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ASX Release

For immediate release to the market

Date: 18 August 2003

BHP STEEL TO INVEST IN NEW VIETNAM FACILITY FOR COATING AND PAINTING FLAT STEEL

BHP Steel (ASX: **BSL**) has been granted an investment licence by the Vietnamese Government to establish a flat steel metallic coating and painting facility in Vietnam.

Accordingly, BHP Steel is pleased to announce it will invest capital of approximately A\$160 million to develop a new metallic coating and painting facility in the Ba Ria-Vung Tau province, near the deep-water port of Phu My, southeast of Ho Chi Minh City. The facility will have an annual production capacity of approximately 125,000 tonnes of metallic coated and 50,000 tonnes of painted flat steel products.

This investment in a new flat steel metallic coating and painting facility in Vietnam represents BHP Steel's most significant investment in Asia since the Company's public listing on the Australian Stock Exchange (ASX) in July 2002. It is consistent with the Company's strategy of growing its downstream value-added products business, particularly in Asia.

Expansion of BHP Steel's business in Vietnam will further advance the Company's already strong network of operations within the ASEAN region and lead to even better service for Vietnamese customers. The investment will also enable the Company to further leverage its market leading position and take advantage of the potential for growth being demonstrated throughout the ASEAN region.

First production from the new Vietnam facility is due to come onstream in early 2006 and the operation is expected to provide ongoing employment for about 230 local people.

Customers for the new facility's range of premium quality products such as Clean COLORBOND® steel and ZINCALUME® steel will be drawn from the fast growing Vietnamese building and construction and manufacturing industries and will include BHP Steel Lysaght Vietnam and other manufacturers.

BHP Steel has had an operational presence in Vietnam for over ten years commencing in 1993 with the commissioning of a building products business outside Ho Chi Minh City. Subsequently, an additional facility was constructed near Hanoi in 1996. Today, BHP Steel Lysaght Vietnam is the leading rollforming business in Vietnam and services the growing building and construction industry from these established manufacturing facilities. It employs 100 local people in its operations.

Vietnam is an attractive market for investment and has been experiencing rapid growth and increasing strength in the private sector. Vietnam's economy is one of the fastest growing in Asia.

BHP Steel is appreciative of the strong support it has enjoyed from representatives of both the Vietnamese and Australian Governments as project approval applications have been progressed. Australia's Trade Minister Mark Vaile and Foreign Affairs Minister Alexander Downer have provided valuable assistance at key points in the process.

Over the past decade, BHP Steel has constructed flat steel metallic coating and painting facilities in Thailand, Indonesia and Malaysia to serve customers' needs directly - these businesses are operating efficiently, have demonstrated strong growth in profitability and are well positioned to benefit from market growth in the region.

Throughout Asia, BHP Steel's building products business, BHP Steel Lysaght, has a network of 23 rollforming and manufacturing centres in Malaysia, Brunei, Indonesia, Singapore, China, Taiwan and Sri Lanka as well as Vietnam. BHP Steel also has an extensive network of sales and marketing offices throughout the Asian region.

For further information about BHP Steel Limited: www.bhpsteel.com

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Backgrounder

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BHP STEEL TO INVEST IN NEW VIETNAM FLAT STEEL PAINTING AND COATING FACILITY

Location

- Phu My 1 Industrial Zone, Ba Ria-Vung Tau Province.
- 80km southeast of Ho Chi Minh City.
- Next to deep-water port of Phu My.
- Other advantages:
 - Established industrial zone.
 - Easy access to power, gas and water.
 - Vietnam Steel Corporation is proposing to locate a cold rolling mill in the zone.
 - Close to key markets.

Production capacity

- 125 000 tpa metallic coating line.
- 50 000 tpa paint line.
- 15 000 tpa combination slitting line.

Ownership

- Investment licence permits BHP Steel to own 100 per cent of the new facility.

Construction

- Commencing in late 2003.
- Start up in early 2006.
- Capital cost is approximately A\$160m.
- Land will be leased.
- 600 construction jobs will be created during the build.

Operations phase

- Creating ongoing jobs for approximately 230 employees and contractors.

Existing BHP Steel Lysaght facilities:

- Bien Hoa, Dong Nai Province in southern Vietnam. Established in 1993.
- Truong Yen Ward, Chuong My District; Ha Tay Province, northern Vietnam. Established in 1996.

ABOUT BHP STEEL

BHP Steel is a publicly listed Australian company and one of the largest steel manufacturers in Australasia operating painting and coating facilities in Thailand, Malaysia and Indonesia. BHP Steel has a network of 23 roll forming facilities in nine countries across the Asia Pacific region that is unmatched by any other steel company.

BHP Steel's principal customers are in the building and construction, automotive, packaging and general manufacturing industries. The Company's steelworks at Port Kembla is Australia's largest and one of the world's lowest cost producers of hot rolled coil. Steel rolling, coating and painting plants are also located in Australia and New Zealand, and the Company also has a 50 per cent interest in North Star BHP Steel - a steel mini-mill in Delta, Ohio in the US.

For further information about BHP Steel Limited: www.bhpsteel.com or www.bhpsteelasia.com