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Price Update

JULY 2008

Welcome to the OneSteel Piping Systems Price Newsletter

As you are no doubt aware, the global steel market is experiencing unprecedented volatility. In this environment, we felt that it is important to provide you with an update of our consolidated price increases and what is happening with pipe, valve, fitting and steel supply.

During 2008 we have seen significant movements in prices for both raw materials and finished goods. In this newsletter we have provided a snapshot of the price movements in a number of key inputs for making pipe, valves and fittings.

In addition to price increases, we are seeing a tightening in product availability for imported products such as seamless pipe, flanges, fittings and valves. As a local supplier we understand the challenges these unforeseen circumstances present and we have been actively

working with our overseas manufacturers to identify opportunities to minimise the effect on your business. We continue to strive to be a competitive supplier to your business. During this time, it is important that we continue to work closely together.

We hope that you find our newsletter of some value in keeping you informed with what is happening to prices and supply and trust this assists your business.

I would like to thank you for your previous and current support and look forward to your continued business.

Regards

Geoff Feurtado
General Manager – OneSteel Piping Systems

OneSteel Piping Systems Price Increases to Date

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08
FITTINGS	Malleable Fittings		10.0%				21.0%	
	Gal Steel Fittings		3.0%		6.6%		15.4%	
	Black Steel Fittings		3.0%		5.7%		11.5%	
	High Pressure Fittings					6.0%	10.0%	
	ANSI Flanges			8.6%	4.4%		20.4%	
	Plate Flanges				9.3%	7.0%	10.0%	
	Buttweld Fittings			8.6%	10.0%		7.0%	10.0%
	Grooved Fittings				8.0%			12.0%
PIPE	ERW Pipe		5.0%		12.0%		15.0%	
	SMLS Pipe				17.0%		10.0%	
	Commercial Pipe			5.0%	15.0%		25.5%	
VALVES	Valves				10.0%		10.0%	
	Actuators					8.4%		
STEEL	Plate		10.0%		12.0%	20.0%	10.0%	
	RHS		5.0%		15.0%		25.5%	
	Merchant Bar		10.0%	8.0%		15.0%	20.0%	
	Structural		12.5%	6.0%		13.0%	17.0%	

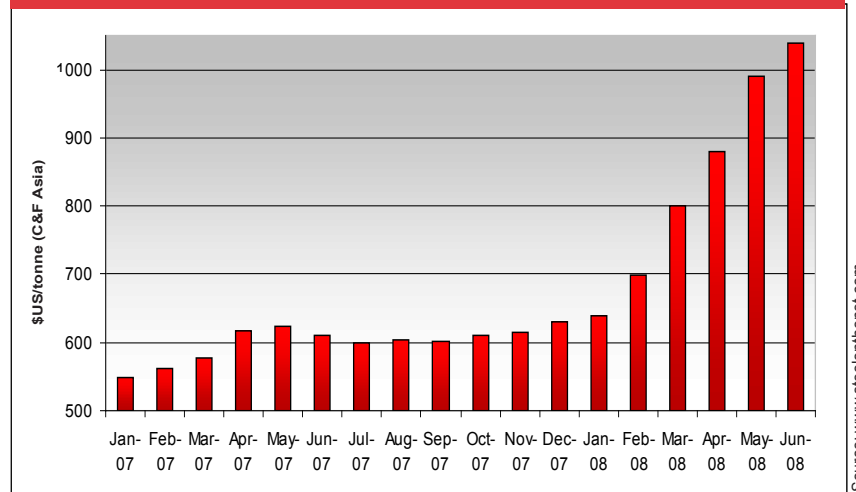
The table above is an updated summary of the price increases that have so far occurred during the 2008 calendar year. The percentages listed above are typical for each product group however individual items may vary. Should you require further information relating to pricing, please contact your OneSteel Piping Systems sales office.

Hot Rolled Coil Increases

Hot Rolled Coil (HRC) is the feed material for the manufacture of Electric Resistance Weld (ERW) Linepipe. Over the last 12 months there has been a substantial increase in regional HRC prices. "POSCO, the world's fourth-largest steelmaker, said Tuesday that it plans to raise prices of steel products to cover rising costs of raw materials such as iron ore and coal, its third hike this year."

- Source: www.tradingmarkets.com, June 2008

HOT ROLLED COIL PRICES

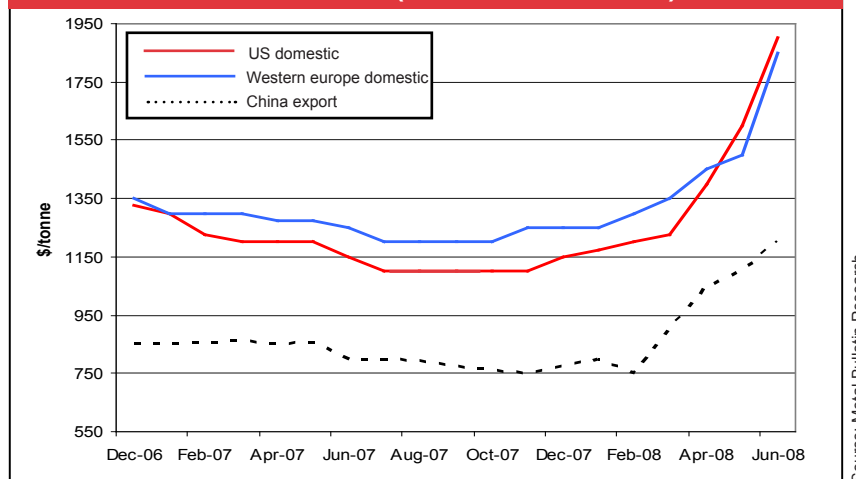


Seamless Price Increases

"Rising round billet prices, driven by higher scrap prices and strong demand for construction steels which is diverting supply to square billet, are contributing to an upwards push in regional seamless prices."

- Source: *MBR Seamless Steel Tube and Pipe Monthly*, June 2008.

SEAMLESS LINEPIPE (API 5L GRADE B) PRICES



Increase in Freight Costs

"Sea freight costs to ferry raw materials hit a high for the year on strong Asian demand..."

- Source: *Reuters*, April 2008

FREIGHT COSTS

