

Notice of
Annual General Meeting

2021

19 October 2012

Dear Shareholders

Attached is the Notice of Annual General Meeting (AGM) to be held on Wednesday 21 November 2012 at 11:00am.

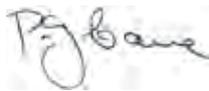
The AGM will be held in the Press Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW. If you are unable to attend the meeting, you may wish to appoint a proxy by completing and returning the attached Proxy Form.

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

Notice of 2012 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 Press Room of the Radisson Plaza Hotel, located at 27 O'Connell Street, Sydney, NSW on Wednesday, 21 November 2012, 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 2012.

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 2012 on the website of the Company (www.bisalloy.com.au).

B. Items for approval

1. Re-election of 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 14.5, and having offered himself for election and being eligible, is hereby re-elected as a director of the Company."

2. Re-election of Richard Grellman

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

"That Mr. Richard Grellman, 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 14.5, and having offered himself for election and being eligible, is hereby re-elected as a director of the Company."

3. Remuneration Report

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

"That the Remuneration Report for the financial year ended 30 June 2012 (as set out in the Directors' Report on pages 15 to 21 of the 2012 Annual Report) be adopted."

Note: The vote on this item is advisory only and does not bind the Company

The Company's key management personnel and their closely related parties must not cast a vote on the remuneration report unless they are appointed in writing as a proxy for a member eligible to vote on the resolution and that proxy specifies how to vote on the resolution.

The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote 'against' or 'abstain' you should mark the relevant box in the attached proxy form.

4. Approval of Non-executive Director Share Plan

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

"That, for the purposes of ASX Listing Rule 10.14 and Exception 9 in ASX Listing Rule 7.2 and for all other purposes, approval be given for the acquisition by or issue to, all current and future Non-Executive Directors, of shares in the Company, in accordance with the rules of the Non-Executive Directors' Share Plan for a period of 3 years from the date of the meeting on the terms described in the Explanatory Notes to the Notice of Meeting."

5. Issue of Shares to Mr P Cave under the Non-executive Director Share Plan

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

“That, for the purposes of ASX Listing Rules 10.14 and 7.1 and for all other purposes, subject to the passing of Resolutions 1 and 4, approval be given for the issue of shares in the Company to Mr Cave in lieu of part or all of his annual director’s fees, in accordance with the rules of the Non-Executive Directors’ Share Plan on the terms described in the Explanatory Notes to the Notice of Meeting.”

6. Issue of Shares to Mr R Grellman under the Non-executive Director Share Plan

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

“That, for the purposes of ASX Listing Rules 10.14 and 7.1 and for all other purposes, subject to the passing of Resolutions 2 and 4, approval be given for the issue of shares in the Company to Mr Grellman in lieu of part or all of his annual director’s fees, in accordance with the rules of the Non-Executive Directors’ Share Plan on the terms described in the Explanatory Notes to the Notice of Meeting.”

7. Issue of Shares to Mr G Pettigrew under the Non-executive Director Share Plan

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

“That, for the purposes of ASX Listing Rules 10.14 and 7.1 and for all other purposes, subject to the passing of Resolution 4, approval be given for the issue of shares in the Company to Mr Pettigrew in lieu of part or all of his annual director’s fees, in accordance with the rules of the Non-Executive Directors’ Share Plan on the terms described in the Explanatory Notes to the Notice of Meeting.”

Voting Exclusion Statement for Resolutions 4,5 6 and 7

In accordance with ASX Listing Rules 10.14 and 14.11.1, the Company will disregard any votes cast on Resolutions 4, 5, 6 and 7 by any Non-Executive Director as well as any votes cast by any associate of any such Non-Executive Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

8. Approval of LTI Plan

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

“That, for the purposes of section 260C(4) of the Corporations Act and Exception 9 in ASX Listing Rule 7.2, and for all other purposes, the Company approves the “Bisalloy Steel Group Long Term Incentive Plan,” and the issue of securities under the plan as an exception to ASX Listing Rule 7.1, which is constituted and administered in accordance with the Rules of the Bisalloy Steel Group Limited Long Term Incentive Plan.”

9. Approval of rights to be granted to Managing Director under the LTI Plan

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

“That for the purposes of ASX Listing Rule 10.14, the Company approves the issue of up to 500,000 rights under the Bisalloy Steel Group Long Term Incentive Plan to the Managing Director, Mr Robert I Terpening (or his nominee), in accordance with the LTIP in the manner described in the Explanatory Notes to the Notice of Meeting.”

Voting Exclusion Statement for Resolutions 8 and 9

In accordance with ASX Listing Rules 10.14 and 14.11.1, the Company will disregard any votes cast on Resolution

8 and 9 by any director eligible to participate in any incentive plan as well as any votes cast by any associate of any such director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Entitlement to attend and vote

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Company has determined that persons who are registered holders of shares of the Company as at 7.00pm (AEDT) on 19 November 2012, will be entitled to attend and vote at the Meeting as a shareholder. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting by proxy

A proxy form accompanies this Notice of Annual General Meeting.

A shareholder entitled to attend and vote may appoint an individual or a body corporate as a proxy. A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

A proxy need not be a shareholder of the Company. Where the Chairman is appointed proxy, he will vote in accordance with the shareholder's directions as specified on the proxy form or, in absence of a direction, in favour of the resolutions contained in the Notice of Meeting.

To be effective, the proxy must be received at the share registry of the Company no later than 11.00am (AEDT) on 19 November 2012. Proxies must be received before that time by one of the following methods:

By post	Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia	
By facsimile	In Australia	1800 783 447
	From outside Australia	+61 3 9473 2555
By delivery	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford, Victoria	
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.	

Voting by Attorney

A proxy form and the original power of attorney, if any, under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.00 am (AEDT) on 19 November 2012.

Corporate Representatives

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the *Corporations Act 2001*. The representative should bring to the Meeting a properly executed letter or other document confirming its authority to act as the company's representative.

By order of the Board

David MacLaughlin

Company Secretary

19 October 2012

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 2012 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 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 has held Executive Director positions with PayConnect Solution, Parbury Limited, Wormald International, Reil Corporation and Macquarie Bank. Mr Cave's experience combines 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 an 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 2: Re-election of Richard Grellman

Mr Grellman brings significant accounting and finance skills to the Company, having had over 30 years' experience in the accounting profession. He was a partner at KPMG from 1982 to 2000 and a member of KPMG's National Board from 1995 to 1997 and National Executive from 1997 to 2000. Mr Grellman is currently Chairman of WHK Ltd and Glenworth Mortgage Insurance Ltd and is a director of AMP Ltd. Mr Grellman also serves as Chairman of the Association of Surfing Professionals (International) Ltd, the AMP Foundation and the Bible Society of Australia.

Mr Grellman is a Member of the Order of Australia and is a Fellow of the Institute of Chartered Accountants.

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

Mr Grellman 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 Grellman 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 Richard Grellman.

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 15 to 21 in the Company's 2012 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, you can direct him how to vote by either marking the boxes for Resolution 3 (for example if you wish to vote against or abstain from voting), or by marking the Chairman's box on the proxy form (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.

Resolution 4: Approval of Non-Executive Director Share Plan (NED Plan)

Under ASX Listing Rule 10.14, a company must obtain shareholder approval if it wants to issue shares to Directors under incentive plans like the NED Plan. The NED Plan was last approved by the shareholders at the 2009 Annual General Meeting and the terms of the plan remain unchanged.

Under the NED Plan all current and future non-executive Directors may sacrifice up to 100% of their annual Director's remuneration. As a result of the sacrifice, shares will be allocated to participating non-executive Directors and must be held for a specified period.

Participating non-executive Directors will not be able to sell or otherwise dispose of shares until a date which is the earlier of:

- 10 years after acquisition;
- The date the non-executive Director ceases to be a director;
- More than 50% of the Company is acquired pursuant to a takeover bid.

During this period the shares will be subject to a holding lock.

Under the NED Plan the Company must allocate to each participating non-executive Director on a specific date the number of shares determined by dividing the amount that the director has elected to sacrifice by the market value of the shares. Market value is determined as the weighted average price of shares sold on the ASX during the week immediately prior to the date that the shares are allocated. There are currently two allocation periods each year which coincide with trading windows under the Company's Share Trading Guidelines.

It is open to the board to either issue shares or acquire them on market.

As participation in the NED Plan is voluntary, and due to the ability of participating non-executive Directors to nominate the portion of their remuneration to be applied under the NED Plan, it is not possible to predict the maximum number of shares that will be acquired during the 3 years to which the shareholder approval applies. However, the maximum pool of non-executive Directors fees approved by shareholders is currently \$500,000 per annum.

Assuming:

- the maximum pool amount is paid to non-executive Directors; and
- each non-executive Director sacrifices 50% of their fees (representing a total sacrifice of \$250,000 per annum for all the non-executive Directors) at a market price of \$1.40 per share,

then 178,571 shares would be allocated to the non-executive Directors in aggregate per annum over the 3 year period. In any case, no more than 1,000,000 shares will be granted to the non-executive Directors under the NED Plan in the next 3 years on the basis of this approval.

No shares have been allocated to non-executive Directors under the NED Plan since the Plan was last approved. No loans have been or will be made to non-executive Directors under the NED plan.

Details of any shares issued under the NED Plan and that approval for the grant of shares was obtained under Listing Rule 10.14, will be published in the Company's Annual Report for the financial years ending 30 June 2013, 2014 and 2015 after which the Company will need to seek re-approval of the issue of shares under the NED Plan.

Any additional persons who have become entitled to participate in the NED plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

All shares that are to be issued subject to this resolution will be issued within three (3) years of the date of the Meeting.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Resolution 5: Issue of Shares to Mr P Cave under the NED Plan

Assuming that Resolution 1 is approved, shareholder approval is sought for Mr P Cave to receive part or all of his annual directors' fees as shares in Bisalloy Steel Group Ltd, pursuant to the NED as it is described in the notes accompanying Resolution 4.

Shareholder approval is required under ASX Listing Rule 10.14 because, assuming Resolution 1 is approved, Mr Cave will be a Director of the Company.

The information that is required to be disclosed under ASX listing Rule 10.15A in relation to shares which may be issued to Mr Cave under the NED is the same as that outlined in the notes accompanying Resolution 4, with the addition that the maximum number of shares that may be issued to Mr Cave under this resolution is 300,000 shares.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Resolution 6: Issue of Shares to Mr R Grellman under the NED Plan

Assuming that Resolution 2 is approved, shareholder approval is sought for Mr R Grellman to receive part or all of his annual directors' fees as shares in Bisalloy Steel Group Ltd, pursuant to the NED as it is described in the notes accompanying Resolution 4.

Shareholder approval is required under ASX Listing Rule 10.14 because, assuming Resolution 2 is approved, Mr Grellman will be a Director of the Company.

The information that is required to be disclosed under ASX listing Rule 10.15A in relation to shares which may be issued to Mr Grellman under the NED is the same as that outlined in the notes accompanying Resolution 4, with the addition that the maximum number of shares that may be issued to Mr Grellman under this resolution is 200,000 shares.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Resolution 7: Issue of Shares to Mr G Pettigrew under the NED Plan

Shareholder approval is sought for Mr G Pettigrew to receive part or all of his annual directors' fees as shares in Bisalloy Steel Group Ltd, pursuant to the NED as it is described in the notes accompanying Resolution 4.

Shareholder approval is required under ASX Listing Rule 10.14 because Mr Pettigrew is a Director of the Company

The information that is required to be disclosed under ASX listing Rule 10.15A in relation to shares which may be issued to Mr Pettigrew under the NED is the same as that outlined in the notes accompanying Resolution 4, with the addition that the maximum number of shares that may be issued to Mr Pettigrew under this resolution is 200,000 shares.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Resolution 8: Approval of the Bisalloy Steel Group Limited Long Term Incentive Plan

The Company seeks Shareholder approval for the renewal of Bisalloy Steel Group Limited Long Term Incentive Plan (the LTIP), which was last approved by the shareholders at the 2009 Annual General Meeting. The LTIP is intended to attract, motivate and retain employees (including executive directors) and reward superior performance by the Company. Under the LTIP, the Board at its discretion may offer employees conditional rights to ordinary shares of the Company (Rights). The rights are granted at no cost to the employees.

The number of granted Rights that will vest will depend upon the extent to which the conditions set forth in the LTIP's terms and conditions are fulfilled, a summary of which is set out in Schedule 1. The full terms and conditions are available on the website of the Company (www.bisalloy.com.au), by selecting "Investors" then "Long Term Incentive Plan".

Relevant Requirements

The Company will issue shares equal to the number of Rights that vest under the LTIP.

Under section 260A(1) of the *Corporations Act 2001*, a company may not financially assist a person to acquire shares in the company unless certain exceptions apply. One such exception is pursuant to section 260C(4)(a), which provides that financial assistance may be given if it is provided under an employee share plan that has been approved by a resolution passed at a general meeting of the company. Shareholder approval for the renewal of the LTIP is therefore sought for the purposes of section 260C(4)(a).

The number of Rights issued under the current LTIP since the date of last approval is 1,000,000. Of this total, 133,144 have lapsed and none have fully vested. No shares have therefore been issued in respect of vested Rights.

The following Rights were issued to executive Directors since the date of last approval:

<i>Date</i>	<i>Name</i>	<i>Granted</i>	<i>Lapsed</i>	<i>Vested</i>	<i>Unvested</i>
4 January 2010	R. Terpening	500,000	99,811	nil	400,189

Additionally, in general terms, ASX Listing Rule 7.1 imposes a 15% cap on the number of shares that can be issued by the Company, without approval of shareholders or ASX waiver, in any twelve month period (15% limit). However, the Company is permitted to issue shares (or other securities) in excess of the 15% limit if those shares are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders or an ASX waiver is obtained.

An additional effect of the proposed approval by shareholders of Resolution 8 would be that any Rights granted under the LTIP, within 3 years of the approval, will not count toward the 15% limit. A consequence of approval is that the Rights issues will increase the number of shares from which the 15% limit is calculated.

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

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Resolution 9: Approval of Rights to be granted to Managing Director under the LTI Plan

ASX Listing Rule 10.14 provides that a company may not issue securities to a director or proposed director under an employee incentive scheme without the approval of holders of ordinary shares.

Resolution 9 has been proposed to obtain approval for the grant of Rights to the Managing Director, Mr Robert I Terpening under the LTIP.

A summary of the conditions upon which the Rights will be issued is set out in the commentary on Resolution 8 and Schedule 1.

The maximum number of Rights that may be acquired by all eligible persons under the LTIP is as set out in Schedule 1. The only director eligible to participate in the LTIP is the Managing Director. The maximum number of Rights that may be acquired by him under this approval is 500,000. No loans are proposed to be made by the Company in relation to the acquisition of Rights under the Plan. The Rights granted under the LTIP will have a deemed issue price equal to the average closing trading price of the Company's ordinary listed shares on the 28 business days following the last date for acceptance of the invitation, but will be issued at no cost to the Managing Director. The procedure for issuing invitations to the Managing Director is described in the commentary on Resolution 8 (see above).

The number of securities issued under the current LTIP to the Managing Director since the date of last approval is as follows:

<i>Date</i>	<i>Name</i>	<i>Granted</i>	<i>Lapsed</i>	<i>Vested</i>	<i>Unvested</i>
4 January 2010	R. Terpening	500,000	99,811	nil	400,189

Details of any Rights granted under the LTIP will be published in each Annual Report of the Company relating to a period in which the Rights have been granted, and that approval for the grant of Rights was obtained under ASX Listing Rule 10.14.

Any additional directors who become entitled to participate in the LTIP after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

A Voting Exclusion Statement is set out under the resolution in the Notice of Meeting.

All Rights that are to be granted under this resolution will be granted within three (3) years of the date of the Meeting.

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

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Schedule 1

Summary of Bisalloy Steel Group Limited Long Term Incentive Plan

The LTIP is a grant of two tranches of performance rights ("Rights") that will vest based on the satisfaction of both performance-based and time-based conditions. Vested Rights will convert to ordinary, fully paid shares on a one-for-one basis. The conversion will be effected by either issuing new shares or acquiring them on market.

The executives eligible to participate in the LTIP are senior executives. The target value of annual LTIP rights granted varies as it is determined by the board annually. This year the board is proposing to issue up to 750,000 rights. The total number of unvested rights that have been granted must not exceed 5% of the issued capital of the Company. The Company expects to grant the rights promptly after the LTIP Rules are approved by shareholders, or in any event no later than 12 months.

Under the terms of the LTIP, a participant receives a specified number of Rights that will, when vested, result in the participant receiving ordinary shares in the Company in the same number as the vested rights at no cost to the participant. These shares will be issued by the board at the expiration of the vesting period. However, under the rules of the plan the Company could acquire the shares on market at the prevailing market price at any time during the performance period and it would be these that are transferred to the executive.

The tranches of Rights granted under the LTIP and the vesting conditions attaching to each are as follows:

<i>Tranche</i>	<i>% of Grant</i>	<i>Vesting Condition</i>	<i>Partial Vesting</i>
Tranche 1 Rights	50%.	Achievement of Return on Equity ("ROE") targets set by the Board. The Stretch ROE is determined by increasing the Budget ROE by a factor which the Board considers demanding. These targets are set each financial year during the three-year vesting period. Vesting will be determined each year by the Company's performance against ROE targets then cumulative for the vesting period <i>plus</i> Continuation of employment during the vesting period.	Yes. Pro-rata vesting occurs each year during the 3 year vesting period if the budget ROE is achieved 50% of Tranche 1 Rights vest. Full vesting only occurs if the Stretch ROE is achieved each year.
Tranche 2 Rights	50%	Continuous employment with the Bisalloy Steel Group from the grant date until the third anniversary of the grant date.	No , except in certain special circumstances such as death, redundancy, retirement, change of control or other circumstances considered by the Board in its absolute discretion to be extraordinary. In such circumstances, the Board will determine whether all or some portion of the outstanding rights will vest.

Other Conditions:

Any unvested rights will lapse, unless the board determines otherwise, if a performance condition in relation to some or all of the participant's rights is not satisfied to any extent, or if the period for satisfaction has expired. There is no retesting period.

Vesting will accelerate where the executive dies, becomes totally and permanently disabled, is made redundant, retires, there is a change in control of the Company or the board otherwise determines.

Where there is a capital reduction or rights issue or similar the Rights will be adjusted accordingly.

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 (AEDT) Monday, 19 November 2012**

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 as they choose. 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 information tab, "Downloadable 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:

SRN/HIN:



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 Bisalloy Steel Group Limited 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 at the Press Room of the Radisson Plaza Hotel, 27 O'Connell Street, Sydney, NSW on Wednesday, 21 November 2012 at 11:00am (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 Items 3, 4, 5, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention below) even though Items 3, 4, 5, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Item 4, 5, 6 and 7 this express authority is also subject to you marking the box in the section below.

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 Items 3, 4, 5, 6, 7, 8 and 9 by marking the appropriate box in step 2 below.

Important for Items 4, 5, 6 and 7: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Items 4, 5, 6 and 7 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Items 4, 5, 6 and 7 the Chairman of the Meeting will not cast your votes on Items 4, 5, 6 and 7 and your votes will not be counted in computing the required majority if a poll is called on this item.

The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4, 5, 6 and 7 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Items 4, 5, 6 and 7 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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 Phillip Cave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Item 2	Re-election of Richard Grellman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Item 3	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Item 4	Approval of Non-executive Director Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Item 5	Issue of Shares to Mr P Cave under the Non-executive Director Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Item 6	Issue of Shares to Mr R Grellman under the Non-executive Director Share Plan			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	Issue of Shares to Mr G Pettigrew under the Non-executive Director Share Plan			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Approval of LTI Plan			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Approval of rights to be granted to Managing Director under the LTI Plan			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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 / / _____