

NEWS RELEASE

7 April 2016

Arrium Limited in voluntary administration

K&S Corporation Limited (ASX: KSC) notes that Arrium Limited ("Arrium") has today been placed in voluntary administration.

Arrium is one of K&S Corporation's largest customers.

K&S Corporation has a number of transport and logistics contracts in place with Arrium in relation to the distribution of finished steel products in the eastern states ("the Arrium Distribution Business"). K&S Corporation does not have any transport or logistics contracts aligned to the Whyalla steel making operations nor to Arrium's iron ore mining operations.

K&S Corporation understands that the Arrium Distribution Business will continue to trade. K&S Corporation is currently in discussions with the administrator of Arrium (Grant Thornton) regarding the ongoing provision of transport and logistics services to the Arrium Distribution Business. Under the Corporations Act, the voluntary administrators at Grant Thornton, are personally liable for the payment of services provided by K&S Corporation while Arrium remains in voluntary administration.

K&S Corporation anticipates that amounts owing by Arrium for services provided up to 6 April 2016 will not be paid within normal trading terms and are subject to the voluntary administration process conducted by Grant Thornton. K&S Corporation understands that Arrium's lenders do not have security over its assets.

K&S Corporation will keep the market informed as appropriate.

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