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China Steel Australia (ASX:CNH)

January 29, 2010

Large Order Boosts Expansion Plans for China Steel

China Steel Australia Limited (ASX:CNH) is pleased to report that a major customer has placed a long term order which will boost the company's expansion plans

The company produces both nickel pig iron and merchant pig iron at its plant near the city of Linyi in China's Shandong Province.

China Steel CEO Mr Chen Lidong said the company had signed a one year letter of intent with Heng Feng Zheng Dao Trading Co. Ltd to supply 45,000 tonnes of nickel pig iron or 90 per cent of current production capacity.

"As we are currently already at full production, this long term contract will require us to allocate our productions," Mr Chen said.

"This significant order gives us great confidence in our expansion plans which will lead to the company trebling the current rate of production.

"The company is now able to capitalise on changing market demands by being able to produce both nickel pig iron and merchant pig iron."

China Steel Australia, which listed on the ASX in February, 2008, is an enterprise with a licence to manufacture steel and iron in China.

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