

# **BOULDER STEEL LIMITED**

A.C.N 009 074 588

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29 July 2005

Company Announcements  
The Australian Stock Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**RE: BOULDER STEEL LIMITED**  
**REPORT FOR QUARTER ENDED 30 JUNE 2005**

**1. Specialty Steels Project Australia (HSSL)**  
**(100% Boulder Steel Limited)**

- Boulder Steel and its Austrian partner, the Breitenfeld Group, have signed a Memorandum of Understanding ("MOU") with The Indian Seamless Metal Tubes Limited ("ISMT") for close co-operation on the development of a modified Australian Steel Project, which will focus on the production of seamless tubes.

ISMT is the leading seamless tube manufacturer in India with 25 years of experience in the production of seamless tubes. ISMT will develop the concept for the seamless tube rolling mill and the finishing processes, and supply know-how and operating processes for these facilities.

ISMT have also committed to providing equity funds for the development of the project as well as to facilitate the off-take of up to 60,000 tpa of seamless tube for the export market.

Boulder will provide its expertise and all information on the Australian Specialty Steel Project and will be responsible for contract negotiations with selected project partners and Australian government authorities. Also, Boulder will undertake to bring in another major company into the project as cornerstone investor.

The Breitenfeld Group will develop the concept for the meltshop of the plant and become the supplier of know-how and operating processes for the meltshop.

The three parties agreed to evaluate their respective markets for marketing their partners' products. It is their intention to ultimately enter into market sharing agreements between each other and to evaluate the possibility of working under one umbrella.

The existing General Agreement between Boulder Steel and the Breitenfeld Group has been extended to 31 August 2005 to allow for the incorporation of these additional joint commitments into a new General Agreement.

Further meetings with ISMT are planned for August to progress offtake, engineering and equity issues. The execution of these agreements will significantly advance the financing of the Steel Plant. Follow up discussions will be held with Financiers in Europe in August.

- Work continues on the preparation of the Environmental Impact Study (“EIS”) for the Steel Plant at Ipswich, South East, Queensland. The enhanced offtake arrangements with ISMT will result in some minor changes to the design of the Steel Plant which will be incorporated into the final EIS document.

This will delay the finalisation of the EIS document by a few months at which time it will be submitted for public review.

## **2. Euro Forming Services GmbH (“EFS”) (50% Boulder Steel Limited)**

During the period, EFS continued its strong sales performance due to continued sales of truck axles to Daimler Chrysler and air bags to many major clients.

Sales for this quarter were €3,431,787 (A\$5,535,140 @ 0.60).

<b>EFS – Quarterly Revenue during 2004 / 2005</b>			
<b>3<sup>rd</sup> Quarter 2004</b>	<b>4<sup>th</sup> Quarter 2004</b>	<b>1<sup>st</sup> Quarter 2005</b>	<b>2<sup>nd</sup> Quarter 2005</b>
€2,596,464	€2,809,670	€3,532,558	€3,431,787
A\$4,327,440	A\$4,682,783	A\$5,887,697	A\$5,535,140
+57%*	+8.2%*	+25.7%*	(2.7%)*

\* Quarterly revenue change in %

Sales for the financial year (2004/5) were €12,370,479 (A\$20,617,465 @ 0.60) which is a 127.6% increase in sales over 2003/4.

New orders for gas dampening systems have been received from Bentley and Hyundai and a new contract for 2 million air bag containers (value €2m = A\$3.33m) has been received from Breed Industries (USA), the largest world wide supplier of our air bags.

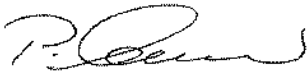
Negotiations are currently underway with one of Europe’s leading automotive equipment suppliers for a new application for Shock Absorber Casings worth over €1 million (A\$1.66m).

The new orders will enable the continuation of the strong sales growth in EFS despite some reductions in sales of truck axles.

3. **STATEMENT OF CONSOLIDATED CASH FLOW AND  
CHANGES IN INTEREST IN MINING TENEMENTS**

These reports are attached.

Yours faithfully  
**Boulder Steel Limited**

A handwritten signature in black ink, appearing to read 'P. Wallner', written in a cursive style.

Peter H. Wallner  
Joint Managing Director

## Appendix 5B

### **Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

BOULDER STEEL LIMITED

ABN

009 074 588

Quarter ended ("current quarter")

30 JUNE 2005

#### **Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (12-months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	(595)	(1,941)
(c) production	-	-
(d) administration	(544)	(1,852)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	64
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	58	90
<b>Net Operating Cash Flows</b>	<b>(1,073)</b>	<b>(3,643)</b>
<b>Cash flows related to investing activities</b>	<b>-</b>	<b>-</b>
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(1,179)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	55
1.10 Loans to other entities	-	(678)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(1,802)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,073)</b>	<b>(5,445)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

	(1,073)	(5,445)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc.	1,076	2,892
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	(85)
1.18 Dividends paid	-	-
1.19 Other	-	-
<b>Net financing cash flows</b>	<b>1,076</b>	<b>2,807</b>
<b>Net increase (decrease) in cash held</b>	<b>3</b>	<b>(2,638)</b>
1.20 Cash at beginning of quarter/year to date	849	3,490
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>852</b>	<b>852</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	225
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries and consulting fees.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	-
4.2	Development	500
<b>Total</b>		<b>500</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	852	849
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>852</b>	<b>849</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	271,873,316	271,873,316		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,308,430	1,308,430		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	165,777,023	165,777,023	<i>Exercise price</i>	<i>Expiry date</i>
	100,000	-	20c	30-11-2005
	400,000	-	39.01c	31-07-2005
	6,100,000	-	39.01c	01-12-2005
	5,500,000	-	30c	30-06-2009
	5,500,000	-	60c	30-06-2009
7.8 Issued during quarter	24,580,900	-	20c	30-11-2005
7.9 Exercised during quarter	810,430			
7.10 Expired during quarter	3,900,000	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not\*~~ (delete one) give a true and fair view of the matters disclosed.

Sign here: .....Peter Wallner..... Date: ..29 July 2005.....  
(Director/~~Company secretary~~)

Print name: .....Peter Wallner.....

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.  
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