

24 October 2014

Dear Shareholders

Attached is the Notice of Annual General Meeting (AGM) to be held on Wednesday 26 November 2014 at 11:00am.

The AGM will be held in the Marble Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW. If you are unable to attend the meeting, you may wish to appoint a proxy by completing and returning the attached Proxy Form.

Copies of the presentations given at the AGM and the results of the meeting will be announced to the ASX and placed on the Company's website at www.bisalloy.com.au. The presentations will be available immediately prior to the AGM with the results available immediately afterwards.

In addition to the usual business to be conducted at the Annual General Meeting, I will take the opportunity to provide an update on our current trading conditions as well as progress with our Joint Venture in China.

I look forward to welcoming you to the Annual General Meeting.

Yours sincerely



Mr Phillip Cave AM
Chairman

BISALLOY STEEL GROUP LIMITED ABN 22 098 674 545

NOTICE OF 2014 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (Meeting) of Shareholders of Bisalloy Steel Group Limited (the Company) will be held at the Marble Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW on Wednesday, 26 November 2014, commencing at 11.00 am. (Sydney AEDT).

The business to be considered at the Meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Notes. A Proxy Form accompanies this Notice.

BUSINESS OF THE MEETING

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 30 June 2014.

Shareholders will have a reasonable opportunity to ask questions and make comments on these reports and on the business and operations of the Company.

All shareholders can view the Financial Report for the year ended 30 June 2014 on the website of the Company (www.bisalloy.com.au).

B. ITEMS FOR APPROVAL

1. Re-election of Director – Phillip Cave

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr. Phillip Cave, being a director of the Company, who retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.4, and having offered himself for election and being eligible, is hereby re-elected as a director of the Company.”

2. Re-election of Director – Kym Godson

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr. Kym Godson, being a director of the Company, who retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.4, and having offered himself for election and being eligible, is hereby re-elected as a director of the Company

BISALLOY STEEL GROUP LIMITED

2014 ANNUAL GENERAL MEETING EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's 2014 Annual General Meeting.

The purpose of this Explanatory Statement is to provide shareholders with information they may reasonably require to decide how to vote upon the resolutions. The Directors recommend that shareholders read this Explanatory Statement before determining whether or not to support the resolutions.

With the exception of Resolution 3 in respect of the Remuneration Report which is an advisory resolution, all of the resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

Ordinary Business

Resolution 1: Re-election of director - Phillip Cave

Mr Cave is an experienced director, Chairman and Chief Executive Officer with a career in major corporate turnaround projects, structured finance and corporate advisory service. Mr Cave is currently Chairman of Anchorage Capital Partners, Wesley Institute and Ability First Australia. Over a 35 year career, Mr Cave's experience has combined a mixture of operational management expertise across a wide variety of industries with an in-depth knowledge of finance and banking.

Mr Cave is a Member of the Order of Australia and has a Bachelor of Business and is a FCPA.

A founding director of the Company and Chairman since being appointed in November 2001, he is also Chairman of the Nominations & Remuneration Committee and a member of the Audit & Risk Committee.

Mr Cave retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.5, and being eligible, has offered himself for re-election.

The Directors, with Mr Cave abstaining, recommend that shareholders vote in favour of this resolution.

Resolution 1: Re-election of director – Kym Godson

Mr Godson is an experienced public company director and has extensive experience in the management of industrial businesses, particularly within the steel industry.

He is a former Managing Director and CEO of the Company having retired from the position in November 2008 subsequent to the sale of the distribution business.

Mr Godson is a member of the Audit & Risk Committee and of the Nominations & Remuneration Committee.

Mr Godson retires by rotation in accordance with clause 8.1(d) of the Constitution of the Company and ASX Listing Rule 14.4, and being eligible, has offered himself for re-election.

The Directors, with Mr Godson abstaining, recommend that shareholders vote in favour of this resolution

The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Phillip Cave and Mr Kym Godson.

Resolution 3: Remuneration Report

Section 250R(2) of the *Corporations Act 2001* requires shareholders to vote on an advisory resolution that the Remuneration Report be adopted.

As set out in the Remuneration report, the Company's remuneration philosophy and practices aim to set board and executive compensation at levels which are fair and reasonable, competitive with relevant market benchmarks, and assist the company to recruit, retain and motivate skilled and talented people across the Company's operations. Wherever possible, the Company's remuneration practices and governance are appropriate for an Australian listed company of a similar size and market capitalisation. These policies and practices are overseen by the board's Remuneration and Nomination Committee.

The Remuneration Report is available on pages 6 to 10 in the Company's 2014 Annual Report which can be viewed on the website (www.bisalloy.com.au).

The Corporations Act restricts members of the key management personnel (KMP) of the Company and their closely related parties from voting in relation to Resolution 3 in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

The Company is required under the Corporations Act to disregard any votes (in any capacity) on the proposed Resolution 3 by or on behalf of:

- a member of the KMP (details of whose remuneration are included in the remuneration report); and
- a closely related party of those persons (such as close family members or a company the person controls).

However this restriction will not prevent such a person casting a vote on Resolution 3 if the person does so as a proxy appointed in accordance with the directions on the proxy form, that specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

If you intend to appoint the Chairman of the Meeting as your proxy, or the Chairman of the Meeting becomes your proxy by default, you can direct him how to vote by either marking the boxes for Resolution 3 (for example if you wish to vote for, against or abstain from voting), or, if you do not direct the Chairman of the Meeting how to vote, you will be taken to have expressly authorised the Chairman of the Meeting to vote your undirected votes.(in which case the Chairman of the Meeting will vote in favour of this item of business).

If you intend to appoint another member of the KMP (such as one of the directors) as your proxy, please ensure that you direct them how to vote on Resolution 3 by marking the relevant boxes for this item.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



Proxy Form



**For your vote to be effective it must be received by
11:00am (Sydney AEDT) on Monday, 24th November 2014**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Bisalloy Steel Group Limited to be held in the Marble Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW, on Wednesday, 26 November 2014 at 11:00am (Sydney AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 3 (except where I/we have indicated a different voting intention below) even though Item 3 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 1	Re-election of Director – Phillip Cave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Director – Kym Godson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /