

18 April 2011

Ms Frances Finucan
Senior Adviser, Issuers (Brisbane)
ASX Markets Supervision Pty Ltd
Level 5 Riverside Centre,
123 Eagle Street,
Brisbane QLD 4000.

Dear Ms Finucan,

South American Iron & Steel Limited (SAY); Price Query

I refer to the ASX's letter dated 15 April 2011 and respond to your questions as follows

- 1 The Company is not aware of any information concerning it which has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
- 2 Not applicable.
- 3 The only explanation which the Company can offer for the price change in the securities of the Company is that three of the Directors are currently in China and this may have been taken as a suggestion of further Chinese interest in the Company. The Company in its normal course of business is reviewing a number of opportunities concerning its concessions in South America and other potential projects in both China and South America. Any discussions currently are at a very early stage and may or may not eventuate in a transaction. The Directors are not aware of any matters which require disclosure at this stage.
- 4 I confirm that the Company is in compliance with the Listing Rules, and in particular Listing Rule 3.1

By Order of the Board



Kenneth Lee
CEO

For personal use only



15 April 2011

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

Dear Mr Lee

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
www.asx.com.au

South American Iron & Steel Corporation Limited (the "Company")

PRICE QUERY

We have noted an increase in the price of the Company's securities from a close of 10 cents on Thursday, 15 April 2011 to an intraday high of 14 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to Ms Frances Finucan by email at frances.finucan@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **by 9.30am EST on Monday, 18 April 2011.**

For personal use only

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 suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Rohan Abeyewardene
Senior Adviser, Listings (Brisbane)