

BOULDER STEEL LIMITED

A.C.N 009 074 588

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31 December 2008

Mr Nathan Bartrop
Adviser, Issuers
ASX Markets Supervision Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Mr Bartrop

Appendices 3Z – Directors' Interest Notices

We refer to your letter dated 30 December 2008. We respond as follows (adopting your numbering):

1. The Appendices 3Z in relation to Mr Falaknaz and Mr Mitchell were lodged late due to Mr Falaknaz not providing the requisite information in relation to his interests to the company within 3 business days of his ceasing to be a director as required by the letter agreement between himself and the company dated 1 May 2006 and an oversight by the company in following up the matter in sufficient time to ensure disclosure by the ASX deadline.
2. The company's practice is to enter into formal agreements with each of its directors in the same form of attachment 1 to ASX Guidance Note 22 in order to ensure compliance with listing rule 3.19A. However, it transpires that the company inadvertently omitted to enter an agreement with some directors. This is now being rectified (as explained in 3 below).
3. The company acknowledges that its current arrangements for ensuring compliance with listing rule 3.19A can be improved, and is taking the following action to ensure future compliance:
 - The company will take immediate action to ensure that all directors have signed the agreement in the form of attachment 1 to ASX Guidance Note 22;
 - The company will develop a checklist for the company secretary covering statutory and regulatory notifications in relation to directors (including alternate directors), including directors' interest notices and agreements in relation to such disclosures with new directors.

Yours faithfully

Daniel Owen
Company Secretary

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**ASX**

AUSTRALIAN SECURITIES EXCHANGE

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30 DECEMBER 2008
FAXED

Mr Daniel Owen
Company Secretary
Boulder Steel Limited
Level 2
16 Byfield Street
NORTH RYDE NSW 2113

By email: daniel.owen@bouldersteel.com.au

Dear Daniel,

Boulder Steel Limited (the "Company") Appendices 3Z –Directors' Interest Notices.

We refer to the following;

1. The Appendix 3Z lodged by the Company with ASX Limited ("ASX") on 29 December 2008 for Abdulrahman Falaknaz and the Appendix 3Z lodged by the Company with ASX on 29 December 2008 for John Mitchell (together the "Appendices 3Z").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

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3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendices 3Z indicated that Mr Falaknaz and Mr Mitchell ceased to be directors of the Company on 28 November 2008, it appears the Appendices 3Z should have been lodged with ASX by 5 December 2008. As the Appendices 3Z were lodged on 29 December 2008 it appears that there may have been a breach by the Company of listing rules 3.19A and/or 3.19B. Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendices 3Z were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020 or by email to nathan.bartrop@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 7.30 a.m. W.D.S.T.) on **Monday, 5 January 2009**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,



Nathan Bartrop
Adviser, Issuers (Perth)

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