

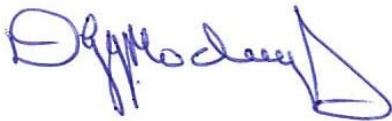
21 November 2011

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

AGM Presentations

In accordance with the ASX Listing Rules and the *Corporations Act 2001*, attached are the presentations to be given at today's Annual General Meeting.

Regards



David MacLaughlin
Company Secretary



CHAIRMAN'S ADDRESS

Welcome to the 2011 Annual General Meeting of the Bisalloy Steel Group.

During a year in which many companies in the Australian steel sector have struggled to deal with the challenges presented by a high Australian dollar, it is pleasing to report a 37% growth in Group earnings. During the year the Group has also successfully realigned its sales and marketing operations in the Australian domestic market and entered into an exciting new opportunity in the People's Republic of China.

The Group has maintained its focus on reducing debt, and I am pleased to report our debt was reduced from \$18.1m at 30 June 2010 to \$15.8m at 30 June 2011. Debt reduction remains an ongoing objective for the Group and the Board believes a further reduction in the Group's debt is required before consideration can be given to the re-commencement of dividends. Our objective is to see the net debt reduced to an appropriate level within the next 12 to 18 months assuming trading conditions remain favourable.

In July this year, the Group announced an exciting new expansion into the Chinese market through the signing of a 50:50 Joint Venture with Jinan Iron & Steel Co., Limited. The JV is for the production and sale of quench & tempered steel plate in the rapidly expanding China market and other regional markets. This initiative provides Bisalloy access to at least 150,000 tonnes per annum of quench & tempered steel processing capacity, which is more than double Bisalloy's current capacity. This will be achieved utilising Jinan's newly commissioned German designed quench & temper mill. Bisalloy's capital investment was limited to just US\$1 million, which is testament to the value placed on the Bisalloy brand names and manufacturing expertise. I am pleased to announce that the Joint Venture has already secured its first orders from local Chinese customers and is in the process of manufacturing these orders for delivery in late November and December. The Board believes this Joint Venture can deliver a significant improvement in shareholder returns following the initial ramp-up during the current financial year.

The Board believe that the underlying strength of the Australian dollar will see the Australian domestic quench & tempered steel market remain attractive to overseas producers and will provide challenges to Australian manufacturers in maintaining their export markets. Despite these challenges, our on-going commitment to the strategic sourcing of greenfeed from both domestic and overseas suppliers, combined with the marketing initiatives we undertook to increase the Group's ability



to service the Australian domestic market, should enable Bisalloy to continue to compete effectively in our target markets. When we announced our FY2011 results in August, we stated that the Group expected another significant improvement in earnings in FY2012. I am now pleased to announce that, assuming trading conditions remain as envisaged, we expect an increase in earnings in FY2012 in the range of 40% to 50%.

Before I hand over to our Managing Director, Mr. Robert Terpening, to provide a more detailed overview of the Group's operational performance, I would like to detail two initiatives the Group is proposing to implement with regard to its share register aimed at minimising the volatility of daily movements in the Group's share price. The first of these initiatives is the proposed 5 to 1 share consolidation, which is included in the Resolutions for consideration by the shareholders at this meeting. Full details of the proposal are included in the Notice of Meeting and Explanatory Notes and I can confirm that the Directors unanimously support this proposal to reduce the number of shares on issue to a more appropriate level.

The second initiative is being announced to you today. It is a facility for the cost-free sale of unmarketable share parcels, which are shareholdings with a market value of less than \$500. Over the past eight years, the Group has seen the build up of a significant number of shareholders with small unmarketable holdings. The Company will introduce a facility to enable the holders of such share parcels to dispose of them at full market value without incurring any brokerage costs. The Company will benefit in the future from lower registry and administration costs as a result of this initiative. For clarity, I stress that the Company will not be reducing its capital base by buying these shares back. Individual shareholders who meet the criteria for this facility will receive correspondence from the Company shortly explaining the process and will be invited to take advantage of this offer.

Your Board will of course be continuing to assess other potential initiatives to ensure shareholder returns are maximised.

I would like to take this opportunity to sincerely thank all our employees for their continued efforts and commitment to the Group. The Board and management remain focused on balancing the interests of all stakeholders and how best to deliver increased shareholder returns. I would further like to recognise the efforts of our Managing Director who has lead the formation of the Joint Venture with Jinan. If it was not for Robert's persistence and his development over 5 years of the



relationship with Jinan, we would not have established such a valuable partnership. Our greatest thanks go to him for his time and dedication to this cause.

I now invite the Managing Director to provide additional commentary on the Bisalloy Steel Group results and performance.



MANAGING DIRECTOR'S ADDRESS

Thank you Mr. Chairman.

Ladies and gentlemen, I appreciate the opportunity to brief shareholders on the operational performance and future opportunities for the Bisalloy Steel Group.

The Group maintains as a core principle the policy of zero harm, regardless of any other objectives pursued by the Group. In Australia, two lost time injuries were recorded in 2010-11, and even though these arose from relatively minor incidents with no long term impairment to the individuals involved, such an outcome is unacceptable to Group management. There is an on-going cycle of continuous improvement, identifying and eliminating, or at least controlling, potential risks in which employees at all levels are actively encouraged to be involved.

It is extremely pleasing to report that our businesses in Indonesia and Thailand have had another year without recording a Lost Time Injury. Neither business has recorded a LTI in the eight years since the Group wide STAR safety program was introduced.

The 2011 financial year presented real challenges through the rapid appreciation of the Australian dollar to record highs. The Group however continued to build upon the initiatives commenced in FY2010 and successfully delivered a 37% increase in Group earnings.

Management continued to focus on working capital requirements as we aim to lower our debt to a more appropriate level. Cash generated from operating activities was \$3.3 m for the year with \$1.8 m being reinvested in improvements to our production and delivery systems. Borrowings were reduced by \$2.3 m over the year. The Group also undertook a valuation of its Australian land & buildings which had not been re-valued since their original acquisition in the 1980's. This recognised a \$4 m increase in the current value of this property.

I will now turn to the individual operations.

The Australian processing plant at Unanderra has a highly automated, continuous flow production process which requires minimal human intervention. This system is the key to Bisalloy Steels' low cost, high yield production capabilities and allows for rapid changes to production levels in response to changing market demands. Following the investments made over recent years, the plant has the capability to



increase its output to around 65,000 tonnes with no significant further capital investment and relatively minor labour increases.

The Australian market for quench and tempered steel remained highly competitive during FY11 as the strengthening Australian dollar increased the attractiveness of our domestic market to overseas producers, who were in many cases seeking new markets for their production capacity because demand in their own economies remained weak. Although Australia is experiencing a sustained resource sector boom, the domestic steel market has been impacted by leakage of capital project manufacturing to lower cost off-shore manufacturers for many mine expansion projects. Bisalloy has responded to this challenging environment by using the stronger Australian dollar to reduce the cost of its greenfeed steel plates by sourcing a significant proportion of its requirements from overseas suppliers. Further to this, the newly announced Chinese Joint Venture will provide a platform for Bisplate to be utilised by Chinese manufactures in projects destined for the Australian mining industry.

It should be noted that the earnings guidance provided by the Chairman excludes any contribution from our Chinese Joint Venture, however based on our current program we believe there is an opportunity for a small earnings contribution during FY12 even though we are still in the start-up phase.

In Australia we continued to expand our sales and marketing resources, especially in Western Australia and Queensland, in order to maximise growth in domestic market share. These sales and marketing resources were further supported by increasing finished goods availability, including the establishment of inter-state storage, to reduce delivery lead times to end users. These strategies are important initiatives if we are to benefit fully from the significant capital expenditure that will be required by the Australian resources sector in order to meet the forecast growth in local coal and iron ore production. They will also assist the Group to benefit more from the extensive ongoing maintenance of existing mining equipment.

These sales and inventory initiatives continue to gain traction and delivered an improvement of over 30% in the domestic orders received between the first and second halves of FY11. I am pleased to inform you that this rate of growth has so far continued into FY12.

As for many Australian manufacturers, our ability to compete effectively in export markets has been adversely impacted by the high Australian dollar. Our export



armour market was further impacted by lower demand from global protective vehicle manufacturers and a global oversupply of armour plate capacity. However, new opportunities in non-military applications were identified and Bisalloy was successful in securing sales in this market.

Our joint venture businesses in Indonesia and Thailand are primarily distribution businesses selling a range of wear related products in addition to Bisplate quench and tempered plate. They provide important access into these developing markets and are important potential springboards into neighbouring countries including Laos and Vietnam. Both businesses made significant profit contributions in FY11. The Indonesian operation has significant opportunities arising from the expansion of the local resource industry, which is a sector in which the Group has proven expertise. The Thai market has a greater reliance on original equipment manufacturing and is expected to continue to be more affected by the global economic uncertainty.

While the current business focus is on maximising market share in the geographic markets in which we operate, the work that has been undertaken to develop supply chain routes out of North Asia has presented a number of new business opportunities. Your management team will explore these opportunities as part of the medium term strategic growth framework, which was endorsed by the Board during the early part of 2010.

A major growth initiative that was announced in July is the entry into a 50:50 joint venture with Jinan Iron & Steel Co., Limited. Some of the benefits of this joint venture have been previously discussed by the Chairman. What I would like to add at this stage is a comment on just how successful the production trials have been in producing the range of Bisplate quench & tempered steel plate to Bisalloy's exacting specifications. The combination of our propriety steel chemistries and proven processing expertise has combined seamlessly with Jinan's steel making ability, world class equipment and highly competent workforce. The result is that the JV has already produced a top quality product that meets all our specifications to be branded as Bisplate. While trials will continue around the development of further product lines, the facility is now fully operational for production of core Bisplate product and, as announced by the Chairman, the Bisalloy Jigang joint venture is already establishing itself in the China domestic market among customers requiring high grade quench and tempered steel plate.

I am confident there will be further developments in the coming months in Australia, with our new JV partnership in China and elsewhere. I look forward to keeping you



updated on the exciting progress in the Group, both in Australia and overseas. I would like to finish by thanking the Board for its continued support of management during a challenging year and thank all Bisalloy Steel Group employees for their continuing contribution and commitment.