
Boulder Steel Limited (BGD)

Chair's Script for the Extraordinary General Meeting

to be held at the Stamford Grand Hotel, North Ryde

at 11.00am on 8 October 2008

1. Constitution of Meeting

Chair to stand and say:

Ladies and Gentlemen

As the appointed time has arrived and as the necessary quorum¹ is present, I declare this extraordinary general meeting properly constituted and open.

My name is Richard Martin and as chairman of this company I welcome you to the extraordinary general meeting of Boulder Steel Limited.

Allow me to introduce to you the members of your board of directors, if you are not already acquainted with them:

- Dr Peter Wallner, our Managing Director and Chief Executive Officer;
- Mr Carl Moser, our General Manager
- Mr Joachim von Schnakenburg
- [Mr Abdulrahman Falaknaz]

- We also have with us Mr Daniel Owen, our company secretary

Chair also to introduce any other persons on the dias

Chair to announce any apologies

¹ Rule 10.1: Quorum

[Two shareholders present constitute a quorum for a meeting]

2. Tabling of Notice of Meeting

Chair to say:

I table the notice of meeting dated 28 August which contains 3 items of special business.

With your permission, I suggest we take the notice of meeting as read.

Is this agreed? [Pause.]

Assuming the suggestion is agreed, Chair to say:

Thank you.

3. Chair's Address

The Chair now to read his prepared Address.

This Extraordinary General Meeting has been requisitioned under section 249D of the *Corporations Act 2001* (Cth) by ANZ Nominees Limited (**ANZ Nominees**), a registered shareholder of the Company. ANZ Nominees holds 88,000,000 shares in the capital of the Company on behalf of Falak Holding LLC (**Falak Holding**). Falak Holding is controlled by Mr AbdulRahman Falaknaz, a director of the Company.

ANZ Nominees gave notice to the Company of its request that the Directors call and arrange to hold a general meeting of the Company. As part of this request, ANZ Nominees proposed resolutions that:

- Dr Peter Wallner be removed; and
- Mr Theodore Katapodis be appointed,

as a director of the Company with immediate effect.

In accordance with section 249D of the Corporations Act, the Directors have called and arranged to hold the general meeting. As shareholders will be aware, the purpose of the general meeting is to allow shareholders to express their opinion and vote on matters relevant to the operations and governance of the Company.

The Directors have also proposed a resolution that I, Mr Richard Martin, be re-elected as a Director. I was asked to become a director to increase the number of independent directors on the Board and to assume the role of independent Chairman. Because the meeting was requisitioned, it is now necessary for my position as a director to be put to a vote.

The Company has circulated a Notice of Meeting, Proxy Form and an Explanatory Memorandum. The Explanatory Memorandum includes written statements from Dr Wallner and Falak Holding as provided to ANZ Nominees. Those letters plus the information in the Explanatory Memorandum were provided to enable you to make an informed decision about the subject matter of the meeting.

The business of the meeting raises important issues for the Company as described in the Explanatory Memorandum.

First, the outcome of the meeting may be significant in terms of the Company's strategic direction, with significant development projects in Australia and the Middle East potentially being terminated if the resolutions are passed. The Company's success as an iron and steel manufacturing company is tied to these projects.

Second, the outcome of the meeting will effect the day to day and overall management and direction of the Company if Dr Wallner ceases to be the Managing Director of the Company and is replaced on the Board by Mr Katapodis, a nominee of Falak Holding.

Third, Dr Wallner has a service agreement with the Company and has been employed by the Company since 1986. I am aware that Dr Wallner considers that his removal as a director will permit that contract to be terminated and to give him the right to receive his considerable statutory entitlements and sue for substantial damages. As Chairman I do not believe that will be in the best interests of the Company for Dr. Wallner's contract to be terminated if that can be avoided.

It is therefore important that the resolutions to be voted on at the meeting are properly considered and that the views of all shareholders who are properly entitled to vote are taken into account.

4. Business of Meeting

Having completed the reading of the Address, the Chair to say:

I now turn to the specific business of the meeting.

There are some points that I would like to draw to your attention.

The Company has approximately 1100 shareholders on its register. Those shareholders are spread across a number of countries apart from Australia, and reflect the fact that the Company's shares are also listed on the Frankfurt, Berlin, Stuttgart, Munich, Braemen and Dubai exchanges.

In addition, in most cases, these shareholdings are held by nominee companies or custodians, for the beneficial holder of the shares.

Finally, there have been public holidays in Germany on Friday, 3 October and in New South Wales, South Australia and the Australian Capital Territory on Monday, 6 October.

These public holidays effected the ability of the shareholders to lodge their proxy forms and on the Company and Computershare to process these forms in time for this meeting.

It is also significant that the processes used by the nominee companies can make the lodging of valid proxies within the required time frame difficult for shareholders, even if the shareholders have clearly indicated their voting intentions before the cut off time. The cut off time for the lodgment of proxy forms was 48 hours before this meeting, that is 11.00am on Monday.

As noted previously, it is vital for the purposes of good corporate governance that all members of the Company have the ability to exercise their right to vote, either in person or by proxy.

According to Computershare and proxies received directly by the Company, the proxy position regarding votes in favour or against the resolutions to remove Dr Wallner and to elect Mr Katapodis are as follows:

Resolution 1 (to remove Dr. Wallner)

614,294 proxies in favour of the resolution;

117,002,883 proxies against the resolution;

50,000 votes abstained;

135,562,043 open; and

24,142,936 proxies against the resolution (but potentially containing an

irregularity).

Resolution 2 (to elect Mr. Katapodis)

664,294 proxies in favour of the resolution;

116,998,883 proxies against the resolution;

4,000 proxies abstained;

135,562, 043 open proxies; and

24,142,936 proxies against the resolution (but potentially containing an irregularity).

Resolution 3 (to re-elect me, Richard Martin)

117,031,977 proxies in favour of the resolution;

341,000 proxies against the resolution;

288,200 proxies abstained;

135,568,043 open proxies; and

24,142,936 proxies in favour of the resolution (but potentially containing an irregularity).

I also note that I hold or are aware of certificates of appointment, powers of attorney or open proxies for a further 4,387,654 shares to be voted against the resolution to remove Dr Wallner and to elect Mr Katapodis. I do not however, have an indication of the number or intention of votes to be cast from the floor of the meeting.

The irregularities that I am aware of relate to proxy documents which were despatched in the past few weeks but which appear not to have been counted in the proxy calculations. It is evident that the number of irregularities is material and could have an impact on the outcome of the meeting. In particular, the Company and Computershare have not had sufficient time to attend to the following matters:

- to seek to address all of the irregularities contained in the proxy forms;
- to be confident that the voting instructions of the beneficial holders

of the shares have been accurately reflected in the proxy forms which have been accepted; and

- to be confident that all proxy forms properly lodged by shareholders have been counted and that no proxy forms have been counted more than once.

Accordingly, I have sought advice as to the best means of seeking to ensure that the will of the shareholders is carried out. That is because, in the circumstances, I do not believe that it is possible to conduct a proper poll at the meeting which would allow all persons entitled to vote a reasonable opportunity of doing so at the meeting.

As a result, I now exercise my residual power as Chairman to adjourn the meeting in order to give all persons entitled a reasonable opportunity to vote at the meeting through the conduct of a poll. The purpose of the adjourned meeting is to enable the voting irregularities to be investigated further and, if appropriate, for those irregularities to be corrected so that all those who properly sought to vote are able to do so. I believe that step is in the interests of the members.

The meeting is now adjourned to 11.00 am on Wednesday, 22 October 2008 at the same venue, that is, the Stamford Grand Hotel, corner of Epping and Herring Roads, North Ryde, New South Wales.

The Company will provide an update to shareholders on its website and by making an appropriate announcement to the ASX shortly.

Thank you for your attendance here today. I look forward to seeing you again at the adjourned meeting.