securities even when a Trading Window is open.

6.3.3 The Chairman (or the Chairman of the Governance and Nominations Committee, as applicable) in their discretion may refer any decision regarding the operation of Trading Windows to the OneSteel Board (the "**Board**").

6.3.4 A Relevant OneSteel Person may seek a waiver to deal in OneSteel Securities outside a Trading Window (a "**Waiver**"). Directors may request a Waiver from the Chairman (or, if the Chairman is requesting a Waiver or is not able to be contacted, the Chairman of the Governance and Nominations Committee). A Relevant OneSteel Person, excluding Directors, may request a Waiver from the CEO (or delegate). A Waiver must be obtained before dealing in OneSteel Securities outside a Trading Window. Waivers are granted at the discretion of, and on such terms and conditions as are determined by, the Chairman, CEO or delegate. Waivers may be refused at their discretion without being obliged to provide any reason and may be refused, for example, notwithstanding that the applicant is not personally

in possession of Inside Information. The Company Secretary must be notified as soon as practicable after any dealing in OneSteel Securities occurs. This notification should include a copy of any requisite approval obtained prior to trading.

6.3.5 OneSteel will disclose to the ASX that a Waiver has been granted if it is required to do so or if it otherwise considers it appropriate to do so.

6.4 Blacklisted Securities

6.4.1 From time to time, OneSteel will be engaged in certain activities where it is possible that Inside Information in relation to Securities of another company may be made available to OneSteel.

6.4.2 The Chairman or the CEO may request the Company Secretary to notify certain OneSteel People in writing that they are subject to a blacklist in relation to a particular Security and must not deal in the Security for the time period specified in the notice. Dealing in the blacklisted Securities by those OneSteel People will only be permitted if they first comply with the notification and approval procedure outlined in Section 7 below as if that person were a Director or Senior Executive and the Security were a OneSteel Security, and then always subject to the law, including not being in possession of Inside Information.

6.4.3 A person notified of the application of a Security's blacklisted status must not discuss this fact with anyone other than the Company Secretary, Chairman or CEO.

6.5 Derivatives

OneSteel shares, options or performance rights may be granted to OneSteel People as part of their remuneration. Relevant OneSteel People must not use any Derivatives in relation to any OneSteel Securities (including, but not limited to, Securities granted as part of their remuneration) without prior approval. Directors must seek approval from the Chairman (or, if the Chairman is requesting a Waiver or is not able to be contacted, the Chairman of the Governance and Nominations Committee). Relevant OneSteel People, excluding Directors, must seek approval from the CEO (or delegate). A request for approval from the Chairman or CEO can be made through the Company Secretary. Approval may be subject to conditions and can be revoked at any time.

6.6 Margin lending

A Relevant OneSteel Person must not enter into a margin lending arrangement with respect to OneSteel Securities (or Securities that are blacklisted in relation to that OneSteel Person) without prior approval. Directors must seek approval from the Chairman (or, if the Chairman is requesting a Waiver or is not able to be contacted, the Chairman of the Governance and Nominations Committee). Relevant OneSteel People, excluding Directors, must seek approval from the CEO (or delegate). A request for approval from the Chairman or CEO can be made through the Company Secretary. Approval may be subject to conditions and can be revoked at any time.

7. ADDITIONAL ONESTEEL POLICIES FOR DIRECTORS AND SENIOR EXECUTIVES

7.1 Directors and Senior Executives are subject to additional obligations as set out below. The Company Secretary may from time to time designate in writing additional OneSteel People as persons subject to these additional obligations as if they each were a Director or Senior Executive for the purposes of this Policy.

7.2. Approval procedure in relation to Trading in OneSteel Securities

7.2.1 Directors and Senior Executives must not engage in a proposed dealing until approval has been obtained. Directors must seek approval from the Chairman (or, if the Chairman is requesting a Waiver or is not able to be contacted, the Chairman of the Governance and Nominations Committee). Senior Executives, excluding Directors, must seek approval from the CEO (or delegate). A request for approval from the Chairman or CEO can be made through the Company Secretary. Approval may be subject to conditions and can be revoked at any time.

7.2.2 Any such approval, unless withdrawn, will be valid until the conclusion of the Trading Window from the date it is given, or such other period specified in it, meaning that the relevant dealing can only occur during that period (subject to the other requirements of this Policy).

7.2.3 Directors and Senior Executives do not need to follow this procedure where the proposed dealing involves:

- (a) the subscription for OneSteel Securities pursuant to a pro rata issue; or
- (b) the acquisition by an employee of OneSteel Securities under an Employee Equity Scheme; or
- (c) the acquisition of OneSteel Securities under a dividend reinvestment plan.

Compliance with the other terms of this Policy is, however, still required.

7.2.4 It should be noted that any approval given is never an endorsement of the proposed dealing. Each Director and Senior Executive remains individually responsible for their own investment decisions and their compliance with the law (including the insider trading prohibitions) and this Policy.

7.3. Confirmation of dealings in OneSteel Securities

Each Director, Senior Executive and designated additional OneSteel People must notify the Company Secretary as soon as practicable after any dealing in OneSteel Securities occurs and, in any case, no more than two business days afterwards. This notification should include a copy of the approval provided.

7.4. Annual Review and Board Approval

The Governance & Nominations Committee reviews this Policy annually and recommends it to the Board. The Policy was last reviewed by the Governance & Nominations Committee on 5 July 2010 and approved by the Board on 19 July 2010.