



Manager of Company Announcements
ASX Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

18th December 2008

Dear Sirs,

Equity Line of Credit Agreement

South American Iron & Steel Corporation Limited (“South American Iron”) today secured a \$10 million funding facility with US-Based Investment Fund YA Global Investments, L.P. (“YA Global”).

Under the terms of the facility, South American Iron may, at its discretion, issue shares to YA Global at any time over the next 60 months, up to a total of \$10 million. South American Iron & Steel may draw down up to \$100,000 in any ten day period.

Shares issued to YA Global will be priced at 100% of the lowest daily volume weighted average price (**VWAP**) of South American Iron shares traded on each of the ten trading days which follow an advance notice by South American Iron, at which time a commission of 5% will be payable by South American Iron to YA Global.

Managed by US-Based Yorkville Advisors LLC, YA Global has a solid reputation in the US and UK financial markets and is rapidly growing its reputation in Australia for structuring convertible loans and equity participation agreements. To date, YA Global has made available in excess of over US\$300,000,000.00 for over 20 ASX-listed companies.

Mr. Franco Belli, Chairman, stated: “The execution of this facility enables the company, even in these tough economic times, to continue its activities and to bring some of its concessions to measured resources.”

Yours faithfully,

South American Iron & Steel Corporation Limited

Franco Belli
Managing Director