

30 March 2017

ASX Announcement

**UPDATE ON THE ARRIUM GROUP OF COMPANIES ('THE GROUP')
(ALL SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

Arrium Australia sale and/or recapitalisation process ('the process')

In conjunction with Morgan Stanley, the Administrators have shortlisted two bidders to progress to the next stage of the process. Both bidders are seeking to purchase the Arrium Australia business in one-line. The outcome of the next stage of the process will be to receive unconditional bids that can be accepted and completed swiftly. With the continued support of employees, customers and suppliers we are continuing to work hard to achieve the best result that provides certainty for all stakeholders. The Administrators are aiming to have the process finalised by 30 June 2017.

No further information with respect to the identity of the bidders or potential returns to creditors of Arrium Australia can be provided at this stage given the confidential nature of the process.

The Deed Administrators will provide a report to creditors shortly following completion of the process which will address:

- the outcome of the process
- an update on further investigations undertaken by the Deed Administrators
- estimated return to creditors of the Group
- estimated timing of return to creditors of the Group
- an update on the intended strategy for Group entities which have not been sold.

Shareholders

As previously noted, an ASIC Insolvency Guide for Shareholders (Information sheet 43) remains available at: <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>. This document and all other updates to shareholders are located on KordaMentha's website at <http://kordamentha.com/creditor-information/australia/164/shareholders>.

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About KordaMentha

KordaMentha is an advisory and investment firm with prominent Forensic, Real Estate, Turnaround and Restructuring practices. Established by Mark Korda and Mark Mentha in 2002, today the firm employs over 300 specialists across Asia-Pacific with diverse backgrounds including accounting, agriculture, real estate, law enforcement, data analytics, retail, investment banking, restructuring and the C-suite who apply their real world experience, together with rigour and creativity to help clients overcome complex commercial matters.