

BOULDER STEEL LIMITED

A.C.N 009 074 588

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29 October 2010

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

Dear Sir/Madam

RE: BOULDER STEEL LIMITED **REPORT FOR QUARTER ENDED 30 SEPTEMBER 2010**

1. The Gladstone Steel Project **100% Boulder Steel Limited**

Work on the project continued throughout the period under review. The more significant items included:

- Negotiations with Gladstone Port Corporation (GPC) are on-going, covering access, berths and berth support infrastructure.
- Discussions were held with representatives of other corporations operating in the Gladstone industrial area to co-ordinate infrastructure requirements of the various parties.
- Boulder continued its meetings with Queensland Rail and the Queensland Government to progress the development planning for the transport corridor to the plant site.
- Constructive and in-depth exchanges were undertaken with Government bodies and other interested parties developing the project requirements and they were also provided with project updates. A paper was presented to the important GEA Golding Conference in Gladstone.
- Tender documents have been prepared for the operation of the Private Haul Road. These documents will be released to interested parties during the fourth quarter 2010.

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- Ongoing work with potential project partners continued and detailed project documentation is currently being evaluated .

An update of the project feasibility analysis is nearing completion. With additional and more up-to-date data being available to the project team, the financial model has been developed to an additional level of detail, enhancing the model's accuracy. The results derived from the model continue to indicate robust project economics and good returns on investment. A range of sensitivity analyses on the key model elements confirms the project's viability even in adverse market conditions. Key factors are that the Gladstone Steel Plant Project will make semi finished steel products with world's best practice staffing levels and that two of the three main raw materials used for steel making are available in the Gladstone region. This results in the projected production costs competing with the world's best in the lowest cost quartile, as required by project financiers.

**2. Euro Forming Services GmbH ("EFS")
50% Boulder Steel Limited**

During the September quarter, EFS' total revenue was €3,791,732, up 10% from €3,446,388 for the June quarter. Sales from the Bitburg operation and the Austrian facility at Heiligenkreuz increased by 5.7% and 27.3% respectively, while total turnover has increased by 58.66% since the end of the September quarter 2009. EFS' revenue for the period under review is the best quarterly result since the company's foundation in 2000. It is the merit of EFS management that the group emerged from the global financial crisis stronger than ever before.

Development of EFS Revenue during the last four quarters

4th Quarter 2009	1st Quarter 2010	2nd Quarter 2010	3rd Quarter 2010
€2,760,378	€2,792,390	€3,446,388	€3,791,732
+15.50%*	+1.20%*	+23.42%*	+10.02%*

*Change on previous quarter

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

The 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

78 009 074 588

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	(172)	(172)
	(c) production	-	-
	(d) administration	(318)	(318)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(481)	(481)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
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)	-	-
		-	-

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

Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(481)	(481)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 – Cap raising costs	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(481)	(481)
1.20	Cash at beginning of quarter/year to date	1,068	1,068
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	587	587

**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	82
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

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	100
4.3	Production	-
4.4	Administration	250
	Total	350

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	587	1,085
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	587	1,085

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		

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	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+ Ordinary securities	506,199,352	506,199,352		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+ Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	8,650,000 265,345,755	- 265,345,755	<i>Exercise price</i> 20c 10c	<i>Expiry date</i> 31-03-2011 30-03-2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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:Carl U Moser.....
 (Director/~~Company~~ secretary)

Date: 29 October 2010

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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