



China Steel Australia (ASX:CNH)

December 09, 2008

China Steel Australia update

China Steel Australia (ASX:CNH) announced today that its current production levels were matching levels for the corresponding period last year as it continued to meet demand from on-going contracts.

China Steel Australia CEO Chen Li Dong said the steady production levels reflected the company's need to continue to satisfy long-term and on-going contracts.

"The challenging global market conditions at the moment will place downwards pressure on profits but China Steel is fortunate to have in place strong, on-going contracts," Mr Chen said.

"However, we have concluded it is prudent not to commission the expanded production plant planned for January 2009.

"No loans, related to the expanded plant or otherwise, are due in this financial year."

Mr Chen said China Steel Australia would continue to monitor market conditions and review the status of the expanded facilities.

"China Steel Australia is exceptionally well-placed to take advantage of future opportunities in China as both the foremost supplier to the Chinese domestic market of high quality nickel pig iron and as an integrated steel producer," he said.

Alternate Directors

With immediate effect, Director Damien Seah will be an alternate to Chairman Xue Yongwen and Director Lanson Lim will be an alternate to Executive Director Chen Li Dong on the China Steel Australia board.

This means that of the current seven directors, two have become alternates for two others, so a typical board meeting will now have five in attendance.

ENDS

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