

ASX RELEASE

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SALE OF SHAREHOLDING IN STEEL & TUBE

Mining and materials group, Arrium Limited (ASX:ARI) today announced the sale of its 50.3% stake in Steel & Tube Holdings Limited, a public listed company in New Zealand which processes and distributes a range of steel and allied products in the construction, manufacturing and rural industries in New Zealand.

Arrium has appointed an investment bank to underwrite and manage the sale of its Steel & Tube shares at a fixed price of NZ\$2.05 per share. It is expected that the shares will be sold to a broad range of institutional and retail investors. The gross proceeds of the sale are approximately NZ\$91.2 million (A\$73.4 million), which will be used to reduce Arrium's debt and gearing levels.

Arrium Managing Director and CEO, Mr Geoff Plummer said: "Today's announced sale of the company's shareholding in Steel & Tube reflects further progress with our steel footprint and product portfolio review which commenced last year, and led to the earlier sale of our Piping Systems business.

"The A\$73.4 million gross proceeds from today's announced sale builds on approximately \$120 million received to date from business and asset sales under the review, and we are continuing to progress further opportunities mainly related to our non-integrated steel businesses.

"Steel & Tube has been a good investment for Arrium. The sale of our shareholding reflects our strategy to focus on growing our Mining and Mining Consumables businesses.

"Arrium remains committed to servicing the New Zealand market. We have a strong relationship with Steel & Tube and would expect Steel & Tube to continue to be one of our key trading partners in that market," Mr Plummer said.

Steve Hamer, Chief Executive of Arrium's OneSteel Distribution business, has resigned from the Steel & Tube Board today. The Steel & Tube Board will determine the appropriate transition arrangements for the other two Non-Executive Directors who were appointed by Arrium.

ENDS

Further information about Arrium Limited can be accessed via the website www.arrium.com.

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