



BlueScope Steel Limited
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25 November 2011

Australian Stock Exchange
Company Announcement Office
20 Bridge Street
Sydney
NSW 2000

Dear Sir/Madam

Attached is a letter sent to Eligible Retail Shareholders in respect of the Retail Entitlement Offer.

Yours sincerely

A handwritten signature in black ink, appearing to read "M Barron".

Michael Barron
Company Secretary
BlueScope Steel



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Dear Shareholder

BLUESCOPE STEEL LIMITED A\$600 MILLION ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER WITH RETAIL RIGHTS TRADING

BlueScope Steel Limited (**BlueScope Steel**) has announced a fully underwritten accelerated renounceable entitlement offer with retail rights trading of new BlueScope Steel shares (**New Shares**) at an offer price of A\$0.40 per New Share (**Offer Price**) to raise approximately \$600 million (**Entitlement Offer**). Details of the Entitlement Offer were announced to the Australian Securities Exchange (**ASX**) on 22 November 2011.

The key reason for the Entitlement Offer is to strengthen BlueScope Steel's balance sheet with the full proceeds (net of transaction costs) being applied to the repayment of existing debt.

If you are an eligible shareholder, you will be able to purchase 4 New Shares for every existing 5 BlueScope Steel shares held on the Record Date of 7pm Australian Eastern Daylight Time (**AEDT**) on Friday 25 November 2011 (**Entitlement**). New Shares issued through the Entitlement Offer will rank equally with existing BlueScope Steel shares in all respects. Fractional Entitlements will be rounded up to the nearest whole number of shares.

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component involving eligible retail shareholders (as described below, **Eligible Retail Shareholders**) with rights trading (**Retail Entitlement Offer**).

Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

- are registered as a holder of existing BlueScope Steel shares as at 7pm (AEDT) on Friday 25 November 2011;
- have a registered address in Australia or New Zealand;
- are not in the United States;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer; and
- are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Retail Offer Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in an offer booklet (**Retail Offer Booklet**), copies of which will be available on the ASX website at www.asx.com.au and BlueScope Steel's website at www.bluescopesteel.com.au from Tuesday 29 November 2011.

Eligible Retail Shareholders will be mailed a Retail Offer Booklet, together with a personalised Entitlement and Acceptance Form which contains details of their Entitlement, on or around Tuesday 29 November 2011. You should read all of the Retail Offer Booklet carefully before deciding whether to participate in the Retail Entitlement Offer.

Action required by Eligible Retail Shareholders

Your Entitlement may have value and it is important that you determine whether to take up or sell (in whole or in part) or do nothing in respect of your Entitlement.

Take up an Entitlement: If you wish to take up all or part of your Entitlement, you will need to complete and return the Entitlement and Acceptance Form together with the requisite Application Monies, or alternatively pay your Application Monies using BPAY, in each case by following the instructions set out on the Entitlement and Acceptance Form. Application Monies must be received by the BlueScope Steel Share Registry by 5pm (AEDT) on Wednesday 14 December 2011.

Sell an Entitlement: There are a number of ways in which Eligible Retail Shareholders can sell all or part of their Entitlement, each of which may result in different value for the Entitlement sold:

1. If you wish to sell all of your Entitlement on ASX, you should instruct your stockbroker and provide them with details they may request as set out on your Entitlement and Acceptance Form. Entitlements can be sold on ASX from 12pm (AEDT) Thursday 24 November 2011 to 4pm (AEDT) Wednesday 7 December 2011.
2. If you wish to take up part of your Entitlement and sell the balance on ASX, you need to:
 - in respect of the part of your Entitlement you are taking up, complete and return the Entitlement and Acceptance Form with the requisite Application Monies (or pay the Application Monies via BPAY following the instructions set out on the Entitlement and Acceptance Form); and
 - in respect of Entitlements to be sold on ASX, you should instruct your stockbroker and provide them with details they may request as set out on your Entitlement and Acceptance Form.
3. If you wish to transfer all or part of your Entitlement other than on ASX, you will need to complete and return a Renunciation and Transfer Form (which can be obtained through the BlueScope Steel Offer Information Line or your stockbroker) together with the Entitlement and Acceptance Form and the transferee's Application Monies to the BlueScope Steel Share Registry by 5pm (AEDT) on Wednesday 14 December 2011. The purchaser's address must be in Australia or New Zealand (unless BlueScope Steel otherwise agrees) and the purchaser must not be in the United States.

Please note you may incur brokerage if you choose to sell your Entitlement on ASX. Eligible Retail Shareholders who sell their Entitlement before receiving confirmation of the Entitlement in the Entitlement and Acceptance Form do so at their own risk. You can ascertain your correct Entitlement by calling your stockbroker or the BlueScope Steel Offer Information Line on 1300 855 998 (within Australia) or +61 2 8280 7760 (outside Australia).

Nominee shareholders must not take up Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

In order to exercise Entitlements, holders must meet certain eligibility criteria that will be set out in the Retail Offer Booklet. In particular, persons in the United States will not be eligible to purchase Entitlements on ASX or exercise Entitlements purchased on ASX. It is the responsibility of the purchasers of Entitlements on ASX to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to exercise their Entitlements, they may receive no value for them.

Do nothing: Entitlements not taken up, sold or transferred will lapse and New Shares in respect of those Entitlements will be offered for sale in the retail shortfall bookbuild. You will receive any proceeds in excess of the Offer Price in respect of your Entitlement, net of any withholding tax.

The tax consequences from selling your Entitlement or from doing nothing may be different. Before selling your Entitlement or choosing to do nothing in respect of your Entitlement, you should seek your own tax advice (and you may wish to refer to the tax disclosures contained in the Retail Offer Booklet which will provide information on potential implications for Australian shareholders).

Key Dates for Eligible Retail Shareholders

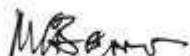
Event	Date
Announcement of the Entitlement Offer	Tuesday, 22 November 2011
Retail Entitlements trading on ASX begins on a deferred basis	12pm on Thursday, 24 November 2011
Record Date	7pm on Friday, 25 November 2011
Retail Offer Booklet lodged and despatched Retail Entitlement Offer opens	Tuesday, 29 November 2011
Retail Entitlements in respect of Eligible Retail Shareholders allotted	Thursday, 1 December 2011
Retail Entitlements trade on a normal settlement basis	Friday, 2 December 2011
Retail Entitlements trading ends	Wednesday, 7 December 2011
Retail Entitlement Offer closes	Wednesday, 14 December 2011
Announce results of Retail Entitlement Offer Retail Bookbuild opens	Monday, 19 December 2011
Retail Bookbuild closes	Tuesday, 20 December 2011
Retail Settlement Date	Wednesday, 28 December 2011
Retail Allotment Date	Thursday, 29 December 2011
Retail Trading Date (normal settlement basis)	Friday, 30 December 2011
Despatch of holding statement Retail Cash Return despatched (if any)	Tuesday, 3 January 2012

The above timetable is indicative only and subject to change. All times are references to AEDT. BlueScope Steel reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws to withdraw or vary the dates of the Entitlement Offer without notice.

Retail shareholders who have questions relating to the Entitlement Offer should call the BlueScope Steel Offer Information Line on 1300 855 998 (within Australia) or +61 2 8280 7760 (outside Australia) from 8:30am to 5:30pm (AEDT) Monday to Friday before 5pm (AEDT) on Wednesday 14 December 2011 or go to our website: www.bluescopesteel.com.au. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

The BlueScope Steel Board invites you to consider this opportunity and thanks you for your ongoing support.

Yours faithfully



Michael Barron
Company Secretary
BlueScope Steel Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 as amended ("Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Note: The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs.