



NOTICE OF ANNUAL GENERAL MEETING 2003

Notice of Meeting and Information for Shareholders

ABN 16 000 011 058
Level 11, 120 Collins Street
Melbourne VIC 3000 Australia
Telephone: +61 3 9666 4000
Facsimile: +61 3 9666 4111
www.bhpsteel.com

Notice is given that the Annual General Meeting of BHP Steel Limited for 2003 will be held at the Melbourne Concert Hall, 100 St Kilda Rd, Melbourne, Victoria on Wednesday, 12 November 2003 at 10am (Melbourne time).

ORDINARY BUSINESS

1. Annual Report

To consider the annual report, financial statements and the reports of Directors and the auditor for the year ended 30 June 2003.

2. Election of Directors

- a** To re-elect a Director: Mr H K McCann
Mr McCann retires in accordance with the Company's Constitution, and being eligible, offers himself for re-election.
- b** To re-elect a Director: Mr P Rizzo
Mr Rizzo retires in accordance with the Company's Constitution, and being eligible, offers himself for re-election.
- c** To elect a Director: Mr Y P Tan
Mr Tan, having been appointed by the Directors, vacates office in accordance with the Company's Constitution, and being eligible, offers himself for election.

SPECIAL BUSINESS

3. Change of Company name

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

“That:

- (a) the name of the Company be changed to BlueScope Steel Limited, with effect from a date determined by the Board, being no later than 2 February 2004; and
- (b) the Constitution of the Company be amended by deleting in clause 24, the words “Company means BHP Steel Limited” and substituting “Company means BlueScope Steel Limited”, with effect from a date determined by the Board, being no later than 2 February 2004.”

4. Approval of participation by the Managing Director and Chief Executive Officer in the Employee Share Purchase Plan

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

“That the participation of the Managing Director and Chief Executive Officer, Mr Kirby Adams, in the Employee Share Purchase Plan as described in the Explanatory Notes to this Notice of Meeting be approved for all purposes, including for the purpose of ASX Listing Rule 10.14.”

5. Approval of grant of Share Rights to the Managing Director and Chief Executive Officer

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

“That the grant of Share Rights to the Managing Director and Chief Executive Officer, Mr Kirby Adams, under the Long Term Incentive Plan as described in the Explanatory Notes to this Notice of Meeting be approved for all purposes, including for the purpose of ASX Listing Rule 10.14.”

6. Approval of the Non-executive Director Share Plan

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

“That the implementation of a Non-executive Director Share Plan described in the Explanatory Notes to this Notice of Meeting be approved for all purposes, including for the purpose of ASX Listing Rule 10.14.”

Voting exclusion statement

The Company will disregard any votes cast on resolutions 4, 5 and 6 by Mr Adams, any other Director of the Company, and any of their associates, unless:

- the vote is cast as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or*
- the vote is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Voting by Proxy

- A member who is entitled to attend and cast a vote at the Annual General Meeting may appoint a proxy.
- A proxy need not be a member.
- 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:

BHP Steel Share Registry
c/- ASX Perpetual Registrars
Limited
Level 4, 333 Collins Street
Melbourne Victoria 3000
Facsimile: (61 3) 9615 9744

By mail:

BHP Steel Share Registry
c/- ASX Perpetual Registrars
Limited
GPO Box 1736
Melbourne Victoria 3001

- 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 reverse side of the proxy form.

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 7.00pm on Monday, 10 November 2003.

By order of the Board

Michael Barron
Company Secretary
Melbourne, 10 October 2003

EXPLANATORY NOTES

Item 1

Annual Report

BHP Steel Limited (“the Company”) legally separated from the BHP Billiton Group on 22 July 2002, having listed on the Australian Stock Exchange on 15 July 2002. For accounting purposes the effective separation date was 1 July 2002, and therefore the financial results for the year ended 30 June 2003 reflect a complete twelve months’ results.

Comparative financial results for the year ended 30 June 2002, presented in the annual report are on a pro forma basis as your Directors believe this is the most meaningful comparison to the current year performance. This is because as at 30 June 2002, the Company was a wholly owned subsidiary within the BHP Billiton Group and certain significant assets were owned by other entities within the BHP Billiton Group.

However, the financial statements contained in the annual report reflect the Company as it existed at the reporting dates and for periods during the financial years represented. In view of the separation of the Company from the BHP Billiton Group, this financial information is not reflective of the underlying BHP Steel Group which separated from the BHP Billiton Group. Where necessary these transactions have been highlighted.

Item 2(a), (b) & (c)

Candidates for election and re-election as Directors

Information on the independence of the candidates for election and re-election as Directors, for the purposes of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations, is contained in the corporate governance statement which forms part of the annual report.

The Board has conducted a formal assessment of the individual contributions of Mr McCann and Mr Rizzo, who are retiring in accordance with the Constitution and offer themselves for re-election. The members of the Board not retiring support the re-election of Mr McCann and Mr Rizzo. The Board supports the election of Mr Tan.

Mr McCann is Chairman of Allens Arthur Robinson, a national law firm. He was appointed as a partner in 1970, and now specialises in mergers and acquisitions, mineral and resources law and capital markets transactions. Mr McCann is Chairman of Healthscope Limited, Origin Energy Limited, Triako Resources Limited, and the Sydney Harbour Federation Trust. He is a director of Macquarie Bank Limited and has served on the boards of Pioneer International Limited, Ampol Limited and the State Rail Authority of New South Wales. He is also a member of the Takeovers Panel.

His extensive legal and commercial expertise, as well as his experience on the boards of a number of major listed companies are valuable skills Mr McCann contributes to the Board.



Paul Rizzo BCom, MBA
Director since 10 May 2002

Mr Tan was appointed a Director by the Board on 26 May 2003 and resides in Singapore. A chartered accountant by profession, he recently retired as Managing Director of one of South-East Asia's leading public companies, Fraser and Neave Group. Mr Tan served as Chief Executive Officer of Asia Pacific Breweries Limited, a subsidiary of Fraser and Neave Group and in 1993 was appointed the Managing Director of the Fraser and Neave Group. Mr Tan has been a Member of the Public Service Commission of Singapore since 1990. He is also a member of the Supervisory Board of the East Asiatic Company Limited A/S, Denmark and Keppel Land Limited, Singapore.

Mr Tan brings extensive knowledge of Asian markets, an area of strategic importance to the Company. He also has financial and leadership skills which complement the existing Board.

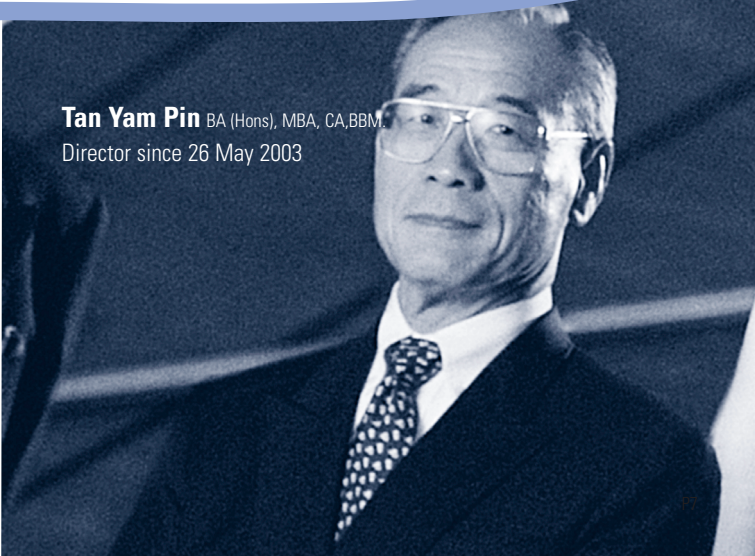
A black and white portrait of Kevin McCann, an older man with short grey hair and glasses, wearing a dark suit, white shirt, and patterned tie. He is smiling slightly and looking towards the camera.

Kevin McCann BA, LLB (Hons), LLM

Director since 10 May 2002

Mr Rizzo has broad experience in general management, finance and banking as a chief executive officer and director and is currently Dean, Director and Professorial Fellow of the Melbourne Business School. He is a member of the Advisory Board of Mallesons Stephen Jaques and of the Innovation Economy Advisory Board for Victoria. Previously, Mr Rizzo held positions as Group Managing Director – Finance and Administration of Telstra Corporation Limited, Chief General Manager – Retail Banking Commonwealth Bank of Australia, Chief Executive Officer of State Bank of Victoria, and held a range of senior executive positions at Australia and New Zealand Banking Group Limited. He has also previously served as Chairman of Foxtel Management Pty Limited and as a director of IBM Global Services Australia Limited.

Mr Rizzo's extensive financial experience is valuable to the Board and in his role as Chairman of the Audit and Risk Committee.

A black and white portrait of Tan Yam Pin, an older man with short grey hair and glasses, wearing a dark suit, white shirt, and patterned tie. He is looking slightly to the right of the camera.

Tan Yam Pin BA (Hons), MBA, CA,BBM.

Director since 26 May 2003

Item 3

Change of Company name

As part of the Company's demerger from the BHP Billiton Group in July 2002, the Company was granted a licence by BHP Billiton to use the "BHP" acronym in its Company name until 30 June 2004. BHP Billiton has declined to renew or extend the Company's licence to use the "BHP" acronym. Therefore the Company must change its name before the licence expires on 30 June 2004.

On 1 September 2003 Directors announced that they would recommend to shareholders that the name of the Company be changed to BlueScope Steel Limited.

The new name will carry forward the best attributes of the existing corporate brand, whilst supporting the Company's strategies to develop new directions. Blue is a colour associated with our heritage, our brands and with clear skies, wide horizons and a bright future. Scope suggests opportunity, action and the ability to grow.

The new name will enable continuity in the Company's stock exchange listing code "BSL".

In selecting a new name commencing with "B" the Company will continue an important brand connection with thousands of customers who have known the Company for decades as "BHP Steel".

Directors recommend the adoption of the new name to shareholders.

Item 4

Approval for the participation of the Managing Director and Chief Executive Officer in the Employee Share Purchase Plan

As an incentive for eligible employees to acquire and hold shares in the Company, the Employee Share Purchase Plan has been developed. The Plan will enable eligible employees to forego salary or short term cash bonus (or both) and receive shares. It is proposed to introduce this Plan with effect from 1 January 2004.

It is intended that Mr Kirby Adams, the Managing Director and Chief Executive Officer, be permitted to participate in the Plan and be able to forego salary or short term cash bonus (or both) for shares in the Company. The ASX Listing Rules require that shareholder approval be obtained before a Director acquires securities in the Company under an incentive plan. Accordingly, approval is sought for Mr Adams' participation in the Plan from its introduction on 1 January 2004 until 12 months following the date of the Annual General Meeting ("**Relevant Period**").

Description of Employee Share Purchase Plan

Broadly, the Employee Share Purchase Plan would operate as follows:

- Eligible employees would be invited to participate on condition that they agree to forego salary or bonuses for a period, as

specified in the invitation. The Board has a discretion to specify the maximum proportion of salary or cash bonus that may be foregone.

- Participants would be provided with fully paid ordinary shares in the Company in lieu of the salary or cash bonus foregone. The shares would be issued or acquired on-market.
- Generally, the Board has the discretion to determine the formula for calculating the number of shares to be provided to participants in lieu of salary or bonus foregone. The formula may include a discount to the market value of the shares. For the current financial year, the maximum discount for each participant has been set at 20% until the aggregate value of the discount equals \$1,000, but taking into account the market value of any Shares granted to the participant under the Company's Employee Share Ownership Plan. (Pursuant to the announcement made to the Australian Stock Exchange on 19 August 2003, the Company has provided 200 shares in the Company to approximately 11,000 eligible employees at nil cost to them under the Company's Employee Share Ownership Plan. Mr Adams did not receive shares under this grant.)
- The market value of a share in the Company would be determined as follows:
 - if shares are to be newly issued under the Employee Share Purchase Plan, the market value will be the volume weighted average sale price of all shares sold on ASX during the 5 trading days immediately preceding their date of issue;
 - if shares are to be purchased on ASX, the market value will be the average price paid per share for the shares so purchased (inclusive of costs associated with their acquisition (eg. brokerage)).
- Participants would be entitled to all distributions on the shares. The Board may require the shares to be acquired by a trustee and held in trust for participants for so long as they remain subject to the restriction on disposal referred to below.
- Participants would be restricted from disposing of their shares until the third anniversary of the date of acquisition of the shares for participants. Participants would be entitled to nominate in their acceptance forms a later date until which the restriction is to apply.
- The Company could specify in the invitation that this restriction ceases to apply in specified events (eg., where the employee ceases to be employed by the Company or, if later, the third anniversary of the date of acquisition of the shares for the participant).
- The Board may, in circumstances deemed exceptional by it, approve the disposal of shares by a participant (or his or her legal personal representative), where the restriction would otherwise continue to apply.
- Subject to applicable legal constraints, it is intended that shares would be acquired for participants at such times as are considered

appropriate. If shares are not able to be acquired for a participant (eg. because of legal impediments applicable at the time) or the Board considers it inappropriate for shares to be acquired for a participant, the participant would instead be paid the cash amount that was foregone for the period concerned.

- Where a participant has foregone salary for a period or a bonus and, before shares relating to that salary or bonus have been acquired, the participant has ceased to be an employee, the participant would instead be paid the cash amount that was foregone for the period concerned.
- The Company may amend, suspend or terminate the Plan (subject to applicable law and the ASX Listing Rules).

In relation to Mr Adams' participation in the Employee Share Purchase Plan for the Relevant Period, consistent with the foregoing, the number of shares to be provided to him will be the number that results from dividing the amount of salary or bonus foregone in the Relevant Period, by the market value of a share (calculated as set out above) less a 20% discount until the aggregate value of the discount equals \$1,000, and thereafter without a discount being applied.

Accordingly, the application of the discount to the market value of shares as calculated above will provide Mr Adams with a discount, capped at \$1,000, to participate in the Plan.

In accordance with the ASX Listing Rules, the following additional information is provided concerning Mr Adams' participation in the Employee Share Purchase Plan:

- The maximum number of shares to be issued or purchased under the Employee Share Purchase Plan for Mr Adams will depend on the amount of salary and bonus foregone by him. As an indication, for the financial year ended 30 June 2003, Mr Adams received a short term cash bonus of \$1,950,000. Mr Adams' current base salary is \$1,350,000 per annum. The Board will determine the proportion of salary or bonuses that employees (including Mr Adams) can forego under the Employee Share Purchase Plan before its introduction in January 2004.
- The Employee Share Purchase Plan is a new incentive plan and has not previously been offered by the Company. Accordingly, no Director or associate of a Director has previously received shares under the Employee Share Purchase Plan.
- The Employee Share Purchase Plan is open to eligible employees of the Company. Mr Adams is the only Director who is eligible to participate in the Employee Share Purchase Plan.
- There is no loan scheme in relation to the acquisition of shares under the Employee Share Purchase Plan.
- Any shares to be acquired by Mr Adams under the Employee Share Purchase Plan will be acquired before 12 November 2004.

Item 5

Approval of grant of Share Rights to the Managing Director and Chief Executive Officer

It is proposed that Mr Kirby Adams, the Managing Director and Chief Executive Officer of the Company, be awarded rights to be provided fully paid ordinary shares in the Company (“Share Rights”) under the Company’s Long Term Incentive Plan. The award will be made effective 30 September 2003.

The number of Share Rights to be awarded, subject to shareholders approving the grant of Share Rights to Mr Adams under resolution 5, will be determined by dividing Mr Adams’ current base salary of \$1,350,000 by the volume weighted average price of the Company’s shares traded on ASX for the 5 trading days up to and including 30 September 2003. As an indication, at a volume weighted average share price of \$5.00, the number of Share Rights awarded to Mr Adams would be 270,000.

Share Rights

Subject to the rules of the Long Term Incentive Plan, each Share Right will entitle Mr Adams to be provided one fully paid ordinary share in the Company upon exercise after they vest. No amount is payable by Mr Adams in respect of the award of Share Rights.

Vesting of Share Rights

Except in certain circumstances mentioned below, Share Rights will vest only to the extent that performance conditions determined by the Board are met. For the present award, the vesting will depend on the percentile ranking of the Company relative to a comparator group (namely, the companies comprised in the ASX/S&P 100 index as at 30 September 2003, the effective date of grant of the Share Rights), based on total shareholder return over a performance period.

Total shareholder return is, broadly speaking, share price growth plus dividends reinvested. Relative performance is measured by comparing the respective total shareholder returns of the Company and the members of the comparator group for the performance period.

Accordingly, the Company’s performance ranking against the comparator group at the end of the performance period will determine whether Mr Adams may exercise his Share Rights and, if so, the number of them. No Share Rights vest until the relative total shareholder return performance, as measured by comparing the respective total shareholder returns of the Company and the members of the comparator group for the performance period, reaches the 51st percentile. At the 51st percentile 52% of Share Rights vest. Above the 51st percentile the number of Share Rights that may be exercised will be pro rated between the 51st percentile and the 75th percentile. At the 75th percentile (or above), 100% of Share Rights vest. The following table provides an overview of the percentage of Share Rights which vest at various percentile outcomes.

If the percentile ranking of the Company at the end of the performance period isthen the percentage of Share Rights which vest is ...
50th percentile or below	No Share Rights vest
51st percentile	52% of Share Rights vest
60th percentile	70% of Share Rights vest
70th percentile	90% of Share Rights vest
75th or above	100%

The initial performance period will be 1 October 2003 to 30 September 2006.

Exercise and lapse of Share Rights

In the event that none, or some only, of the Share Rights vest at the end of the initial performance period, there will be up to 4 subsequent performance periods commencing on the effective date of grant of the Share Rights and ending on 31 March 2007, 30 September 2007, 31 March 2008 and 30 September 2008, respectively ("**Retest Date**"). The number of outstanding Share Rights that then vest following such a retesting at the end of a subsequent performance period will be calculated by determining how many Share Rights out of the total granted would vest in accordance with the above (determined by reference to the percentile ranking of the Company at the end of the relevant subsequent performance period), and deducting the number of Share Rights that have previously vested (if any). There is a proviso that for outstanding Share Rights to vest following a subsequent performance period, the percentile ranking as at the Retest Date must be greater than the highest percentile ranking of the Company at the end of any previous performance period.

If Share Rights have not vested following the last Retest Date, those Share Rights will lapse.

Share Rights that vest may be exercised at any time before 31 October 2008. No amount is payable upon exercise by Mr Adams. Upon exercise, Shares would be acquired for Mr Adams by the trustee of the Long Term Incentive Plan trust by way of subscription for new shares or on-market purchase with funds provided by the Company.

Unvested Share Rights will lapse if Mr Adams ceases to be employed because of termination for cause.

Unvested Share Rights lapse if Mr Adams resigns, subject to the discretion of the Board to decide that the number of unvested Share Rights that are to lapse is to be pro rated to reflect his period of service during the relevant performance period and that those Share Rights will vest only if the relevant performance hurdles are satisfied.

If Mr Adams ceases to be employed because of death or disability, all his unvested Share Rights will vest. Vesting in these circumstances would occur without regard to performance hurdles.

In the event of agreed retirement or redundancy, the number of unvested Share Rights would be reduced *pro rata* to reflect the period of service. That reduced number of Share Rights would vest only if the relevant performance hurdles are satisfied.

Vested share rights may be exercised for 6 months after cessation of employment or until 31 October 2008, whichever is sooner.

The Board may at its discretion cause Share Rights to become vested Share Rights, if, at any time while there are Share Rights which have not lapsed or been exercised, a takeover bid is made to acquire the whole of the issued ordinary share capital of the Company or a transaction is announced by the Company which, if implemented, would result in a person owning all the issued shares in the Company.

Additional information

In accordance with the ASX Listing Rules, the following additional information is provided concerning the Share Rights to be awarded to Mr Adams under the Company's Long Term Incentive Plan:

- Since the Company was admitted to ASX in July 2002, Mr Adams has been awarded the following Share Rights under the Long Term Incentive Plan, as described in the scheme booklet prepared and issued by BHP Billiton Limited as part of the Company's demerger from BHP Billiton Limited:
 - 685,000 in July 2002;
 - 490,500 in September 2002.
- Mr Adams is the only Director who is entitled to participate in the Long Term Incentive Plan.
- There is no loan scheme in relation to the Long Term Incentive Plan (or Share Rights awarded under it).
- Any Share Rights to be granted to Mr Adams under the Long Term Incentive Plan will be granted as soon as practicable after the date of the Annual General Meeting and, in any event, before 12 November 2004.

Item 6

Approval of the Non-executive Director Share Plan

The Board believes that Non-executive Directors should accumulate over time a shareholding in the Company at least equivalent in value to their annual remuneration. To facilitate this the Non-executive Director Share Plan has been developed.

In addition to providing a facility for Non-executive Directors to acquire shares, the Non-executive Director Share Plan requires that Non-executive Directors receive at least 10% of their remuneration (exclusive of any superannuation contributions) in the form of ordinary shares in the Company.

The Non-executive Director Share Plan will not involve any increase in the maximum remuneration payable to Non-executive Directors. Shares acquired under the Non-executive Director Share Plan will form part of the Directors' remuneration. Under the Company's constitution, the maximum aggregate amount or value of the remuneration of the Non-executive directors is fixed at \$1,750,000 per annum (inclusive of superannuation contributions), until increased by ordinary resolution of shareholders. It should be noted that no discount will be given to the Director, and no loans will be made by the Company to any Director to acquire shares under the Plan.

The key terms of the Non-executive Director Share Plan are as follows:

- All non-executive Directors would be required to participate in the Non-executive Director Share Plan (unless participation by a Director would result in the Company becoming obliged to prepare, lodge or issue a prospectus or disclosure document in any jurisdiction and the Board considers it would be onerous for the Company to do so in the circumstances).
- Participating Directors would be required to receive at least 10% of their total remuneration (exclusive of any superannuation) in shares.
- Shares would be acquired for Directors half-yearly in arrears (ie, after the announcement to ASX of the results of the half-year or full-year). The shares would be newly issued for the benefit of participating Directors (subject to the ASX Listing Rules), or purchased on-market with funds provided by the Company.
- To determine the number of shares acquired for each Director, the dollar value of the fees foregone by the Director to participate in the Plan will be divided by:
 - if shares are purchased on ASX, the average price paid for the shares purchased under the Plan (inclusive of costs associated with their acquisition (eg. brokerage)); or
 - if shares are issued by the Company, the volume weighted average price for the shares for the 5 trading days on which the shares have been traded immediately before issue of the shares.
- Participating Directors would receive fully paid ordinary shares in the Company with a market value, calculated as set out above, equivalent to the amount of fees foregone by the Director.
- The shares issued or acquired may be held on behalf of Directors by a trustee. The Directors would be entitled to all distributions on shares held on their behalf and to vote the shares.
- A Director would be restricted from transferring shares acquired under the Non-executive Director Plan until the earlier of:
 - the third anniversary of the date the shares were acquired for the Director (or such later date as the Director may specify in his or her acceptance form);

- the time when the Director ceases to be a director of the Company; or
- the time when a takeover bid is made for the Company or a merger transaction is announced or entered into by the Company involving the acquisition of all the Company's shares.
- During this restriction period, participating Directors will be prohibited from disposing of their shares without the approval of the Board.
- Participating Directors would bear the costs of acquisition of shares under the Plan (eg. brokerage).
- If the Company's shares are not able to be acquired for a participating Director (eg. because of legal impediments applicable at the time), the Director would instead be paid the cash amount that was foregone for the relevant period.
- Where a Director has foregone fees for a period and, before the shares relating to that period have been acquired for him or her, the Director has ceased to be a Director of the Company, the Director would instead be paid the cash amount that was foregone for the relevant period.

Shareholder approval is sought for the introduction of the Plan. The Company has obtained a waiver from the Australian Stock Exchange Limited in respect of Listing Rule 10.14, so that shares in the Company may be acquired (through the purchase of existing shares on market) by the Non-executive Directors from time to time of the Company under a Non-Executive Directors Share Plan, but without the need to separately seek shareholder approval for each acquisition of shares by a Director under the Non-executive Director Share Plan. This waiver is conditional upon the introduction of the Plan being approved by shareholders.

The Company has obtained a waiver from ASX, so that shares may be issued under the rules of the Non-executive Directors Share Plan during the 3 years following the date of this year's Annual General Meeting to any Non-executive Director in office (including those appointed after the date of the 2003 Annual General Meeting), again subject to shareholder approval being obtained at this year's Annual General Meeting.

The background of the page is composed of several overlapping, wavy bands of blue. The top band is a very light, almost white, blue. Below it is a slightly darker, light blue band. The middle section is dominated by a large, solid, medium-dark blue band. At the bottom, there are two more wavy bands, one in a medium blue and another in a slightly lighter blue, creating a layered, fluid effect.

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