

# BOULDER STEEL LIMITED

A.C.N 009 074 588

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30 April 2008

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

Dear Sir/Madam

## **RE: BOULDER STEEL LIMITED** **REPORT FOR QUARTER ENDED 31 MARCH 2008**

### **1. Australian Seamless Tube Project, Ipswich, Queensland** **100% Boulder Steel Limited (through subsidiary)**

During the reporting period the Company started to evaluate an opportunity for an expanded and staged approach of its Australian Project.

Rather than moving straight towards the development of a steel and seamless tube plant, Boulder is considering the production of pig-iron as feed for its future steel plant during an initial development stage. This has several major advantages for the Company, namely;

- The pig iron plant could be established in a shorter time frame than the steel and tube plant, providing an earlier cash flow.
- The quality of the raw material base for the future steel plant would be significantly enhanced.
- Feeding liquid iron directly into the steel plant reduces production costs and further increases competitiveness of the steel and seamless tube products.
- There is a high demand for pig iron and prices for pig iron have risen dramatically over recent months. Product off-take could be easily secured.
- An initial independent assessment of the project economics shows an attractive return on investment.

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- Profits from the sales of pig iron could be used as equity funds for Stages 2 and 3, when the steel and seamless tube plants are going to be built. This would mean less dilution of the Company's share capital, because less equity funds would need to be raised in the future.

In view of this positive development, Boulder might have to move to a larger site than the one currently under consideration. The inclusion of a pig iron plant requires more space.

Even though a final decision to go ahead with this expanded and staged approach has not been made, the Company has been able to attract the interest of potential join-venture partners and financiers. Their preparedness to support the project will have an impact on the Company's final decision, which is expected during the second quarter of 2008.

## **2. Sharjah Finishing Plant, Sharjah, United Arab Emirates 100% Boulder Steel Limited**

During the quarter under review, the following targets have been achieved:

- A very positive technical and commercial feasibility study report for the project has been received from UK-based consultants McLellan.
- The contract for obtaining Environmental Clearance has been awarded to TÜV Middle East, Abu Dhabi. Provisional clearance permitting land levelling was obtained from HFZA.
- QHC Architects and Engineers, Sharjah, have been appointed as local Construction Consultants.
- Final quotes and offers from all major equipment suppliers have been received through the Company's Italian-based consultants, Engineering Management Services S.r.l.
- Land levelling of the proposed plant site by UAE contractor Al Sahel General Transport Est. started on 26 March 2008.

Land levelling is expected to be completed by the end of the June quarter. Further targets for the June quarter include:

- Approval of the scoping study for the Environmental Clearance process and start of sampling.
- Completion of the 'Concept Drawings' for the project by QHC.
- Completion of the 'Preliminary Design Drawings' for the project by QHC.
- Negotiations with potential 'strategic partners' in the seamless tube industry.
- Signing of preliminary delivery contracts for major plant equipment.
- Financial Close of the UAE Finishing Plant Project.

The Company will keep the market informed pending further developments.

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

During the period, EFS's total sales were €2,986,772 (A\$4,977,953), down from €3,333,812 (A\$5,556,812) during the previous quarter. This was largely due to EFS concentrating on its expansion in Germany and Austria, where major new product lines will be manufactured from July 2008 onwards. This will substantially increase EFS' revenue over the next few years.

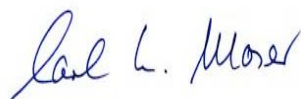
<b>EFS – Quarterly Revenue during last 4 quarters</b>			
<b>2<sup>nd</sup> Quarter 2007</b>	<b>3<sup>rd</sup> Quarter 2007</b>	<b>4<sup>th</sup> Quarter 2007</b>	<b>1<sup>st</sup> Quarter 2008</b>
€3,371,371	€3,402,428	€3,333,812	€2,986,772
A\$5,618,952	A\$5,670,713	A\$5,556,354	A\$4,977,953
+2.2%*	+0.9%*	-2.0%*	-10.0%*

\* Quarterly revenue changes

**4. Statement of Consolidated Cash Flow and  
Changes in Interest in Mining Tenements**

These reports are attached.

Yours faithfully  
**Boulder Steel Limited**



Carl U Moser  
*Director & General Manager*

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# 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 April 2008

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	(1,375)	(4,305)
	(c) production	-	-
	(d) administration	(660)	(1,459)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	43	148
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(1,992)</b>	<b>(5,619)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1,704)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>(1,704)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(1,992)</b>	<b>(7,323)</b>

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

	(1,992)	(7,323)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc.	-	426
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
<b>Net financing cash flows</b>	<b>(1,992)</b>	<b>426</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,992)</b>	<b>(6,897)</b>
1.20 Cash at beginning of quarter/year to date	13,762	18,667
1.21 Exchange rate adjustments to item 1.20	(1,330)	(1,330)
1.22 <b>Cash at end of quarter</b>	<b>10,440</b>	<b>10,440</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
Aggregate amount of payments to the parties included in item 1.2	440
Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Directors fees, salaries and consulting fees. (Includes termination payment of \$275,000).

**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

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### 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		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	1,000
<b>Total</b>	<b>1,000</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	10,440	13,762
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>10,440</b>	<b>13,762</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			

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**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>	481,801,953	481,801,953		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	8,150,000 6,387,067 5,500,000 148,291,418	- - - 148,291,418	<i>Exercise price</i> 20c 30c 60c 20c	<i>Expiry date</i> 31-03-2011 30-06-2009 30-06-2009 30-11-2008
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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### 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 ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....  
(Director/~~Company secretary~~)

Date: ...30 April 2008....

Print name: .....Carl Moser.....

### 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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