



WELCOME

Welcome to the Winter 2006 edition of XLERPLATE® *Steel In Touch*. In this issue we look at global and Australian economic conditions, and the current buoyant state of Australia's mining industry.

With economic conditions remaining upbeat throughout OECD countries, and demand for Australia's commodities and base metals staying high through 2006-07, we can expect demand for XLERPLATE® steel to remain strong for the coming year. As a general rule, economic growth above three per cent translates into strong demand for steel, in line with 2006-07 forecasts (refer to page 3).

In this issue, you'll also read about local engineering companies that are meeting this demand, developing and fabricating a range of products designed to help Australia grow in the years ahead.

And as always ... we welcome your feedback! See how you can be in the running to win a fabulous 32-inch JVC LCD slim-line television simply by taking part in our Reader Survey.

Simon Fieldsend
State Sales Manager - Victoria & Tasmania



Winning team: Ray Marsland, Jeff Fletcher, Ray Potter and Laurie Cavey.

ASI HOSTS CHARITY GOLF EVENT

The charities Variety and Family Line both benefited from the Australian Steel Institute's (ASI) 2006 Victorian Annual Charity Golf Day on May 8.

During the day, organised by the ASI's Victorian Committee, 110 golfers from throughout Victoria's steel industry teed-off at Southern Golf Club in Keysborough.

Participants vied for a "hole-in-one" prize of a new Ford Territory, donated by Jefferson Ford and valued at \$45,000. Unfortunately, no one was lucky on the day.

BlueScope Steel's team, headed by State Sales Manager, Simon Fieldsend, also sponsored a hole and donated some of the day's prizes.

The ASI raised \$10,000 for both charities.

"We always like to support the ASI at these worthwhile charity events," Mr Fieldsend said. "It's also a great way to spend time with customers away from work."



STEEL SPEEDS EASTLINK BRIDGES

Victorian company GVP Fabricators is supplying trough girders for bridges on Melbourne's huge Eastlink road project.

Eastlink will provide 39km of motorway and 6km of untolled bypasses connecting Melbourne's eastern and southern suburbs between Mitcham and Frankston.

The project will involve the construction of a 39km roadway (mostly three-lane), 17 interchanges, more than 78 bridges and 1.5km of twin, three-lane tunnels under Mullum Mullum Creek.

Joint venture partners Thiess and John Holland Group expect Eastlink to open before the end of 2008.

GVP Fabricators will also supply the trough girders for the main road overpasses.

The trough girders, made from 350L15 Grade XLERPLATE® steel, are pre-assembled on site and transported into position. Thiess John Holland then lifts them into position using a 600 tonne crane bought for this project.

The steel trough girders will carry the new motorway over the Princes Highway at Heatherton Road, and Cheltenham Road, Dandenong.

GVP Fabricators recently concluded a highly successful contract as steel fabricator and



Trough girders on the Eastlink project.

erector for Melbourne's 40-storey East Tower at the Southern Cross development. Nearly 7,000 tonnes of structural steel was used for that project, including XLERPLATE® steel.

Thousands of tonnes of XLERPLATE® steel will be used in the Eastlink project.

"We've used XLERPLATE® steel since the establishment of GVP Fabricators," said GVP Fabricators General Manager Nick Palamaras.

"When you are tackling major projects, you need to be able to rely on quality products with the assurance that technical support is available if you need it."

MINING INVESTMENT

By BlueScope Steel Economists Nick Scavarelli and Max Serrano

Mining investment continues to grow rapidly because of the commodity price boom that has seen Australia's terms of trade rise dramatically. Australia has benefited from very strong price growth in coal, iron ore, gas and a range of base metals.

There is a clear link between mining commodity prices and investment, and we see mining investment expanding until about 2007-08.

The Investment Monitor data produced by Access Economics shows a large number of projects will start in 2007. These include the Gorgon LNG development, the expansion of BHP Billiton's Olympic Dam, Woodside's Pluto LNG project and the expansion of Rio Tinto's Argyle diamond mine and others.



Strata control products manufactured by BlueScope Steel customer DSI Mining in action.

China's industrial boom and its demand for resources will continue over the next few years.

Beyond 2007-08, however, the commodity cycle is expected to start its downward movement. While Chinese growth in demand will remain strong up until then, substantial capacity additions in iron ore, aluminium and coking coal will have removed most excess demand.

RIDING THE WAVES

Tasmania's Doric Engineering has beaten Australian and international competition to supply 2,000 purpose-built shipping containers for BHP Billiton's Ravensthorpe nickel development.

The \$2 billion Ravensthorpe project involves the development of a mine, treatment plant and associated infrastructure near Ravensthorpe, Western Australian, and the expansion of the QNI Yabulu Nickel Refinery near Townsville.

Work on the projects began in April 2004, and the first nickel production from the expanded Yabulu refinery is expected in 2007.

Jimmy Trambas, founder and Managing Director of Devonport-based Doric Engineering, led the team which designed and developed a shipping container system to transport up to 220,000 tonnes of a mixed nickel and cobalt hydroxide intermediate product a year.

All containers are to be delivered within a year.

The product will be packaged into the containers at the Ravensthorpe processing plant, transported by rail to the Port of Esperance, then shipped by sea to Townsville for final refining at the QNI Yabulu Refinery. Each ship will transport 660 containers.

"Without BlueScope Steel's help, we probably would not have won this contract," Mt Trambas said. "We would not have been able to get the steel in time.

"We have been formally working on this project for 14 months, and for almost two years before that we were providing information and discussing concepts with our customers. We had to go



All 2,000 containers will be delivered within 12 months.

through proof of concept procedures and then quickly produce prototypes to demonstrate that we could deliver the product and that it would do what we promised."

Concept to working prototype took only a few weeks, with all critical components made from 350 Grade XLERCOIL® steel. The project will involve some 4000 tonnes of XLERCOIL® steel – ideal for delivering strength, while keeping container weight to a minimum.

Doric Engineering has produced 550 strong, light-weight rail containers – using 350 Grade XLERCOIL® steel for carrying cars.

THE RECIPE AS NEVER BEFORE

As many as 80 per cent of the steel grades and 'recipes' available around the world today either didn't exist 25 years ago or are being produced in such a way that they are effectively like new steels. For its part, BlueScope Steel – as a world-leading steel manufacturer – is at the forefront of developing new alloy designs for steels aimed at addressing specific customer requirements.

One recent example was the grade of XLERPLATE® steel used in the Royal Australian Navy's ANZAC Class frigates built by Tenix.

BlueScope Steel Metallurgical Technology Manager Jim Williams (pictured) said steel development is constantly changing.



"While our main grade of hot rolled strip and slab steel – a low-carbon, aluminium-killed steel – has changed little in recent years, we are constantly assessing our range of products according to customer demand," he said.

"Major changes have occurred in steel production technology over the past few decades, from ingot to continuous slab casting, then thin slab casting and currently strip casting. These dramatic technology changes resulted in very different steel product behaviours even in cases when the steel chemical composition remained almost unchanged."

Mr Williams said his department received calls on a daily basis from customers wanting to know if BlueScope Steel could produce certain grades and alloys to meet specific requirements.

"We make business assessments based on anticipated demand, plant capability and other factors," he said.

PLAN YOUR TOUR OF STEELWORKS

Just a reminder . . . tours of our Port Kembla Steelworks are available for all customers.

Most recently, a group of OneSteel Metaland NSW staff found out more about how BlueScope Steel products like XLERPLATE® steel and XLERCOIL® steel are made.

OneSteel Metaland Regional Market Manager, Luke Palmer, said the tour offered many benefits – "improved selling techniques, the ability to assist junior staff as a result of new knowledge gained, and the chance to network with BlueScope Steel personnel".

These tours involve a pre-tour safety and production video, guided bus trip around the site and a chance to watch the various processes involved in making BlueScope Steel products.

To find out more about the Steelworks tours available, please contact your State Sales Manager.

SAFETY MESSAGE: TREAD CAREFULLY ON STAIRS

Stairs – around the home and in the workplace – can lead to some of our more debilitating accidents.

Almost as many legs and ankles are broken on stairs as in accidents on sports fields.

Some stair falls can cause even more serious injuries, including broken backs and necks.

A broken leg can lead to you being incapacitated for up to several months – a devastating situation if you have a manual job.

So remember, when walking up and down stairs:

- Move in single file
- Always use the hand rail
- Concentrate on the task at hand – and don't engage in distracting conversation
- Take your time – and one step at a time



BlueScope Steel's John Barrett with Wetherill Park OneSteel Steel Product Manager - Plate, Mark Ayres.

NEW TRAINING PROGRAM A HIT

XLERPLATE® steel distributors have given a new BlueScope Steel training program the thumbs up.

The training program, which was launched in May, is delivered professionally in an electronic format that includes animations, video, diagrams, text and graphics. It is designed to provide distributors with everything they need to know about XLERPLATE® steel from its manufacture through to technical advice.

OneSteel Steel & Tube, Wetherill Park staff were among the first to take part in two 45-minute training sessions, with Product Manager – Plate Mark Ayres describing them as “very helpful”.

“It is comprehensive but set-up in a way that people can easily understand,” he said of the program, which is divided into seven modules, including technical information, services, branding, market segmentation, safety, product range and the steel-making process.

Customers who wish to benefit from the new XLERPLATE® steel training program should contact their BlueScope Steel State Sales Manager.

APOLLO SUCCEEDS AGAINST GLOBAL COMPETITION

Apollo General Engineering has assembled and installed two large process vessels and associated equipment that now form the centre of expanded copper smelting operations at Mount Isa Mines Ltd in Queensland.

Apollo – one of Australia's leading engineering companies and a long-time user of XLERPLATE® steel – beat international competitors to win the major Mount Isa Mines Ltd contract.

Shipping the fabricated sections of two furnaces from Apollo's Melbourne works to Mount Isa was an engineering feat in itself. More than 400 tonnes of XLERPLATE® steel went into the vessels, with a team of skilled Apollo welders completing the work at Mount Isa.

Apollo exports 50 per cent of its output and has many years' experience in medium-to-heavy fabrication, assembly and machining.

“While work started last September when we won the contract, we had already been in discussions with Smorgon Steel and, through them, with BlueScope Steel on technical and supply criteria,” Apollo's CEO Sam Guccione said.

“We needed the XLERPLATE® steel to be supplied in specific dimensions, with special testing certificates, and to a strict schedule,” he said.



Apollo's CEO Sam Guccione.

“It had to be to the AS1548-7-460 RH Grade, in the normalised rolled condition and hot tested.”

When the vessel is in service at the smelter it has a refractory lining, but the steel must retain its tensile strength over the full operating temperature range. The hot testing was performed at 400 degrees Celsius.

“BlueScope Steel is a ‘Just In Time’ manufacturer for this type of product to these dimensions and we certainly put them to the test,” Mr Guccione said.

“It was an excellent turnaround, five weeks after we supplied the specifications. We encourage businesses to use us because we are Australian and world class – and that's why we purchase XLERPLATE® steel from BlueScope Steel through Smorgon Steel.”

THE GLOBAL ECONOMY

By BlueScope Steel Economists Nick Scavarelli and Max Serrano

The global economic outlook remains sound, with business expectations in Germany – Europe's economic engine – at a record high.

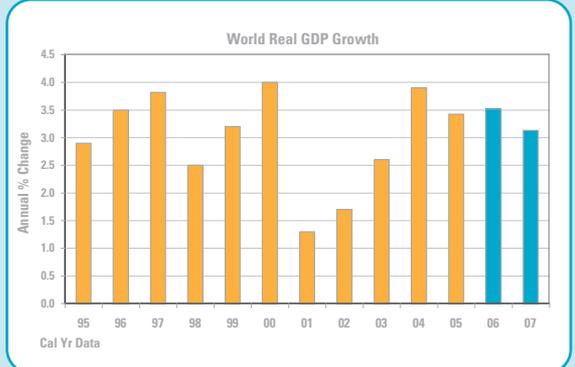
Despite surging oil prices, the OECD leading indicators point to healthy economic growth in the next six months in all major economies. This will support solid levels of global steel demand.

In 2006, the US economy is likely to grow about three per cent, and Europe and Japan are expected to grow above two per cent.

Although industrial production growth in China and India has stabilised at a high level, it will continue to maintain pressure on the demand for commodities and metals, including from Australia.

Overall global economic growth is expected to remain above the trend level of about three per cent in 2006.

In Australia, GDP growth is expected to be around three per cent in 2006-07, due to the anticipated export recovery on the back of stronger mineral prices. However the recent rise in interest rates



and the strong Australian dollar will limit growth prospects. Both these factors are likely to negatively impact on business competitiveness and sentiment.

The level of interest rates in the next six months will depend on the extent that the high oil prices filter through to downstream products, as well as the extent to which the shortage of skilled labour lifts wages.

The strong Australian dollar and fierce competition from Asia could see manufacturing investment fall in 2006-07. Agricultural investment is expected to remain fairly constant but from a high base, and mining investment is expected to remain strong.

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**BLUESCOPE
STEEL**

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IN THE HOT SEAT STAN CLARK



Name: Stan Clark

Job title: National Sales Manager – Distribution & Manufacturing

No. of years with BlueScope Steel: 19 years – started at NZ Steel in 1987

No. of years in the steel industry: Steel has always been in my life

Description of current role: Provide leadership in my sectors, for Industrial Markets

Previous position: International Marketing Manager for Packaging Products

Previous position duties: Develop strategy and promote export sales of Tinplate and Blackplate

Woman I most admire: Difficult one. Apart from my mum and wife, it would have to be someone like Princess Di

Man I most admire: Again apart from my dad, probably the late ex-NZ PM David Lange

Emails received on average per day: Around 40

Best invention of the last century: Organ Donor Card

Worst television program: Don't care! Best ones

are BBC drama/comedy though

Time I spend in my car each day: 20 mins, unless I go to Sydney

Hardest habit to break: I tend to time things to the last minute

Favourite drink: Has to be Heineken

Best car on the road/favourite car of all times: Jaguar XK8

Most useless possession: The kilt I wore when I was seven

Favourite outdoor recreational activity: Association Football (soccer) and Mountain Biking

What kick-starts my day: Seeing my three sons off to school

If I had \$1m to blow it would be on... a Jag XK8 of course, my parents and world travel with my family each year until it runs out

Favourite holiday destination ever: Scotland on a sunny day in Autumn (very rare!)

TRY THIS QUICK QUIZ

Q1. Yellow gold contains 10 per cent of what element?

Q2. What is the chemical formula for salt?

Q3. What colour is yak's milk?

Q4. How many limbs does a squid have?

Q5. How many compartments are there in a cow's stomach?

A1. Copper, A2. NaCl, A3. Pink, A4. 10 limbs, A5. Four compartments

