



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On December 9, 2011

To the Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders of Alloy Steel International, Inc. will be held at 93 Mulgool Road, Malaga, D C 6945 Western Australia, on Friday, December 9, 2011, at 10 a.m., local time, for the following purposes:

- (1) To elect four directors to serve until the Annual Meeting of Stockholders to be held in 2012 or until their successors shall have been duly elected and qualified; and
- (2) To transact such other business as may properly come before the meeting.

An information statement containing information relevant to the Annual Meeting appears on the following pages.

Only holders of common stock of record at the close of business on November 2, 2011, are entitled to notice of and to vote at the meeting or any adjournments.

The Board of Directors is not soliciting proxies in connection with the Annual Meeting.

By Order of the Board of Directors

Barry Woodhouse
Secretary

Dated: November 11, 2011

ALLOY STEEL INTERNATIONAL, INC.
INFORMATION STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 9, 2011

This information statement is furnished to stockholders in connection with the Annual Meeting of Stockholders (the "Annual Meeting") of Alloy Steel International, Inc. ("Alloy Steel" or the "Company").

Stockholders **MUST VOTE IN PERSON AT MEETING OR BY VALID PROXY**. The Board of Directors of the Company (the "Board") is not soliciting proxies to be used at the Annual Meeting. Under the Company's bylaws, a stockholder entitled to vote at the Annual Meeting may authorize another person or persons to act for such stockholder by a valid proxy signed by the stockholder or its attorney-in-fact. Any such proxy shall be delivered to the secretary of the Annual Meeting at or before the beginning of the meeting.

The Company's executive offices are located at 93 Mulgool Road, Malaga, D C 6945 Western Australia, its phone number is +61 8 9248 3188 and its website is www.alloysteel.net. The approximate date of mailing of this information statement to the Company's stockholders is November 11, 2011.

TIME AND PLACE OF MEETING

The Annual Meeting will be held at 93 Mulgool Road, Malaga, D C 6945 Western Australia, on Friday, December 9, 2011, at 10:00 a.m., local time.

**VOTING RIGHTS AND
PRINCIPAL HOLDERS OF VOTING SECURITIES**

Only stockholders of record at the close of business on November 2, 2011 are entitled to notice of and to vote at the Annual Meeting or at any adjournments. As of that date, Alloy Steel had 17,350,000 shares of common stock issued, outstanding and entitled to vote held by five (5) holders of record. Shares cannot be voted at the Annual Meeting unless the holder is present in person or represented by proxy. Each share of common stock outstanding on the record date entitles the holder thereof to one vote upon each matter to be voted upon at the Annual Meeting.

The presence, in person or by proxy, of a majority of the issued and outstanding shares of the Company's common stock is necessary to constitute a quorum for the transaction of business at the Annual Meeting. If there is not a quorum at the Annual Meeting, holders of a majority of the shares of common stock present in person or by proxy may adjourn the Annual Meeting from time to time.

Directors will be elected by a plurality of all votes cast at the Annual Meeting.

ELECTRONIC AVAILABILITY OF INFORMATION STATEMENT AND FINANCIAL STATEMENTS

We are making this Information Statement and our audited financial statements for the year ended September 30, 2010 (the “[2010 Financial Statements](#)”), available to stockholders electronically via the Internet at www.alloysteel.net under the “Corporate Profile” section.

If you would like to receive a copy of this Information Statement or the 2010 Financial Statements, please contact Barry Woodhouse at barry@alloysteel.net or at 93 Mulgul Road, Malaga D C 6945 Western Australia, and the Company will send the materials to you. There is no charge to you for requesting a copy.

ELECTION OF DIRECTORS

The first matter to be considered at the Annual Meeting will be the election of four directors. It is proposed that these positions be filled by persons nominated by the Board. Each director shall be elected by a plurality of the votes cast at the Annual Meeting. The Inspector of Elections appointed at the Annual Meeting will tally the votes cast at the Annual Meeting, either in person or by valid proxy. Each director elected at the Annual Meeting will serve for a term commencing on the date of the Annual Meeting and continuing until the Annual Meeting of Stockholders to be held in 2012 or until his successor is duly elected and qualified.

THE BOARD RECOMMENDS A VOTE “FOR” EACH OF THE NOMINEES NAMED BELOW.

Biographical information of each director nominee is set forth below. Immediately prior to February 16, 2011, the Board consisted of three directorships, with Gene Kostecki serving as the sole acting director and two vacancies. At a Board meeting on February 16, 2011, the size of the Board was increased to five directors and Brian McMaster, along with three other individuals, were appointed to fill the vacancies and serve as directors of the Company until the Annual Meeting. Subsequently, the three other individuals each resigned as a director of the Company, and the size of the Board was decreased to four (4) directors.

Gene Kostecki, age 66, has served as a director of the Company since June 2000, and as Chief Executive Officer from June 2000 to February 16, 2011, at which time Mr. Kostecki was elected Technical Director of the Company. Subsequently, Mr. Kostecki was re-elected as Chief Executive Officer of the Company, as of August 25, 2011, and continues to serve as Technical Director. Mr. Kostecki served as Chairman of the Company from June 2000 to February 2011. From July 1995 to July 1997, Mr. Kostecki served as Managing Director of the Collier Unit Trust, an engineering business and distributor based in Western Australia.

Brian McMaster, age 40, has served as a director of the Company since February 16, 2011. He is a Chartered Accountant and has almost 20 years experience in the area of corporate reconstruction, and turnaround/performance improvement. Mr. McMaster was recently a partner in KordaMentha, a national turnaround and business consulting firm. Prior to joining KordaMentha, Mr. McMaster was a Partner with Ernst & Young’s Corporate Finance practice. Mr. McMaster’s experience includes numerous reorganizations and turnaround’s including, being instrumental in the recapitalisation and listing of 12 Australian listed companies. Mr. McMaster’s experiences include significant periods in the United States, South America, Asia and India. Mr. McMaster presently holds a number of executive and non-executive director roles in a variety of industries including mining and resources, hospitality and funds investment.

Alan Scott, age 63, is Chairman of Black Range Minerals Limited, Managing Director of Mesa Minerals Limited and a non executive director of Alloy Steel Australia (Int) Pty Ltd. Mr. Scott was

previously Managing Director of Aurora Gold Limited and before that spent 22 years with Rio Tinto Limited, in a variety of senior level roles. Mr. Scott's initial work experience, and exposure to the resources industry, was as an accountant with Coopers & Lybrand for 13 years in Australia, Canada and the UK.

Barry Woodhouse, age 45, has served since August 11, 2010, as Chief Financial Officer and Secretary of the Company. Mr. Woodhouse has served as Company Secretary of Alloy Steel Australia (International) Pty Ltd. since October 26, 2010. Mr. Woodhouse is a Fellow of Chartered Secretaries Australia and a CPA. Mr. Woodhouse has over 20 years experience in junior listed minerals, oil and gas exploration companies, in roles including CFO, company secretary and director. Mr. Woodhouse is currently a non-executive director of Redstone Resources Limited, an ASX (Australian Securities Exchange) listed exploration company, as well as Gulf Minerals Limited and Somerley Australia Limited, both unlisted public companies. Prior to this appointment Mr. Woodhouse was director and company secretary for a number of junior mineral exploration (listed and unlisted) companies including Cooper Energy Limited, Aviva Corporation Limited, NGM Resources Ltd, KTL Technologies Limited, Artemis Resources Limited, and Apollo Minerals Limited.

Board Committees

The Board is in the process of establishing an Audit Committee, Occupational Safety and Health Committee, a Compensation Committee and a Nominating Committee. Upon the establishment of the committees, the Board will appoint members of the committees and the committee charters will be posted at on the Company's website at www.alloysteel.net under the "Corporate Profile" section.

Communications with the Board

If you wish to communicate with any of the directors of the Board or the Board as a group, you may do so by writing to them at [Name(s) of Director(s)/Board of Directors of Alloy Steel International, Inc.], 93 Mulgul Road, P.O. Box 3087, Malaga, D C 6945 Western Australia.

Director Compensation

None of the incumbent directors/nominees for election at the Annual Meeting received compensation for serving as a director of the Company during the fiscal year ended September 30, 2010. Mr. Kostecki was compensated for serving as an employee and executive officer of the Company, as described below under "Management and Executive Compensation," but did not receive additional compensation for serving as a director.

Beginning in the fiscal year ending September 30, 2011, the Company will pay a director's fee of AUD \$75,000 per annum to each non-employee and non-executive director, payable monthly in arrears. These fees will be prorated for 2011, as the Chairman and non-employee directors began serving on February 16, 2011. The Company reimburses all costs and expenses of all directors for attending each meeting. The previous Chairman of the Board of Directors received a pro-rated annual fee of \$15,000 per month. Any director appointed to any committee established will receive an annual fee of \$15,000 per committee. Directors may also from time to time be granted options or other equity awards to incentivize them to contribute to the success of the Company. As of the date of this Information Statement, no directors have been granted any options or other awards.

Mr. Kostecki, Mr. Woodhouse, and any other employees of the Company who may serve as directors from time to time will receive no additional compensation for their services as directors.

OTHER MATTERS

As of the date of this Information Statement, the Company knows of no business that will be presented for consideration at the Annual Meeting other than the items referred to above. If any other matter is properly brought before the meeting for action by stockholders, proxies returned to us will be voted in accordance with the recommendation of the Board or, in the absence of such a recommendation, in accordance with the best judgment of the proxy holder.

MANAGEMENT AND EXECUTIVE COMPENSATION

Mr. Kostecki serves as Chief Executive Officer and Technical Director and Barry Woodhouse serves as Chief Financial Officer and Secretary of the Company. Each is annually appointed by, and serves at the pleasure of, the Board. Information regarding compensation of the executive officers may be found in the 2010 Financial Statements. See "Election of Directors" above for biographical information about Mr. Kostecki and Mr. Woodhouse.

Employment Agreements

On October 2, 2002, as amended on July 1, 2004, the Company entered into an employment agreement with Mr. Kostecki, the Company's Chief Executive Officer and Technical Director. Mr. Kostecki's employment agreement was for an initial five-year term ending October 1, 2005, and has since automatically renewed on an annual basis. Under the employment agreement the Company paid Mr. Kostecki base compensation of approximately \$161,000 for the fiscal year ended September 30, 2010, and \$175,000 for the fiscal year ended September 30, 2009. Such salary is adjusted semi-annually for increases approved by the Board of Directors, but not less than the base year amount, plus incentive compensation based on Mr. Kostecki's performance and the Company's success.

The non-competition provision of the employment agreement generally would preclude Mr. Kostecki from engaging, directly or indirectly, in any business competitive with and adverse to the business of the Company during the term of his employment with the Company and for a period of twelve months following the period he is employed by the Company, subject to certain conditions and exceptions. Mr. Kostecki would also be prohibited from soliciting the employment of any of the Company's other employees and diverting any business from the Company for a period of up to one year after termination of the employment agreement.

The term of the employment agreement is automatically renewed on an annual basis unless terminated in writing by Mr. Kostecki or the Company for any reason whatsoever or for no reason upon not less than one hundred eighty days written notice prior to the expiration of the current employment term. In addition, the Company may terminate the employment agreement at any time with or without good cause upon prior written notice, and Mr. Kostecki may terminate the agreement for good reason, in the event of his disability or without good reason or disability. Depending on the manner in which the employment agreement is terminated, Mr. Kostecki may be entitled to certain severance payments.

The Company and Mr. Kostecki are in the process of negotiating the terms of a new employment agreement.

The Company does not have a current employment agreement with Mr. Woodhouse; provided, however, it is in the process of negotiating the terms of a new employment agreement with Mr. Woodhouse.

Compensation

The following table sets forth the compensation paid to each of Messrs. Kostecki and Woodhouse for the fiscal years ended September 30, 2010, 2009 and 2008. During such years, neither of Messrs. Kostecki and Woodhouse received any additional compensation or was issued any stock options or other equity incentives.

| <u>Executive Officer</u> | <u>FYE September 30,</u> | <u>Salary</u> | <u>Bonus</u> |
|---|--------------------------|---------------|--------------|
| Gene Kostecki – Chief Executive Officer | 2010 | \$161,000 | \$0 |
| | 2009 | \$175,000 | \$0 |
| | 2008 | \$113,453 | \$0 |
| Barry Woodhouse- Chief Financial Officer and Secretary ⁽¹⁾ | 2010 | \$30,000 | \$0 |

(1) Mr. Woodhouse was appointed as an executive officer of the Company on August 11, 2010.

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table sets forth, as of November 2, 2011, the shareholdings of each of the Company's current directors and executive officers.

Except as otherwise noted, the beneficial owners named in the following table have sole voting and investment power with respect to all shares of Alloy Steel's common stock shown as beneficially owned by them.

| <u>Beneficial Owner</u> | <u>Shares of Common Stock</u> | <u>Percent</u> ⁽¹⁾ |
|--|-------------------------------|-------------------------------|
| Gene Kostecki – Director, Chief Executive Officer and Technical Director | 10,345,800 | 59.6% |
| Brian McMaster – Director | 0 | 0% |
| Barry Woodhouse- Chief Financial Officer and Secretary | 0 | 0% |
| All directors and executive officers as a group (3 persons) | 10,345,800 | 59.6% |

(1) The percentage calculations are based on 17,350,000 shares of common stock issued and outstanding as of November 2, 2011.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Lease of Premises

On July 1, 2000, the Company entered into a five-year lease of its executive offices at 42 Mercantile Way, Malaga from which it manufactures Arcoplate with Raglan Securities Pty Ltd, a company of which Mr. Kostecki is a director and sole shareholder. The lease is at normal commercial conditions and fiscal rates. Although the lease expired on June 30, 2010, the parties are operating under a month-to-month arrangement until a new lease agreement is completed. The Company has expanded into the adjoining facility (also owned by Raglan Securities Pty Ltd) and moved its administration into 93 Mulgul Road Malaga.

The rental amounts paid and/or accrued in the relevant fiscal year pursuant to this arrangement are listed below:

| <u>Fiscal Year End</u> | <u>Rent</u> |
|------------------------|-------------|
| 2010 | \$279,000 |
| 2009 | \$177,000 |
| 2008 | \$240,000 |

Royalty License Agreement

On May 4, 2000, the Company entered into a license agreement with Kenside Investments Limited, a company controlled by Mr. Kostecki. The rights of Kenside Investments Limited under this agreement were subsequently assumed by Raglan Securities Pty Ltd, a company of which Mr. Kostecki is a director and principal shareholder. Under the terms of this agreement, the Company was granted a license to manufacture, market and sell certain Arcoplate products using a certain manufacturing process. The agreement provides that the Company shall make royalty payments in an amount equal to 2% of its net sales of such Arcoplate products, calculated at the end of each quarter. The agreement expires in 2025 and has three ten-year renewal options to extend, unless written notice of non-renewal is given by either party within 120 days prior to its expiration.

The royalty amounts paid and /or accrued in the relevant fiscal year pursuant to this arrangement are listed below:

| <u>Fiscal Year End</u> | <u>Royalty Expense</u> |
|------------------------|------------------------|
| 2010 | \$479,000 |
| 2009 | \$174,000 |
| 2008 | \$260,000 |

Intellectual Property and Other Services

For the purpose of protecting its intellectual property, certain procurement transactions are undertaken on behalf of the Company by MKJK Metals Pty Ltd, Kostecki Engine Company Pty Ltd. trading as Kostecki Engine Centre ("Kostecki Engine"), Ames Pty Ltd. and Euro Steel Pty Ltd., each of which is an affiliate of Mr. Kostecki, on customary commercial terms and conditions.

In addition, Kostecki Engine provided certain machining, manufacturing and automotive maintenance services to the Company during 2008-2010.

The aggregate amounts paid and/or accrued in connection with the services described above in the relevant fiscal year are listed below:

| <u>Fiscal Year End</u> | <u>Amount</u> |
|------------------------|-----------------|
| 2011 | AUD \$1,551,000 |
| 2010 | AUD \$866,000 |
| 2009 | AUD \$10,000 |

Sponsorship of Western Speed Racing

The Company is seeking to increase its brand awareness of Arcoplate in the United States and believes that the motor sports industry is an appropriate platform for doing so. The Company has agreed to sponsor Western Speed Racing (which provides support for Brodie Kostecki) in an amount of \$100,000 per year from February 2011 for a period of three years, subject to an annual review. Brodie Kostecki is an open wheel race car driver who currently participates in the NASCAR focused driver development program. Brodie Kostecki is the grandson of Gene Kostecki, a director, the Chief Executive Officer, and the majority stockholder of the Company. The sponsorship agreement was approved by independent directors.

Kostecki Café

Kostecki Café, an affiliate of Mr. Kostecki, provides refreshment and meal services to the Company on standard terms and conditions and at market prices.