

5 January 2009

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Rights Issue Shortfall


Bisalloy Steel Group Limited (**Bisalloy**) advises that it has received applications for 54,492,300 shares offered under its prospectus dated 2 December 2008 for its 4 for 5 rights issue. This leaves 29,162,488 shares for which applications were not received (**Shortfall Shares**). As set out in the prospectus, the Shortfall Shares will be subscribed for by Anchorage (BSG) Pty Ltd (**Anchorage**).

The number of Shortfall Shares is not sufficient to require Anchorage to provide any of the Shortfall Shares to Balron Nominees Pty Ltd or Investors Mutual Limited in accordance with the Takeovers Panel's Order dated 23 December 2008 which was released on ASX on 24 December 2008.

Shares applied for under the rights issue, other than the Shortfall Shares, will be issued on Wednesday, 7 January 2009, with shareholding statements for the new shares due to be despatched on Thursday, 8 January 2009. These shares will commence trading on a normal basis on Friday, 9 January 2008.

The Shortfall Shares will be issued to Anchorage on Wednesday, 21 January 2009 and will commence trading on a normal settlement basis on Thursday, 22 January 2009.

Regards



David Cleland
Company Secretary