

## NOTICE OF FILING

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(ADMINISTRATORS APPOINTED) ACN 004 651 325  
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*Sia Lagos*

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### Important Information

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Form 59  
Rule 29.02(1)

**AFFIDAVIT**

No. \_\_\_\_\_ of 2025

Federal Court of Australia  
District Registry: Victoria  
Division: Commercial and Corporations List

**IN THE MATTER OF ONESTEEL MANUFACTURING PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 004 651 325**

**SEBASTIAN DAVID HAMS, MARK FRANCIS XAVIER MENTHA, LARA LUISA WIGGINS AND MICHAEL ANTHONY KORDA IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF ONESTEEL MANUFACTURING PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 004 651 325**

First Plaintiffs

**ONESTEEL MANUFACTURING PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 004 651 325**

Second Plaintiff

**WHYALLA PORTS PTY LTD ACN 153 225 364**

Defendant

Affidavit of: **Michael Anthony Korda**  
Address: Level 31, 525 Collins Street, Melbourne VIC 3000, Australia  
Occupation: Insolvency Practitioner  
Date: 2 April 2025

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Filed on behalf of: the First Plaintiffs  
Prepared by: Leon Zwier  
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## Contents

Document number	Details	Paragraph	Page
1	Affidavit of <b>Michael Anthony Korda</b> on 2 April 2025 in support of the application for orders under section 90-15 of the <i>Insolvency Practice Schedule (Corporations) 2016</i> (Cth) and section 447A of the Corporations Act .	N/A	1-20
2	Annexure " <b>MAK-1</b> ", being a paginated bundle of documents annexed to the affidavit and shown to the deponent.	N/A	21-971

### I, **MICHAEL ANTHONY KORDA** of Level 31, 525 Collins Street, Insolvency Practitioner, **SAY ON OATH:**

1. I am, together with Lara Wiggins, Sebastian Hams and Mark Mentha, a voluntary administrator of the second plaintiff, OneSteel Manufacturing Pty Limited (Administrators Appointed) ACN 004 651 325 (**OneSteel**).
2. I make this affidavit on behalf of myself and the other voluntary administrators (the **Administrators**). References in this affidavit to "we", "us", "our" or "ourselves" are references to the Administrators.
3. Except where I otherwise indicate, I make this affidavit from my own knowledge. Where I depose to matters from information and belief, I believe those matters to be true. Where I depose to matters that are connected to or concerned with legal advice provided to OneSteel or the Administrators, I do so without waiving legal professional privilege in that legal advice.
4. Exhibited and shown to me at the time of swearing this affidavit is a bundle of documents to which I refer in this affidavit that are paginated and marked "**MAK-1**". Where I refer to a document within **Annexure MAK-1**, I do so by referring to the page number within the bundle.

### Introduction

5. I am an Insolvency Practitioner, Registered Liquidator and Chartered Accountant. I have the title of KordaMentha Partner. KordaMentha is an advisory and investment entity that provides amongst other services, insolvency, restructuring and turnaround advice and services. I have 18 years' experience advising stakeholders in complex advisory, insolvency and restructuring assignments.

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6. I make this affidavit in support of the orders sought by the Administrators in the Originating Process dated 2 April 2025 (**Originating Process**). This dispute concerns the prior occupation by the Defendant, Whyalla Ports Pty Ltd ACN 153 225 364 (**Whyalla Ports Pty Ltd**), of OneSteel property that is critical to its business and we seek urgent relief from this Court for the reasons set out below. If we are unable to obtain urgent relief and this results in a delay to, or frustration of, the proposed sale or recapitalisation of OneSteel, OneSteel may be forced to close operations because the funding of OneSteel is fixed and of limited duration.
7. This affidavit describes the background to our appointment, the Commonwealth and State funding and support package, our prior appointment as Arrium administrators, the background to the parties, the business of OneSteel, the nature of the port operations, the extent of OneSteel's historical and current financial losses, its occupational and health safety risks, details of the port dispute, the OneSteel proposed sale and recapitalisation process and why we seek urgent relief.

#### **Appointment of the Administrators**

8. On 19 February 2025, the State Government of South Australia (**State Government or State**) appointed us as Administrators of OneSteel pursuant to section 436C of the *Corporations Act 2001 (Cth)* (**Act**). A copy of the Administrators' notice of appointment lodged with the Australian Securities and Investments Commission (**ASIC**) is at **pages 24 to 26 of Annexure MAK-1**.

#### **Initial Funding of the Administration**

9. On 19 February 2025, the Treasurer of South Australia, for and on behalf of the Crown in right of the State of South Australia, and the Administrators, entered into a Funding and Indemnity Deed (**Funding and Indemnity Deed**). Under the Funding and Indemnity Deed the State agreed to provide funding for the Administrators to undertake and perform the administration. This includes the costs of the Administrators and their staff and disbursements, the costs of an Expert Advisor, and the costs of funding the general working capital of the OneSteel business or any claim. The funding limit under the Funding and Indemnity Deed is \$400 million or such other amount that the parties may agree in writing from time to time.
10. The initial OneSteel administration funding of \$400 million was proposed by the South Australian Government as a pre-estimate of the costs and expenses of the OneSteel administration based on advice from a steel task force established by the South

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Australian Government and an expectation that the voluntary administration would conclude within 6 months of our appointment. The South Australian Steel Task Force (established by the State Government) is chaired by Bruce Carter a former insolvency practitioner and partner of Ferrier Hodgson in Adelaide.

### **Commonwealth and State Government Sovereign Steel Package**

11. On 20 February 2025, the State Government and the Commonwealth announced a multi-billion-dollar package to support OneSteel described as the Sovereign Steel Package. The joint State and Commonwealth package includes:
- (a) \$100 million in creditor assistance payments, infrastructure upgrades, jobs matching and a skills hub;
  - (b) a co-investment of \$384 million to fund the Whyalla Steelworks operations during the administration (this is a reference to the Administrators' funding); and
  - (c) \$1.9 billion to work with a new owner to invest in upgrades and new infrastructure.

The rationale for the government support package is set out in the government announcement. Self-evidently the Commonwealth and the State recognise the importance to Australia and South Australia of maintaining steel manufacturing in Whyalla and, that a new owner of the Steelworks will need to upgrade and renew the steelmaking infrastructure, and that without government support of up to \$1.9 billion that will not be possible. The current OneSteel infrastructure is outdated having been constructed mid-20<sup>th</sup> century and requires modernisation.

A copy of the Sovereign Steel Package announcement is at **pages 27 to 30 of Annexure MAK-1**.

### **OneSteel and Whyalla Ports Pty Ltd previously placed into administration**

12. On 12 April 2016, the former Arrium Group was placed into voluntary administration and Mark Mentha and other KordaMentha partners were appointed as voluntary administrators pursuant to an Order of the Federal Court of Australia. OneSteel and Whyalla Ports Pty Ltd were two of the entities in the Arrium Group. KordaMentha partners replaced administrators first appointed by the boards of the Arrium companies. We disclosed these appointments in our Declaration of Independence and

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Relevant Relationships and Indemnities (**DIRRI**). A copy of the DIRRI is at **pages 31 to 38 of Annexure MAK-1**.

13. On 31 August 2017, Arrium's Manufacturing, Distribution, Recycling, Whyalla Steelworks and Mining divisions were sold to companies controlled by Sanjeev Gupta. A copy of the ASX Announcement of the sale is at **page 39 of Annexure MAK-1**. We are aware from our prior involvement in the Arrium administration of the numerous challenges associated with the OneSteel business and operations and the likely difficulties we will encounter when we seek to sell the OneSteel business or recapitalise the company.

### **OneSteel**

14. A copy of the ASIC search for OneSteel dated 30 March 2025 is at **pages 40 to 70 of Annexure MAK-1**.
15. OneSteel was incorporated on 30 June 2000.
16. As at the date of our appointment, the directors of OneSteel were:
- (a) Sanjeev Gupta;
  - (b) Iain Hunter;
  - (c) Theunis Victor; and
  - (d) Sandip Biswas.
17. Liberty Primary Metals Australia Pty Ltd (ACN 631 112 573) (**LPMA**) is the sole shareholder of OneSteel.

### **GFG Alliance**

18. OneSteel is part of GFG Alliance's Australian Mining and Primary Steel business (**MPS**). GFG Alliance is ultimately owned and controlled by Sanjeev Gupta (**GFG Alliance**). Other entities in the GFG Alliance include (but not limited to):
- (a) LPMA;
  - (b) Whyalla Ports Pty Ltd;
  - (c) Tahmoor Coal Pty Ltd ACN 076 663 968 (**Tahmoor Coal**); and

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(d) Bargo Collieries Pty Ltd ACN 000 970 276 (**Bargo**).

### **OneSteel Deed of Cross Guarantee**

19. On 21 June 2019, the MPS business entered into an ASIC Deed of Cross Guarantee (**DXG**). ASIC requires corporate groups that seek to lodge consolidated accounts to enter into such deeds. The DXG dated 21 June 2019 is at **pages 70 to 91 of Annexure MAK-1**.
20. On 20 July 2023, Tahmoor Coal and Bargo executed a Revocation Deed and are no longer bound by the DXG. A copy of the Revocation Deed dated 20 July 2023 is at **pages 92 to 100 of Annexure MAK-1**.
21. On 5 April 2024, an Assumption Deed was executed by LPMA (Korea) Pty Ltd ACN 674 723 552 (**LPMA Korea**) and LPMA Overseas Holdings Pty Ltd ACN 674 723 141 (**LPMA Overseas**) (**Assumption Deed**) and LPMA Korea and LPMA Holdings are now parties to and bound by the DXG. A copy of the Assumption Deed dated 5 April 2024 is at **pages 101 to 109 of Annexure MAK-1**.
22. In summary the following parties are now subject to the DXG:
  - (a) OneSteel;
  - (b) LPMA;
  - (c) Whyalla Ports Pty Ltd;
  - (d) LPMA Korea; and
  - (e) LPMA Overseas.
23. If any one company subject to the DXG is placed into liquidation each other company not in liquidation in effect guarantees the obligations of the company in liquidation to its creditors.

### **Whyalla Ports Pty Ltd**

24. As set out above, Whyalla Ports Pty Ltd claims that it has leased from OneSteel the land from which the port at Whyalla operates.
25. A copy of the ASIC search for Whyalla Ports Pty Ltd dated 30 March 2025 is at **pages 110 to 122 of Annexure MAK-1**.

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26. Whyalla Ports Pty Ltd was incorporated on 14 September 2011.
27. As at the date of our appointment, the directors of Whyalla Ports Pty Ltd were:
- (a) Sanjeev Gupta;
  - (b) Iain Hunter;
  - (c) Theunis Victor; and
  - (d) Sandip Biswas.
28. LPMA is the sole shareholder of Whyalla Ports Pty Ltd.

### **OneSteel Business Operations**

29. OneSteel is engaged in three interrelated business activities:
- (a) Mining;
  - (b) Steelworks; and
  - (c) Provision of some port services.

### **OneSteel Rights over the Port**

30. OneSteel is authorised by the State Government of South Australia to conduct mining, steel manufacturing, and port operations under the terms of an Indenture annexed to the *Whyalla Steel Works Act 1958* (SA) (**Indenture**). A copy of the Indenture can be found on **pages 123 to 162** of **Annexure MAK-1**.
31. I am told by Leon Zwier (of Arnold Bloch Leibler (**ABL**)) and believe that OneSteel – to the exclusion of others – is authorised to operate the Port under the following arrangements:
- (a) The Perpetual Licence 319 (Crown Lease 512-105) which is a perpetual licence to use, occupy and maintain wharves and jetties (ie, the Outer Harbour) constructed by BHP and OneSteel as BHP's successor pursuant to *The Broken Hill Proprietary Company Limited Hummock Hill to Iron Knob Tramways and Jetties Act 1900* (SA). A copy of the Perpetual Licence 319 (Crown Lease 512-105) is at **pages 163 to 168** of **Annexure MAK-1**.

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- (b) The 1937 Indenture annexed to the *Broken Hill Proprietary Company's Indenture Act 1937* (SA) which grants OneSteel the right to construct, use, occupy and maintain jetties and wharves (in addition to buildings, works, tramways and roads) in the area described in clause 7 (ie, the "Licenced Area" under the Perpetual Licence 319). A copy of the 1937 Indenture is at **pages 169 to 183 of Annexure MAK-1**.
- (c) The Perpetual Licence 319A (Crown Lease 1013/20) which is a perpetual licence to use, occupy and maintain wharves and jetties (in addition to buildings, works, tramways and roads) constructed by BHP and OneSteel as BHP's successor pursuant to the 1937 Indenture (ie, harbour waters including the inner harbour). A copy of the Perpetual Licence 319A (Crown Lease 1013/20) dated 8 February 1945 is at **pages 184 to 190 of Annexure MAK-1**.
- (d) The 1958 Indenture which grants OneSteel the rights to operate bulk shipping facilities, marinas and boating facilities pursuant to the conditions set out in the Perpetual License 319A (Crown Lease 1013/20). Clause 31 of the Consolidated 1958 Indenture prohibits the assignment of OneSteel's property rights at the Port without the consent of the State. Only OneSteel is empowered under the 1958 Indenture to operate the Port. A copy of the 1958 Indenture is at **pages 123 to 162 of Annexure MAK-1**.
- (e) The *Harbours and Navigation Regulations 2009* (SA) which grants OneSteel the right to exclude persons from taking a vessel into the specified waters at Whyalla Area 4 (Inner Harbour) and Whyalla Area 5 (Outer Harbour) unless they are entering for the purposes connected with the operation of the Harbour pursuant to Schedule 5. A copy of *Harbours and Navigation Regulations 2009* (SA) is at **pages 191 to 527 of Annexure MAK-1**.
- (f) The rights and entitlements referred to above are in addition to the property owned by OneSteel in Whyalla which is adjacent to or proximate to the wharves and jetties, marinas and boating facilities and authority to exclude vessels from entering the Port, referred to above.

### **OneSteel Ownership of Other Property**

- 32. OneSteel is also the registered proprietor of property from which it conducts its business operations in South Australia.

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33. Based on our investigations it appears that OneSteel is the registered proprietor of the following property:
- (a) Certificate of Title Volume 5463 Folio 457 being the land adjacent to sea and reclaimed land between the Inner Harbour and Outer Harbour;
  - (b) Certificate of Title Volume 5582 Folio 363 being the Inner Harbour land;
  - (c) Certificate of Title Volume 5603 Folio 813 being the Inner Harbour land and Outer Harbour land; and
  - (d) Certificate of Title Volume 6144 Folio 964 being the reclaimed land north of the Inner Harbour;
  - (e) Certificates of Title Volume 6141 Folio 526 being the 'allotment comprising pieces 82, 83, 84, 85 and 86 located in the Middleback Ranges and Whyalla Barson';
  - (f) Certificate of Title Volume 6105 folio 304.

(collectively, the **OneSteel Properties**)

Copies of the Certificates of Titles for the OneSteel Properties appear at **pages 528 to 558 of Annexure MAK-1.**

### **Port Fixtures and Plant and Equipment**

34. I have been told by Sebastian Hams that the Port includes fixtures which form part of the OneSteel property or the land, wharves and jetties the subject of the Indenture. The operations enable direct train to ship capability at both inner and outer harbour (bypass function). The Port has fixtures and plant and equipment on the OneSteel property which are used to load and unload trains and ships as set out below:-
- (a) the conveyor between the Inner Harbour Train Unloading Station and the Inner Harbour Sheds No. 1 and No. 2 (fixture to Port property);
  - (b) the Inner Harbour Iron Ore Berth (fixture to Port property);
  - (c) the conveyor between the Inner Harbour Sheds No. 1 and No. 2 and the Inner Harbour Iron Ore Berth (fixtures to Port property);
  - (d) the ore loader on the Inner Harbour Iron Ore Berth (fixture to Port property);

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- (e) the portable B&W ore loader;
  - (f) Products Berth (fixture to Port property);
  - (g) Bulk Berth (fixture to Port property);
  - (h) Narrow Gauge Rail connection to Inner Harbour (fixture to Port property);
  - (i) Standard Gauge Rail connection to Inner Harbour (fixture to Port property);
  - (j) Dual gauge rail balloon loop at Inner Harbour (fixture to Port property);
  - (k) Hot metal line extension (fixture to Port property);
  - (l) the Outer Harbour Train unloading station ("tip pocket") (fixture to Port property);
  - (m) the Outer Harbour storage shed (fixture to Port property);
  - (n) the conveyor between the Outer Harbour train unloading station and the Outer Harbour shed (fixture to Port property);
  - (o) the conveyor between the outer Harbour Shed and the Outer Harbour Jetty (fixture to Port property or land or rights subject to Indenture);
  - (p) Jetty (fixture to Port property or land or rights subject to Indenture);
  - (q) the ore loader on the Outer Harbour Jetty (fixture to Port property or land subject to Indenture); and
  - (r) narrow gauge rail connection to Outer harbour (fixture to Port property).
35. Whyalla Ports Pty Ltd appears to be covered by a Group insurance program that includes OneSteel and a number of other GFG Alliance entities. OneSteel pays a material portion of this policy (46.09% of the total). OneSteel also pays most of the GFG Alliance's MPS business portion (which comprises 54.07% of the total). We are investigating whether the Whyalla Ports Pty Ltd portion sits within the OneSteel amount (and if it is paid by OneSteel), or is calculated and paid separately.

### Steelworks Operations

36. The operations at the Whyalla Steelworks are fully integrated, involving mining the raw materials, processing the raw materials and distributing finished steel products. It is

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the only domestic producer of hot rolled structural and rail products. If OneSteel closed its steelmaking operations in Whyalla, Australia would become dependent on imported products.

37. The Whyalla Steelworks operate a blast furnace and steel rolling mills which produce raw steel, steel billets, long products (structural steel) and rail products. The total nameplate production capacity at the steelworks is approximately 1.2 Mtpa of cast steel. Previously about 60% of the product is cast to billet and transferred by rail to the Newcastle rolling mills in billet form for further processing. Approximately 450Ktpa of hot rolled product (including rail) is converted to finished products in the rolling mill. These products are used to build and maintain infrastructure across the country, including railways, buildings, bridges, hospitals, schools, defence assets and transmission infrastructure.

### **Mining Operations**

38. OneSteel runs mining operations located about 60 kilometres west of the Whyalla Steelworks in the Middleback Ranges in South Australia. The magnetite reserves of OneSteel are so vast they are estimated to be sufficient for over 100 years of future mining operations.

### **Port Operations**

39. OneSteel transports all the iron ore mined by OneSteel either by rail or slurry pipe to Whyalla from which it is either exported via the Port in Whyalla (from where it is shipped to its customers) or utilised in the OneSteel Steelworks. OneSteel also receives key supply shipments from the Port in Whyalla such as coking coal, dolomite and limestone (all required for steel production).

### **Termination of Whyalla Ports Pty Ltd Occupation of OneSteel Property**

40. Prior to 27 March 2025, Whyalla Ports Pty Ltd occupied part of the OneSteel property and wharves and jetties the subject of the Indenture.
41. On 27 March 2025, OneSteel served on the registered office of Whyalla Ports Pty Ltd and emailed its officers and lawyers a document described as a Notice of Termination and Repossession (**Notice**). A copy of the Notice served on Whyalla Ports Pty Ltd dated 27 March 2025 is at **pages 559 to 561 of Annexure MAK-1.**

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42. On 28 March 2025, Norton Rose Fulbright (**NRF**), the lawyers for Whyalla Ports Pty Ltd emailed a letter to ABL, our lawyers, claiming amongst other things that the occupation of the land depicted in the Annexure to the Notice (**Land**) (an extract of which appears below) is the subject of a lease executed 29 June 2018 between OneSteel and Whyalla Ports Pty Ltd which remains operative in accordance with its terms. A copy of the NRF letter to ABL dated 28 March 2025 is at **pages 562 to 563** of **Annexure MAK-1**.



43. On 28 March 2025, ABL sent an email to NRF requesting amongst other things a copy of the lease dated 28 June 2018 that Whyalla Ports Pty Ltd claimed was operative in relation to the Land. The ABL letter also informed NRF that we did not agree that the Lease was operative in relation to the Land. A copy of the ABL email to NRF dated 28 March 2025 is at **pages 568 to 569** of **Annexure MAK-1**.
44. On 1 April 2025, NRF sent an email to ABL by which Whyalla Ports Pty Ltd again claimed amongst other things that the Lease remains operative and the Notice should be withdrawn. The email from NRF did not answer any of the questions or provide any

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of the documents sought in response to the ABL email of 28 March 2025. A copy of the NRF email to ABL dated 1 April 2025 is at **pages 566 to 568** of **Annexure MAK-1**.

45. On 1 April 2025 at 9:04 am, ABL replied to NRF seeking clarification as to when NRF expected a reply, confirmation that the Lease that Whyalla Ports Pty Ltd claims is operative is precisely the same document as a previous one sent to Sebastian Hams, information and documents that may explain why the Lease on its terms provides for a peppercorn rent, and further information about the plant and equipment. A copy of the ABL email to NRF dated 1 April 2025 is at **pages 565 to 566** of **Annexure MAK-1**.
46. On 1 April 2025 at 4:13 pm, NRF replied to ABL giving us additional time to respond to the request to withdraw the Notice and stated that it was unclear to them why we needed more time to consider the proposal in their earlier email of 1 April 2025. NRF again proposed that the administrators withdraw the Notice and provided a copy of the Lease and Trust Deed. NRF stated that they were seeking instructions in relation to the property of Whyalla Ports and in relation to the terms of the Lease. A copy of the NRF email to ABL dated 1 April 2025 is at **pages 564 to 565** of **Annexure MAK-1**.
47. On 2 April 2025, ABL replied to NRF by email requesting the additional information and documents previously sought, including the OneSteel safe harbour plan. ABL's email stated that the Administrators do not accept that Whyalla Ports is the beneficial owner of the rail lines affixed to, and situated on, OneSteel property or other land which forms part of the property subject to the State Indenture. A copy of the ABL email to NRF dated 2 April 2025 is at **page 564** of **Annexure MAK-1**.

### **Background to Port Operations Generally**

48. The Port is a designated harbour under the *Harbours and Navigations Act 1993* (SA).
49. The Port is a deep-sea port located on the northwestern side of the Spencer Gulf that is situated on the north-east coast of Eyre Peninsula, near Whyalla in South Australia. The Port is located and is situated within the land boundary of OneSteel as depicted in the Annexure to the Notice.
50. In short, the Port handles the import and export of various commodities, mining consumables, and equipment. We are being contacted by parties that previously engaged with Whyalla Ports Pty Ltd who have told us that they no longer wish to engage with Whyalla Ports Pty Ltd.

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51. The current Port facilities consist of two harbours (Inner and Outer), both capable of exporting iron ore through transshipment operations or direct bulk loading into Handimax ships with small Panamax capabilities depending on the length of the vessel. Bulk in-loading capability in excess of 1Mtpa of bulk products, export of finished goods and bulk products exists in the Inner Harbour.
52. The Port operates using barges to four transshipment points (two for Panamax vessels (or part cape load) and two for Capesize vessels to full depth). Transshipment points range in distance from 5.0 nautical miles to 9.0 nautical miles from the Port.
53. The Port has capacity of 15 Mtpa with only c. 4 Mtpa currently utilised by OneSteel. The excess available capacity and the potential for expansion could provide an opportunity for the export of other commodities from other projects identified in the regions on both the western and eastern sides of Spencer Gulf.
54. The Port is linked to both the narrow gauge and standard gauge rail. The Inner Harbour accepts OneSteel mined iron ore from the Middleback Ranges via the narrow gauge and can also accept bulk products produced by OneSteel on the national rail network standard gauge rail line. The Outer Harbour has 7 Mtpa capacity and is serviced by the narrow gauge rail from the Middleback Ranges.
55. The Port has in prior years been exporting iron ore from the OneSteel operations up to a rate of 13 Mtpa, using transshipping to load vessels at the outer and inner harbour facilities however due to the reduction in iron ore deposits this volume has reduced significantly.
56. The Port also has a products handling berth for importing / exporting steel products and a commodities berth used to import coal, limestone and dolomite and other inputs for OneSteel's steelmaking operations.
57. The Port is unique in South Australia, given its private ownership and the indenture legislation that governs its operation (as to which, see below).
58. As far as we know Whyalla Ports Pty Ltd has not employed any persons to work on the Port in Whyalla. Only OneSteel employees work at the Port.

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### Funding of Port Plant and Equipment

59. The Administrators have conducted preliminary investigations into the Port operations and examined some of the books and records of OneSteel and cannot ascertain if OneSteel or Whyalla Ports Pty Ltd paid for the Port fixtures and plant and equipment.
60. I have reviewed the Report as to Affairs (**RATA**) completed by the Arrium directors in 2016 in relation to both OneSteel and Whyalla Ports Pty Ltd. The OneSteel RATA does not disclose that OneSteel acted as a trustee. The Whyalla Ports Pty Ltd RATA discloses that Whyalla Ports owned the shed or sheds referred to above under the heading "Interests in Land". The RATA discloses rail assets in the list of plant and equipment in Annexure 5 (eg, page 152 which lists rail trackwork, rail track and alterations to railway). A copy of the RATA is at **pages 572 to 861** of **Annexure MAK-1**. The Report on Company Activities and Property provided by the directors of OneSteel to us (**ROCAP**) does not disclose that OneSteel acts as a trustee. A copy of the ROCAP is at **pages 862 to 889** of **Annexure MAK-1**.

### Day to Day Port Operations Conducted Solely by OneSteel

61. I have been told by Sam Rayner of KordaMentha that Kristel Butterworth, Head of HR System, Payroll and Analytics of InfraBuild (but who oversees payroll for OneSteel) told him that Whyalla Ports Pty Ltd has no employees. Kristel Butterworth also told Sam Rayner that the Port is controlled and operated by 24 OneSteel employees who are paid their wages by OneSteel and the current annual cost of the Port employees for the 24 OneSteel employees is \$3,378,295.45 which includes superannuation entitlements and allowances.

### Whyalla Ports Pty Ltd Lease dated 29 June 2018

62. I refer to the communications from NRF to ABL dated 28 March 2025 and 1 April 2025 and ABL's replies of 28 March 2025 and on 1 April 2025. We instructed ABL to obtain a copy of the Lease referred to by NRF because although we have a copy of a document called a lease purportedly executed on 29 June 2018 given to Sebastian Hams on 24 March 2025 by Damian Hodgkinson, we wish to be satisfied that the lease referred to in the NRF letter and the one in our possession are the same document. A copy of the Administrators document described as a lease between OneSteel and Whyalla Ports Pty Ltd dated 29 June 2018 is at **pages 890 to 930** of **Annexure MAK-1 (Lease)**.

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63. On its face, the Lease causes us to doubt that the written document records a “deal” or agreement ever made between OneSteel and Whyalla Ports Pty Ltd with effect from 1 January 2012 to 31 December 2018 as it purports to record. Let me explain why.
- (a) The Lease records the Initial Term as seven (7) years commencing 1 January 2012 and expiring 31 December 2018. Mark Mentha who was a prior voluntary administrator of OneSteel, has told me that he was not aware of a port lease made between Whyalla Ports Pty Ltd and OneSteel during the period of the first administration which commenced on 6 April 2016 and concluded on 31 August 2017.
- (b) The rails assets which are depicted in part of the Land the subject of the Lease did not come into existence until sometime after 1 January 2012. From our preliminary investigations it appears that OneSteel paid for the construction of the rail. On Friday 28 March 2025, LK Law, the lawyers for the State provided ABL with a copy of a declaration of Trust made between OneSteel and Whyalla Ports Pty Ltd dated 30 March 2012 (**Trust Deed**), which on its face appears to relate to OneSteel works to be performed by Leighton Contractors Pty Ltd to engineer, procure and construct railway works (the **Works**) sometime after 30 March 2012. The Trust Deed states “the Contractor has not yet physically started the construction of the Works in South Australia”. A copy of the Trust Deed is at **pages 931 to 938 of Annexure MAK-1**. As set out above the OneSteel RATA from 2016 does not disclose that OneSteel ever acted as a trustee. Further, the ROCAP also fails to disclose that OneSteel acts as a trustee of a trust. A copy of the ROCAP is at **pages 862 to 889 of Annexure MAK-1**
- (c) Only OneSteel is authorised to operate the Port. Clause 31 of the Consolidated 1958 Indenture prohibits the assignment of OneSteel's property rights at Whyalla without the consent of the State – which I have been told by Raquel Stankovic, the OneSteel Land Access and Engagement Manager was not provided by the State. On 1 April 2025, ABL received a letter from the lawyers for the State of South Australia, LK Law, confirming that the State has not received any request or application from Whyalla Ports Pty Ltd for the State's consent to the Lease and the State expected its consent to have been sought. A copy of the LK Law letter to ABL dated 1 April 2025 is at **page 939 of Annexure MAK-1**.

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- (d) The rent to be paid under the lease appears on its face to be uncommercial. The terms of the Lease provide for an initial rent of \$12,000 per annum payable in advance in calendar monthly instalments (Initial Term). The initial rent of \$1,000 per month includes all outgoings. We estimate the outgoings associated with the Land are a multiple of the annual initial rent described in the Lease.
- (e) The Lease also provides Whyalla Ports Pty Ltd a 99-year option to renew the Lease only during Initial Term, from 1 January 2012 to 31 December 2018. We have also been told conflicting accounts by OneSteel Executives and GFG Alliance employees and an advisor as to whether the 99-year option was exercised by Whyalla Ports Pty Ltd. These conflicting accounts about the 99-year option are extremely concerning given the importance of the Port to OneSteel's operations. On 27 March 2025, Raquel Stankovic sent me an email in which she stated that, to the best of her knowledge and records, the Lease expired on 31 December 2018 and was not renewed. A copy of the email dated 27 March 2025 is at **pages 940 to page 942 of MAK-1**.
- (f) Additionally, I have been provided with a copy of an email dated 9 July 2021, from Sanjay Bhartia from GFG Alliance to Joe Mastrangelo, an employee of the South Australian State Government in which Sanjay Bhartia explains that Whyalla Ports Pty Ltd is holding over under the terms of the Lease and confirms that the 99-year option had not been exercised by Whyalla Ports Pty Ltd at the date of that email. As stated above it could not be exercised by Whyalla Ports Pty Ltd under the terms of the Lease after the expiration of the Initial Term in any event. A copy of the email dated 9 July 2021 is at **page 943 to 946 of MAK-1**. I have also read an email dated 24 March 2025, from Damian Hodgkinson, a key GFG Alliance advisor, to Sebastian Hams, which states without equivocation that the Whyalla Ports Pty Ltd 99-year option over the Port had been exercised by Whyalla Ports Pty Ltd, and the Lease is not due to expire until 2117. A copy of the email dated 24 March 2025 is at **page 947 to 951 of MAK-1**.
- (g) The Special Conditions of the Lease grant each party a right to terminate for convenience on 6 months' notice to the other. None of the GFG executives or advisers referred to in sub-para (e) above have referred to this provision in relation to our concerns about the 99-year option and overholding.

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- (h) Based on our preliminary investigations we cannot identify any entries in the OneSteel books and records that record the payment of monthly rent by Whyalla Ports Pty Ltd to OneSteel during the term of the Lease, the overholding period alleged by Sanjay Bhartia or the 99 year lease extension period referred to by Damian Hodgkinson and denied by Raquel Stankovic.
- (i) Matthew Reed executed the Lease for OneSteel and Whyalla Ports Pty Ltd. However, he was not a director of either company when he did so. Although on 29 June 2018 he may have been a 'duly authorised officer' of both Whyalla Ports Pty Ltd and OneSteel, we have not been able to confirm this. A copy of the ASIC search for Mr Reed appears at **pages 952 to 958 of Annexure MAK-1**.

### Time of the Essence

64. As stated above, the Steel Task Force has an expectation the administration will be concluded within six months of its commencement and have provided funding on this basis. Currently the day-to-day operations are continuing to generate losses in excess of \$1 million a day. In addition, we are continually required to inject capital into the Steelworks because of the poor state of the OneSteel plant and equipment, including operations relating to the Port. Based on current estimates, without further funding from the Commonwealth or State it is unlikely that we can continue OneSteel business operations beyond six months from our appointment.
65. On 18 March 2025, we successfully applied to extend the convening period for twelve months. I am told by Leon Zwier that he informed the Court of our limited six month funding and that unless the Commonwealth and State agreed to provide additional funding the administration is unlikely to continue beyond 6 months from our appointment. A copy of the reasons for judgment of Justice Neskovic appear at **pages 959 to 971 of Annexure MAK-1**.

### Three Step Strategy to Sale or Recapitalisation

66. The Administrators have devised a three-step strategy in relation to the OneSteel administration:
- (a) first, secure and stabilise the business, improve workplace health and safety and continue to trade to increase the potential of the business being transferred to an investor;

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- (b) second, identify the future state of the business to ascertain whether there is an investable proposition for a new owner; and
- (c) third, close the transaction to transfer the business to a new owner on a stable and long-term footing (if possible).

67. We believe these initiatives and outcomes will make the OneSteel business more likely to be successfully sold or recapitalised with the benefit of the support package.

### **Workplace health and safety**

68. Since taking control of OneSteel, we have identified that OneSteel has sustained a long period of underinvestment, poor financial performance, inadequate or no maintenance, poor health and safety practices, has insufficient spare parts and experiences inefficiencies operationally and financially. Based on unaudited management accounts for the seven months to 31 January 2025, prior to our appointment, OneSteel generated a loss before tax of approximately \$1.5 million per day. The business is still currently loss making at a rate in excess of \$1 million a day. We recognise that we must find a way in which these losses can be reduced to make the operations viable and investable in the longer term.
69. We are concerned to ensure that OneSteel is compliant with all occupational, health and safety requirements. We are also extremely concerned about the health and wellbeing of the Whyalla workforce.
70. On 6 March 2025, OneSteel entered into a Services Agreement with BlueScope Steel (AIS) Pty Ltd (**BlueScope**) for the provision of, amongst other things, advisory services at the Whyalla Steelworks. BlueScope is the only other Australian company that operates a blast furnace in Australia.

### **Sale and Recapitalisation**

71. On 25 March 2025, the Administrators engaged 333 Capital (led by Managing Director, Alan Murray) to assist with a sale of the assets and business or recapitalisation of OneSteel operations and prepare for a future transition of the business to a new owner. 333 Capital is the investment banking arm of KordaMentha that specialises in providing advice on mergers and acquisitions, capital raising, and strategic reviews of businesses.

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72. The scope of 333 Capital's engagement includes but is not limited to: considering any required capital expenditure to transition the business into an investable proposition for interested parties, developing an integrating financial model to support the long-term commercial sustainability of the Whyalla steelworks and developing plans for the transaction structure and value proposition for the upcoming sale process.
73. The sale or recapitalisation process needs to commence in the near term and must be completed as soon as possible because of the quantum of the current daily losses, the limited funding of the Administrators, and the anxiety and hardship that the uncertainty is causing to all stakeholders including employees, contractors, suppliers, and the township of Whyalla. If the Administrators run out of funding or the sale and recapitalisation process cannot be undertaken before that time, or the sale process fails because of an inability to pass title to key assets or it is otherwise unsuccessful then OneSteel's operations may need to close down.
74. In order to commence the sale process the Administrators need to be certain that they are or will be in a position to provide an interested party clear title to the assets and business of OneSteel including, mining operations, steelworks and port services. As port services are so integral to operations these issues must be finally determined as soon as reasonably possible.

### **Closure of OneSteel Operations**

75. By stabilising the OneSteel business and continuing to trade on a 'business as usual basis', notwithstanding the losses we are incurring, it is our view that this gives OneSteel the best chance of its business continuing, particularly because of the government support to interested parties. This objective is also consistent with the objects of voluntary administration.
76. Continuing to trade will avoid substantial contingent liabilities that would crystallise on a liquidation of OneSteel and closure of its business, including the contingent employee entitlement liabilities and contingent environmental liabilities.
77. Whyalla is a regional centre of about 20,000 people. The closure of the OneSteel business would also expose thousands of its residents to the likelihood of unemployment. OneSteel employs about 1500 people directly and another 1500 indirectly. The impacts from cessation of operations on the direct and indirect Whyalla based employees and their families would be devastating. Other likely damaging consequences of closure would include:

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- (a) the Australian structural steel industry could suffer a very significant adverse impact, causing substantial distribution problems to housing, construction and infrastructure projects;
- (b) a significant reduction in economic activity in the Whyalla community;
- (c) a loss of revenue for the State Government of South Australia through reduced Payroll Tax and mining royalties;
- (d) a significant increase in Commonwealth Government welfare payments; and
- (e) negative social impacts of the loss of one of the major sources of employment in Whyalla.

78. We are concerned as Administrators that if the issues in relation to the Port are unable to be resolved as a matter of urgency, we will not be able to continue to run the business as usual, stabilise the business, or prepare the business for sale. The sale process cannot commence until the Port issues are resolved. Given our current funding, it is integral that the sale process gets underway immediately.

**SWORN** by the deponent  
at Melbourne  
in Victoria  
on 2 April 2025  
Before me:

Signed by:  
*Michael Korda*  
C328B3D9EE2B401...  
Signature of deponent

DocuSigned by:  
*Raphael Leibler*  
8B4A9140AA814A5...

Signature of witness

**Raphael Yehudah Leibler**  
Arnold Bloch Leibler  
Level 21, 333 Collins Street, Melbourne  
3000  
An Australian Legal Practitioner within the  
meaning of the Legal Profession Uniform  
Law (Victoria)

A person authorised under section 19(1) of the *Oaths and Affirmations Act 2018* (Vic) to take an affidavit.

In accordance with section 27(1A) of the *Oaths and Affirmations Act 2018* (Vic), this affidavit was signed and sworn or affirmed by the deponent by audio-visual link, and the authorized affidavit taker has used a scanned or electronic copy of the affidavit and not the original in completing the jurat requirements. All requirements of section 12 of the *Electronic Transactions (Victoria) Act 2000* (Vic) have been met.

**CERTIFICATE IDENTIFYING ANNEXURE "MAK-1"**

No. of 2025

Federal Court of Australia  
District Registry: Victoria  
Division: Commercial and Corporations List

**IN THE MATTER OF ONESTEEL MANUFACTURING PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 004 651 325**

**SEBASTIAN DAVID HAMS, MARK FRANCIS XAVIER MENTHA, LARA LUISA WIGGINS and MICHAEL ANTHONY KORDA IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF ONESTEEL MANUFACTURING PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 004 651 325**

First Plaintiff

**ONESTEEL MANUFACTURING PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 004 651 325**

Second Plaintiff

**WHYALLA PORTS PTY LIMITED ACN 153 225 364**

Defendant

Affidavit of: **Michael Anthony Korda**  
Address: Level 31, 525 Collins Street, Melbourne VIC 3000, Australia  
Occupation: Insolvency Practitioner  
Date: 2 April 2025

Signed by:  
*Michael Korda*  
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This is the annexure marked "MAK-1" referred to in the affidavit of **MICHAEL ANTHONY KORDA** sworn before me on 2 April 2025.

DocuSigned by:  
*Raphael Weibler*  
.....8B4A9140AA814A6.....

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