

24 December 2008

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Takeovers Panel Decision

Bisalloy Steel Group Limited (**Bisalloy** or the **Company**, stock code BIS) advises that the Takeovers Panel has today released its decision that unacceptable circumstances exist in relation to the sub-underwriting arrangements of the Company's rights issue.

The effect of the decision is to vary the sub-underwriting arrangements so that Anchorage BSC Pty Ltd (the existing sub-underwriter), Balron Nominees Pty Ltd and Investors Mutual are able to participate equally in any excess shortfall of the rights issue (as defined in the supplementary prospectus referred to below) to the extent the parties are willing to subscribe for further shares.

The decision will not affect the timing of the rights issue, which closes on 30 December 2008, or the funding of the Company as the rights issue remains fully underwritten.

As a result of the decision, the Company has today lodged a supplementary prospectus with ASIC and ASX which amends the offer in accordance with the decision of the Takeovers Panel and includes details of the likely holdings of Anchorage, Balron and Investors Mutual following the conclusion of the issue.

The supplementary prospectus and the full decision of the Takeover Panel are available on the ASX website (www.asx.com.au) under BIS or through your stockbroker.

Regards

David Cleland
Company Secretary