

Ref. GSTEEL/ELCID-20/2010

May 17, 2010

Subject : To inform about the recently executed agreement with the Lead Shareholder
To : The President
The Stock Exchange of Thailand

G Steel Public Company Limited ("G Steel") and its subsidiaries, including GJ Steel Public Company Limited ("GJ Steel"), is pleased to inform the public of an agreement executed between the Company's lead shareholder (the "Lead Shareholder"), G Steel and GJ Steel. G Steel's new management believes the agreement will greatly assist the Company in creating equity value for all shareholders, and the agreement's execution represents a positive step in facilitating the successful recapitalization of the Company.

Per G Steel's and GJ Steel's first quarter 2010 financial statements, from time to time and in the ordinary course of business operations, G Steel and GJ Steel sold goods to certain customers. As a result of the financial crisis and the unprecedented volatility in commodity prices which occurred in late 2008, these customers have defaulted on their obligations to pay G Steel and GJ Steel for the goods. As of December 31, 2009, the aggregate outstanding amount of the receivables owed by these customers to G Steel and GJ Steel, collectively, totaled Baht 2,056 million.

As a result of these customers inability to pay G Steel and GJ Steel both companies have fully provisioned the relevant unpaid receivables. G Steel and GJ Steel notes that both companies are entitled to receive full payment for the previously provisioned receivables from the customers, and G Steel and GJ Steel intends to fully pursue all rights and legal remedies available to them under Thai and/or international laws, as the case may be.

As a result of the aforementioned agreement with the Lead Shareholder, the prospects of value realization from these receivables have improved significantly. As acknowledged today by the Boards of Directors of both G Steel and GJ Steel, in this agreement the Lead Shareholder has provided a three-year irrevocable personal guaranty in an amount not to exceed Baht 2,056 million in favor of G Steel and GJ Steel, as the case may be, for full consideration of the aforementioned receivables. During the three-year period of the guaranty, as collections are made against the provisioned receivables, the guaranty will be reduced accordingly.

Additionally, in order to facilitate a complete recapitalization of G Steel and GJ Steel, the Lead Shareholder has agreed to allow new management a five-year period to operate the Company. By virtue of this agreement, during the five-year period, the Lead Shareholder agrees to not be involved with the day-to-day operations of G Steel and GJ Steel.

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During the months ahead, the new management team anticipates further initiatives geared towards the successful recapitalization of G Steel and GJ Steel.

Please be informed accordingly.

Respectfully Yours,

-Signature-

(Mr. Ahab G. Garas) (Mr. Ariel Seth Levy)
Director

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