

30th June 2010

Subject: Product Price Adjustment – Pipe and Tube Products

Dear Valued Customer,

Due to supplier cost increases, it has now become necessary for Midalia Steel to adjust market pricing and implement the price increases shown in the schedule below.

SCHEDULE OF PRICE INCREASES¹

Pipe & RHS

- Price increase: average of 11% - Effective for orders placed on or after 5th July

DuraGal Profiles (Flats, Angle, Channels)

- Price increase: average of 5.7% - Effective for orders placed on or after 5th July

Precision Tube (Effective for orders placed on or after 5th July)

- Price increase: average of 7.5% for EzyForm, HiLite, Galvatube, FenceTube, OxyLance.
- Price increase: average of 12.5% for Aluminised and Perforated Aluminium Tube.
- Price increase: average of 6% for Tubecolor.

We are conscious of the impact steel price increases have upon our customers and regret the short notice. Please be assured that we will honour existing quotes for material ordered prior to the effective date of the price increase and that we remain committed to working with you as a reliable and competitive supplier through this period of change.

Raw material costs are expected to remain volatile for the foreseeable future. As a result, we strongly suggest that you ensure that when quoting to your customers that you take into account the potential for further changes. We will do our best to manage your stock requirements during this period.

We encourage you to contact our team of Branch and Account Managers for details on your new pricing.

Thank you for your ongoing support.

Yours Faithfully,

A handwritten signature in black ink, appearing to read "Neil McLean".

Neil McLean
General Manager – OneSteel Metaland

¹ Correct as published June 2010. Please note that the price increases listed above are indicative for the nominated product group and price changes on individual items may vary.