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August 5, 1988

TO: Unsecured Creditors of Kaiser Steel Corporation

On behalf of the Official Unsecured Creditors' Committee of Kaiser Steel Corporation, we urge you to return promptly a Ballot Voting to ACCEPT Kaiser's Second Amended Joint Plan of Reorganization. The Plan is proposed by Kaiser, this Committee and its Retiree Sub-Committee, and by the United Steelworkers of America. Members of the Committee represent a broad spectrum of both trade creditor and retiree interests. The Plan is the result of intensive negotiations both between the Committee members themselves and between the Committee and the other proponents of the Plan.

We recommend a vote to ACCEPT the Plan because we believe the Plan represents the best, and perhaps the only, opportunity for you to realize any value from the Kaiser Steel estate. It represents a reasonable compromise of many opposing interests and views. Without those compromises, we believe that the expense of further litigation and delays will destroy any chance of reorganization. This could result in no return to you from the Kaiser Steel estate.

If you have any questions about the Plan, please get in touch with the Information Agent of Kaiser, (714) 944-4155, or with counsel for the Committee, the Retiree Sub-Committee, or one of the other proponents, whose names, addresses and phone numbers are listed on the first page of your Disclosure Statement about the Plan. We and your fellow-creditors will appreciate your support.

Sincerely yours,

Ronald E. Bitonti
Ronald Bitonti, Chairman
Retiree Sub-Committee

Edward G. Wendt
Edward G. Wendt, Chairman, Official
Unsecured Creditors' Committee