

OFFICE OF THE CHAIRMAN

17 October 2011

Dear Shareholder

I am pleased to invite you, as a shareholder, to attend BlueScope Steel Limited's 2011 Annual General Meeting.

The meeting will be held on **Thursday, 17 November 2011** at the **Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales**, commencing at 2.00 pm (Sydney time). Registration desks will be open from 12.30pm. I suggest that you arrive early to avoid queues and minimise any delays.

Enclosed is your 2011 Notice of Annual General Meeting together with the following documents:

- A personalised proxy form. If you do not intend to attend the meeting, you should complete and return this form in the envelope provided, or fax it to the number noted at the top of the form. Alternatively, instructions on how to lodge your proxy on-line can be found at the BlueScope Steel website www.bluescopesteel.com/investors;
- A form to elect to receive information on BlueScope Steel including your annual report and meeting documents and/or to elect to receive dividend payment advices by email (Electronic Communications Form); and
- A business reply paid envelope, or a return address envelope (if your registered address is outside Australia) for the return of any completed proxy and/or Electronic Communications Form.

Please present your proxy form to assist with your registration at the meeting if you will be attending in person and not voting by proxy.

Your 2011 Annual Report (including the Financial Statements and the reports of the Directors and the auditor for the year ended 30 June 2011) was posted to shareholders who had elected to receive a hard copy and made available on-line at www.bluescopesteel.com/investors/annual-reports on 16 September 2011.

The ordinary business to be considered at the 2011 Annual General Meeting will involve considering the 2011 Annual Report, adoption of the remuneration report, and election of Directors. I am retiring, by rotation, together with Mr Tan Yam Pin. We are both seeking re-election. Ms Bingham-Hall is seeking election, following her appointment by the Board.

The special business to be considered at the 2011 Annual General Meeting will involve consideration of a temporary increase in the maximum number of directors and changes to the Constitution in relation to off market share transfers and the reinsertion of the proportionate takeover provisions.

The Board ask shareholders to support these resolutions.

I look forward to welcoming you to the meeting.

Yours sincerely,



GRAHAM KRAEHE AO CHAIRMAN

NOTICE OF MEETING AND INFORMATION FOR SHAREHOLDERS

Notice is given that the 2011 Annual General Meeting of BlueScope Steel Limited (the **Company**) will be held at the Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales on Thursday 17 November 2011 at 2.00 pm (Sydney time).

ORDINARY BUSINESS

1. Annual Report

To receive and consider the Annual Report, Financial Statements and the reports of the Directors and the auditor for the year ended 30 June 2011.

2. Remuneration Report

To adopt the Remuneration Report (which is contained in the Directors' Report) for the year ended 30 June 2011.

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Election of Directors

(a) Mr Graham Kraehe retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

(b) Mr Tan Yam Pin retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

(c) Ms Penny Bingham-Hall having been appointed as a Director since the 2010 Annual General Meeting, vacates office in accordance with the Company's Constitution and, being eligible, offers herself for election.

SPECIAL BUSINESS

4. Temporary increase in the maximum number of Directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of rule 11.1(a) of the Company's Constitution and during the period from the date of this resolution to 1 November 2012, the maximum number of Directors approved by the Company in general meeting is 11."

5. Amendments to the Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the Company's Constitution be amended by deleting rule 6.4 and replacing it with the following:

The Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note

transfer forms without charge except where permitted by the Listing Rules."

6. Reinsertion of Proportionate Takeover Provisions

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That proportional takeover provisions in the form of rules 6.12 to 6.17 (inclusive) of the Constitution are reinserted into the Constitution for a period of 3 years commencing immediately."

Voting restrictions for key management personnel and closely related parties

Item 2 – voting restrictions

The *Corporations Act 2001* (Cth) imposes restrictions on:

- Directors and other key management personnel (as defined in the Corporations Act) of the Company; and
- their closely related parties (as defined in the Corporations Act),

voting in any capacity (eg as a shareholder, proxy or corporate representative) on Item 2. This restriction does not apply if the person has been appointed as a proxy by writing that specifies how the proxy is to vote on Item 2, provided that the person who appointed the proxy is not themselves a person subject to the restriction. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2011.

Also, the restrictions do not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a member appoints the Chairman of the Meeting as their proxy and the member does not direct him/her how to vote on Item 2, the member acknowledges that the Chairman of the Meeting may exercise the proxy even if he/she has an interest in the outcome of Item 2 and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest. The Chairman of the Meeting intends to vote undirected proxies (where he/she has been appropriately authorised) in favour of Item 2.

If you do not wish to appoint the Chairman of the Meeting to vote on Item 2 in the manner indicated above, the Company encourages you to complete the voting directions in respect of Item 2 in Step 2 of the proxy form.

Other Directors and other key management personnel of the Company and their closely related parties will not cast any votes in respect of Item 2 that arise from any undirected proxy that they hold.

Proxy information

- A member who is entitled to attend and cast a vote at the 2011 Annual General Meeting may appoint a proxy.
- A proxy need not be a member and can be an individual or a body corporate.
- A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the general meeting (see "Corporate representatives" below).
- A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- The following addresses and facsimile number are specified for the purposes of receipt of proxy appointments:

Addresses

By hand:

BlueScope Steel Share Registry
c/- Link Market Services Limited
Level 12, 680 George Street
Sydney, NSW, 2000
Facsimile: +61 (0)2 9287 0309

By mail:

BlueScope Steel Share Registry
c/- Link Market Services Limited
Locked Bag A14, Sydney South, NSW, 1235

Electronic proxy voting:

<https://investorcentre.linkmarketservices.com.au>

- To be effective, the instrument by which a proxy is appointed by a member and, if the instrument is signed by the member's attorney, the authority under which the instrument is signed or a certified copy of the authority, must be received by the Company at least 48 hours before the meeting.
- For more information concerning the appointment of proxies and the addresses to which proxy forms may be sent, please refer to the proxy form.

Corporate representatives

- A corporate shareholder may appoint a person to act as its representative at the meeting by providing the person with:
 - a letter or certificate authorising him or her as the Company's representative, executed in accordance with the corporate shareholder's constitution; or
 - a copy of the resolution appointing the representative, certified by a secretary or director of the corporate shareholder.
- To be effective, the instrument by which a representative is appointed by a corporate shareholder must be received by the Company at least 48 hours before the meeting.

VOTING ENTITLEMENTS

The Board has determined that for the purposes of the meeting, shares will be taken to be held by those persons recorded on the Company's share register as at 7.00 pm (Sydney time) on Tuesday, 15 November 2011.

By order of the Board

Michael Barron, Company Secretary
Melbourne, 17 October 2011

EXPLANATORY NOTES

This information forms part of the Notice of Meeting.

ITEM 1. ANNUAL REPORT

The Annual Report, Financial Statements and the reports of the Directors and the auditor for the year ended 30 June 2011 will be presented for consideration.

These documents were posted to shareholders who had elected to receive a hard copy on 16 September 2011 and are accessible on the Company's website <http://www.bluescopesteel.com/investors/annual-reports>.

ITEM 2. REMUNERATION REPORT

The Remuneration Report forms part of the Directors' Report, and is included in the Company's Annual Report for the year ended 30 June 2011. The Remuneration Report is also available on the Company's website <http://www.bluescopesteel.com/investors/annual-reports>.

The Remuneration Report:

- explains the Company's remuneration policy and its relationship with the Company's performance;
- contains the remuneration details of the Directors and the specified executives of the Company; and
- explains the incentive arrangements in place for the Company's employees.

The Directors unanimously recommend that you vote in favour of this advisory resolution.

ITEM 3. CANDIDATES FOR ELECTION AS DIRECTORS

Mr Kraehe and Mr Tan retire by rotation. Each of these Directors, being eligible, offers themselves for re-election.

Ms Bingham-Hall having been appointed by the Directors, vacates office in accordance with the Company's Constitution and, being eligible, offers herself for election

Other members of the Board support the re-election of Mr Kraehe and Mr Tan and the election of Ms Bingham-Hall.

Biographical information on Messrs Kraehe and Tan and Ms Bingham-Hall is set out below. Additionally, information on the process and criteria for determining the independence of Messrs Kraehe and Tan for the purposes of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations, is contained in the Company's Corporate Governance Statement, which forms part of the Annual Report.

The Board has conducted a formal assessment of the individual contributions of Messrs Kraehe and Tan.

The Directors appointed Ms Bingham-Hall as a Director with effect from 29 March 2011 as part of the Board's succession planning and renewal process. The Board believes Ms Bingham-Hall is independent in terms of the criteria applied by the Board in assessing the independence of all other Directors (the criteria is included on the Company's website <http://www.bluescopesteel.com/responsibilities/corporate-governance>).

Graham Kraehe AO, Chairman
Non-Executive Director (Independent)
BEc
Director since: May 2002

Extensive background in manufacturing and was Managing Director and Chief Executive Officer of Southcorp Limited from 1994 to February 2001. Chairman of Brambles Industries Limited since February 2008 and a Non-Executive Director since December 2000, Member of the Board of the Reserve Bank of Australia since February 2007, Djerriwarrh Investments Limited since July 2002, Member of the Board of Governors of CEDA and a Director of European Australian Business Council. Mr Kraehe was a Non-Executive Director of National Australia Bank Limited from August 1997 to September 2005 and Chairman from February 2004 to September 2005, and was a Non-Executive Director of News Corporation Limited from January 2001 until April 2004.

He brings skills and experience in manufacturing management and in companies with substantial, geographically diverse, industrial operations. Mr Kraehe's experience with a wide range of organisations is relevant for his role as Chairman of the Board.

Tan Yam Pin
Non-Executive Director (Independent)
BEc (Hons), MBA, CA
Director since: May 2003

A chartered accountant by profession, formerly Managing Director of Fraser and Neave Group, one of South-East Asia's leading public companies, and Chief Executive Officer of its subsidiary companies, Asia Pacific Breweries Ltd. A member of the Public Service Commission of Singapore since 1990 and a Director of the Board of Keppel Land Limited (Singapore) since June 2003, Singapore Post Limited since February 2005, Great Eastern Holdings Limited since January 2005, Leighton Asia Limited since January 2009 and The Lee Kuan Yew Scholarship Fund since January 2010. Mr Tan previously served as Chairman of PowerSeraya Limited (Singapore) from January 2004 to June 2009, as a Director of Certis CISCO Security Pte. Ltd from July 2005 to January 2009, The East Asiatic Company Limited A/S (Denmark) from 2003 to 2006, International Enterprise Singapore from January 2004 to June 2008 and Singapore Food Industries Ltd from December 2005 to December 2009.

Mr Tan resides in Singapore. He brings extensive knowledge of Asian markets, an area of strategic importance to BlueScope Steel. His financial and leadership skills complement the skills on the Board.

Penny Bingham-Hall
Non-Executive Director (Independent)
BA (Ind.Des) FAICD, SA(Fin)

Penny Bingham-Hall was appointed a Director of BlueScope Steel in March 2011. She has spent more than 20 years in a variety of roles with Leighton Holdings prior to retiring from that company at the end of 2009. Senior positions held by her with Leighton include Executive General Manager Strategy, responsible for Leighton Group's overall business strategy and Executive General Manager Corporate, responsible for business planning and corporate affairs. Ms Bingham-Hall is the inaugural Chairman of Advocacy Services Australia (the fiduciary company for the Tourism & Transport Forum and Infrastructure Partnerships Australia) and is a Director of Australia Post (since May 2011), The Global Foundation and SCEGGS Darlinghurst School. She is a former Director of the Australian Council for Infrastructure Development and former Member of the VisAsia Council, Art Gallery of NSW.

She brings extensive knowledge of the building and construction industry in both Australia and Asian markets.

ITEM 4. TEMPORARY INCREASE IN THE MAXIMUM NUMBER OF DIRECTORS

Rule 11.1(a) of the Company's Constitution provides that the number of Directors is to be not less than five nor more than 10 or such other number as the Company may resolve in general meeting.

It is proposed that shareholders approve an increase in the maximum number of Directors under rule 11.1(a) from 10 to 11. This increase would apply temporarily until 1 November 2012.

As part of its normal succession and renewal planning, the Board seeks to identify appropriate candidates for appointment as a Director to ensure that the composition of the Board is appropriate for the Company. There are currently 9 Directors of the Company, four of whom have been Directors since the Company's listing on ASX in July 2002. As part of its succession planning, the Board has commenced a process to identify up to two additional candidates for appointment as a Director. If the appropriate candidates are identified, they would be appointed to the Board and be subject to election at the next AGM.

If two additional Directors are appointed, the number of Directors would be 11. The Board considers this appropriate to provide a transition period to enable the newly appointed Directors to serve on the Board with all existing Directors. If additional Directors are appointed, it is expected that one or more of the existing Directors would resign before the 2012 AGM. At that time, the number of Directors would reduce below 11. The Board considers it appropriate that the maximum number of Directors return to 10 at that time.

Directors' Recommendation

The Directors recommend that shareholders vote in favour of Item 4.

ITEM 5. AMENDMENTS TO THE CONSTITUTION

Amendments are proposed to the Company's Constitution dealing with the matters described below.

Off Market Share Transfers

Rule 6.4 of the Company's Constitution provides that the Company must register all registrable transfer forms (among other things) without charge. Until recently, this rule reflected the position of the ASX Listing Rules. ASX Listing Rule 8.14.1 was amended in January 2011 and now provides that a listed company may charge a reasonable fee for, among other things, registering paper-based transfers in registrable form.

It is proposed that rule 6.4 of the Company's Constitution be amended to provide that the Company may charge a fee for registering transfer forms and other documents, to the extent permitted by the ASX Listing Rules.

Consistent with the recent practice of many other listed companies, if rule 6.4 is amended, the Company proposes charging shareholders a modest fee to register paper-based transfers. The fee is intended to recoup the costs of the Company's share registry administering additional security checks when processing off-market paper-based transfers. These additional security checks are aimed at reducing the instance of fraudulent off-market transfers.

Copy of proposed amendments

A marked copy of the Company's Constitution showing the proposed changes is available at www.bluescopesteel.com/investors/annual-general-meeting. Copies are also available for inspection until the close of the AGM at the Company's registered office: Level 11, 120 Collins Street, Melbourne, Victoria.

Directors' Recommendation

The Directors recommend that shareholders vote in favour of Item 5.

ITEM 6. REINSERTION OF PROPORTIONATE TAKEOVER PROVISIONS

Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by shareholders.

At the 13 November 2008 Annual General Meeting, provisions requiring shareholder approval of a proportional takeover bid were reinserted as rules 6.12 to 6.17 of the Constitution. These provisions had effect for 3 years. The Directors consider it in the interests of shareholders to reinsert these provisions into the Constitution. If the resolution in Item 6 is passed, the proposed proportional takeover provisions will be reinserted for a further 3 years from the time the resolution is passed.

The proposed proportional takeover provisions in the Constitution are available for review on the Company's website at www.bluescopesteel.com/investors/annual-general-meeting. You can also obtain a copy of the Constitution free of charge by calling Link Market

Services on 1300 855 998 between 8.30am and 5.30pm (Melbourne time) weekdays.

Where the approval of members is sought to reinsert proportional takeover provisions, the Corporations Act requires certain information to be included in the notice of meeting. That information is set out below.

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Effect of proportional takeover provisions

If a proportional takeover bid is made, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on, in general, more than 14 days before the last day of the bid period. The vote is decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved.

If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the Constitution).

The proportional takeover approval provisions do not apply to full takeover bids and will only apply until 3 years after the date of reinsertion. The provisions may be renewed for a further term, but only by a special resolution of shareholders.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

These provisions allow shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date this notice of meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase a substantial interest in the Company.

Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for shareholders of the proportional takeover provisions include:

- shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- they may help shareholders to avoid being locked in as a minority;
- they increase shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and decide whether to accept or reject an offer under the bid.

The potential disadvantages for shareholders include:

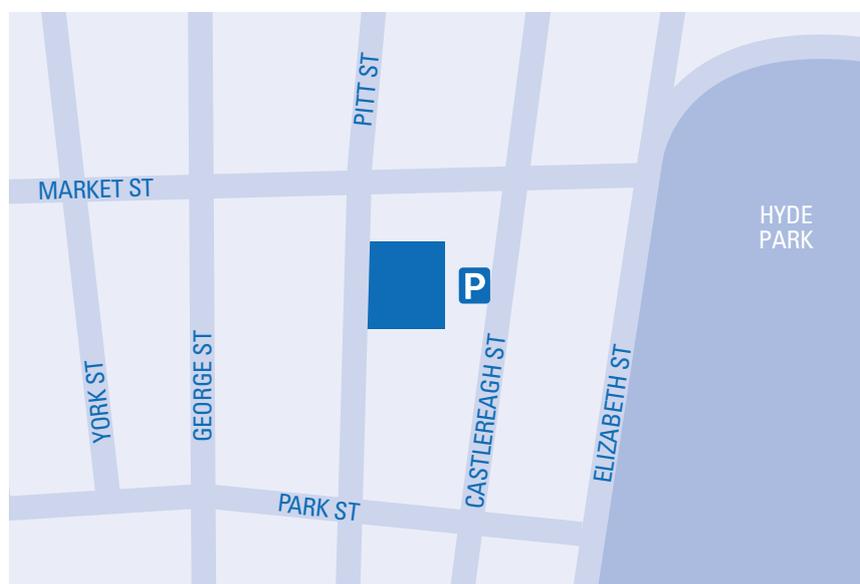
- proportional takeover bids for shares in the Company may be discouraged;
- shareholders may lose an opportunity to sell some of their shares at a premium; and
- the likelihood of a proportional takeover succeeding may be reduced.

While the previous proportional takeover provisions were in effect, there were no full or proportional takeover bids for the Company. Therefore there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and shareholders respectively, however, the Directors are not aware of any potential takeover bid that was discouraged by these provisions.

The Directors do not believe the potential disadvantages outweigh the potential advantages of reinserting the proportional takeover provisions for a further 3 years.

Directors' Recommendation

The Directors recommend that shareholders vote in favour of Item 6.



ANNUAL GENERAL MEETING LOCATION

Wesley Conference Centre,
220 Pitt Street, Sydney,
New South Wales
on Thursday 17 November 2011
at 2.00 pm (Sydney time).

Parking beneath Conference Centre,
entry via Piccadilly Plaza,
133 Castlereagh St.

BLUESCOPE STEEL LIMITED

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