

27 May 2011

***MEDIA RELEASE***

**Bisalloy Steel Group Limited Full Year Earnings to Grow Over 30%**

Bisalloy Steel Group Limited (ASX:BIS) (**Bisalloy** or the **Group**) today announced that the Board anticipates an EBITDA before FX of between \$7.5m and \$7.9m for FY2011. This compares to an equivalent EBITDA of \$5.69m in FY2010, an improvement of over 30%.

“The Directors believe the current business strategy of sourcing a significant proportion of steel plate from overseas suppliers will continue to have a positive impact on Bisalloy’s trading results” said Managing Director, Mr. Robert Terpening. “The continued strengthening of the Australian dollar provides challenges in both maintaining our export markets and by causing the domestic quenched and tempered steel market to become more attractive to overseas producers. Notwithstanding these challenges, Bisalloy’s competitive position means our solid momentum in FY2011 should translate into another substantial earnings improvement in FY2012.”

“Maximising the tonnes per day through our highly efficient continuous flow production process at Unanderra, NSW is critical to increasing our profitability. FY2011 has seen key marketing initiatives implemented to help achieve this necessary platform for growth. Our businesses in Indonesia and Thailand provide us with access into these expanding markets and continue to be profitable.”

“The Group has rebalanced its inventory levels following the build-up to December 2010, and despite allowing for greater availability of core inventory than in previous years so as to meet customer demands, will deliver a solid reduction in net working capital requirements compared to December 2010. This reduction and tight control over capital expenditure means the Group expects borrowings to be in the \$16m range at 30 June 2011, compared to \$19.6m at 31 December 2010. The Directors also noted that the Group’s finance facility with GE Capital is not due for renewal until October 2012.”

Bisalloy is Australia’s only manufacturer of high-strength structural, wear-resistant and armour steel plates using quenched and tempered steel. Bisplate is used in the mining, construction, general fabrication and defence sectors. Bisalloy has an extensive distribution network across Australia, Indonesia and Thailand. See our website at [www.bisalloy.com.au](http://www.bisalloy.com.au).

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