

Ms. Finucan
Australian Securities Exchange
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

10 December 2010

Dear Ms. Finucan,

I refer to your letter dated 9 December 2010 in relation to the late lodgement of an Appendix 3Z in relation to Mr. Mark Bethwaite.

In response to your questions:

1. Resolution 3 on the Notice of the Company's 2010 AGM provided for the re-election of Mr. Bethwaite as a Director. However this was withdrawn on the eve of the meeting when Mr. Bethwaite indicated to the Board his wish not to offer himself for re-election because of his other work commitments. Clearly this and the consequential need to lodge an Appendix 3Z was an unexpected development and lodgement of the 3Z was not on a checklist of matters to be attended to following the AGM. However the Company Secretary did turn his mind to the lodgement of an Appendix 3Z on 30 November and commenced preparation of it but was distracted by another issue and realised on 9 December that the Appendix 3Z had not been completed and filed. At that point, it was immediately lodged but of course this was 2 days late. This filing was entirely in the control of the Company Secretary who did not require any additional information from Mr. Bethwaite. The Company apologises for the late filing.
2. The Company had the required agreement in place with Mr. Bethwaite in relation to the timely provision by Mr. Bethwaite of information in relation to notifiable changes in respect of his shareholding. However as noted above no information was required from Mr. Bethwaite in this instance.
3. The circumstances giving rise to the requirement for lodgement of an Appendix 3Z were unusual and the Company has updated its checklist of items to be considered upon a Directors resignation to ensure compliance with Listing Rule 3.19B.

Yours sincerely,



Kenneth Lee
Company Secretary

For personal use only



9 December 2010

Mr Kenneth Lee
Company Secretary
South American Iron & Steel Corporation Limited
Suite 2, Level 10
10 Loftus Street
SYDNEY NSW 2000

By email: kenneth.lee@saironsteel.com

ASX Compliance Pty Limited
ABN 26 087 780 489
Level 5
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

PO Box 7055
Riverside Centre
Brisbane QLD 4001

Telephone +61 7 3835 4000
Facsimile +61 7 3832 4114
Internet <http://www.asx.com.au>

Dear Mr Lee

**South American Iron & Steel Corporation Limited (the "Company")
Appendix 3Z Final Director's Interest Notice**

We refer to the following:

1. The Appendix 3Z lodged by the Company with ASX on Thursday, 9 December 2010 for Francis Mark Bethwaite (the "Appendix 3Z").
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Z indicates that Mr Bethwaite ceased to be a director of the Company on Tuesday, 30 November 2010. It appears that the Appendix 3Z should have been lodged with ASX by Tuesday, 7 December 2010. As it was lodged on Thursday, 9 December 2010, it appears that there may have been a breach by the Company of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances, ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Z was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps will the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to Frances Finucan by email at frances.finucan@asx.com.au or by facsimile on facsimile number (07) 3832 4114. It should **not** be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, **not later than 9.30am EDST (8.30am Brisbane time) on Monday, 13 December 2010.**

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

Sent electronically without signature

Frances Finucan
Senior Adviser, Listings (Brisbane)