

Appendix 4E

Preliminary final report

Name of entity

BOULDER STEEL LTD

ABN or equivalent company reference

78 009 074 588

Half yearly (tick)

<input type="checkbox"/>

Preliminary final (tick)

<input checked="" type="checkbox"/>

Financial year ended ('current period')

30 JUNE 2008

Results for announcement to the market

	\$A'000			
				2008
Revenues from ordinary activities	up /down	63%	to	338
Profit (loss) from ordinary activities after tax attributable to members	up/ down	185%	to	(11,705)
Net profit (loss) for the period attributable to members	up/ down	185%	to	(11,705)

Management Discussions of the Above Results

- * Revenues from ordinary activities decreased by 63% from A\$912,000 to A\$338,000: Bank interest received for 2006/2007 was A\$912,000 and for 2007/2008 it was A\$338,000.

- * Loss from ordinary activities after tax attributable to members and net loss for the period attributable to members both increased by 185%. Expenses of A\$6,184,000 for the Ipswich Seamless Tube Project have been impaired. Part of this amount may be recoverable at a later stage, once a project partner has been secured for the Iron and Steel Project at Gladstone, Qld. The first-year lease fee of \$1,370,000 for the site of the UAE Seamless Tube Finishing Plant Project was depreciated. An unrealised foreign exchange loss of A\$1,078,000 was the result of the appreciation of the Australian Dollar during the reporting period.

Dividends

- * The directors do not propose to pay a dividend this year. No dividends were paid during the financial year ended 30 June 2008.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenues from ordinary activities:		
Other revenue	-	-
Interest revenue	338	912
Total revenues from ordinary activities	338	912
Expenses from ordinary activities:		
Office expenses	(369)	(222)
Corporate	(894)	(346)
Staff costs	(1,550)	(654)
Communication	-	-
Consulting Fees	(470)	(671)
Profit on sale of Fixed Asset	-	-
Foreign Exchange (losses) / gains	(1,078)	(3,072)
Other expenses	(182)	(211)
Depreciation and amortisation	(1,370)	(42)
Impairment expenses	(6,184)	-
Total expenses from ordinary activities	(12,096)	(5,176)
Borrowing costs	(5)	(4)
Share of net profits (losses) of associates and joint venture entities	59	207
Profit / (loss) from ordinary activities before tax	(11,705)	(4,103)
Income tax on ordinary activities		-
Profit / (loss) from ordinary activities after tax	(11,705)	(4,103)
Profit / (loss) from extraordinary items after tax		-
Net Profit / (loss) for the period attributable to members	(11,705)	(4,103)
Total changes in equity not resulting from transactions with owners as owners	(11,705)	(4,103)

Condensed consolidated statement of financial position	2008 \$A'000	2007 \$A'000
Current assets		
Cash	7,517	18,657
Receivables	60	164
Other (provide details if material)	-	82
Total current assets	7,577	18,904
Non-current assets		
Receivables	8,771	8,303
Investments (equity accounted)	2,761	2,645
Other investments	-	-
Other property, plant and equipment (net)	201	275
Other financial assets	4,608	4,739
Total non-current assets	16,341	15,962
Total assets	23,918	34,866
Current liabilities		
Payables	960	807
Interest bearing liabilities	-	-
Provisions	1,220	1,042
Total current liabilities	2,180	1,849
Non-current liabilities		
Interest bearing liabilities	-	-
Provisions	-	-
Total non-current liabilities	-	-
Total liabilities	2,180	1,849
Net assets	21,738	33,017
Equity		
Capital/contributed equity	59,666	59,240
Retained profits (accumulated losses)		
Note 1	(37,928)	(26,223)
Equity attributable to members of the parent entity	21,738	33,017
Outside ⁺ equity interests in controlled entities	-	-
Total equity	21,738	33,017

Notes to the condensed consolidated statement of financial performance

Note 1

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits (accumulated losses) at the beginning of the financial period	(26,223)	(22,120)
(Less) Capital reduction		-
Net profit (loss) attributable to members	(11,705)	(4,103)
Retained profits (accumulated losses) at end of financial period	(37,928)	(26,223)

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(8,439)	(6,872)
Interest and other items of similar nature received	338	912
Interest and other costs of finance paid	(5)	(4)
Net operating cash flows	(8,106)	(5,964)
Cash flows related to investing activities		
Proceeds from sale of Fixed Assets	-	(82)
Investment in associates	-	-
Property Plant & Equipment acquired	(1,939)	(316)
Loans to associates	-	(2,388)
Net investing cash flows	(1,939)	(2,786)
Cash flows related to financing activities		
Proceeds from issues of ⁺ securities (shares, options, etc.)	427	2,322
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Loans to other entities	-	-
Net financing cash flows	427	2,322
Net increase (decrease) in cash held	(9,618)	(6,428)
Cash at beginning of period <i>(see Reconciliation of cash)</i>	18,657	27,624
Unrealised FX (loss)/gain	(1,522)	(2,539)
Cash at end of period <i>(see Reconciliation of cash)</i>	7,517	18,657

Non-cash financing and investing activities

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

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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
Cash on hand and at bank	7,517	763
Deposits at call		17,894
Bank overdraft		-
Other (provide details)		-
Total cash at end of period	7,517	18,657

Earnings per security (EPS)	Current period	Previous corresponding Period
Basic EPS	(2.4) cents	(0.9) cents
Diluted EPS	(2.4) cents	(0.8) cents
	-	

Net loss: A\$ 11,705,000 weighted average of shares on issue: 481,742,450

Interests in entities which are not controlled entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contributions to net profit / (loss)	
	Current period	Previous corresponding period	Current period A\$000	Previous Corresponding period A\$000
Equity accounted associates and joint venture entities				
Euro Forming Services GmbH	50	50	59	207
Total			59	207

Segment reporting

Geographic Segments 2007

	Australia \$	(A\$ '000s) Germany \$	Consolidated \$
Other revenue	912	-	912
Operating profit/ (loss)	(4,310)	207	(4,103)
Segment assets	23,917	10,948	34,866
Segmental liabilities	1,849	-	1,849

Geographic Segments 2008

	Australia \$	(A\$ '000s)		Consolidated \$
		UAE \$	Germany \$	
Other Revenue	338	-	-	338
Operating profit/(loss)	(11,443)	(321)	59	(11,705)
Segment assets	7,859	4,608	11,451	23,918
Segmental liabilities	1,967	213	-	2,180

MANAGEMENT'S COMMENTS ON THE RESULTS FOR THE PERIOD

1. Australian Iron and Steel Projects, Queensland 100% Boulder Steel Limited (through subsidiary)

On 30 June 2008, the Company announced its decision to move the expanded Australian Project to a new location near Gladstone/ Queensland. The project site has excellent infrastructure. It is close to port, gas, power and rail as well as to some essential raw material sources.

The previously selected Ipswich location was not large enough to accommodate the expanded project, which now includes a pig iron plant.

Adding a pig iron plant to the project scope has significant benefits:

- The production of pig iron enhances the quality of the raw material base for the steel plant. The use of pig iron in the steel making process ensures the output of high quality steel products (billets and blooms), which are essential for the production of seamless tubes.

- The use of pig iron from a fully integrated production plant is further improving project economics and return on investment, as demonstrated in an independent assessment report. The production costs are lower than in the previously considered scrap-based steel plant.

The project team has selected a suitable site in the Aldoga Precinct of the Gladstone State Development Area, which is ideally suited for the establishment of a iron and steel-making production facility. It has sufficient space for possible future expansion.

Current focus of the project team's efforts is on securing:

- Raw material supplies
- Supply of power, gas, land and water to the site
- Favourable freight rates for raw materials as well as for iron and steel products
- State and local government approvals
- Project partners and project financiers

Discussions with a potential joint-venture partner are at an advanced stage and indications are that an MOU is very soon to be signed with this strategic investor.

2. Sharjah Finishing Plant, Sharjah, United Arab Emirates 100% Boulder Steel Limited (through subsidiary Boulder Steel (UAE) Ltd.

During the period under review, 15 hectares of land were obtained in the Hamriyah Free Zone in Sharjah, UAE to set up a Seamless Tube Finishing Plant with an annual capacity of 250,000 tonnes. On 7 March 2008 the Company announced that UK-based engineering firm McLellan had updated the feasibility study for the UAE-Project and reported "a good rate of return for projects in the steel industry".

Land levelling at the project site commenced on 26 March 2008 and was successfully completed by the end of June 2008 by UAE contractor Al-Sahel General Transport Est. The scoping study for the Environmental Clearance process was approved by HFZA and a sampling programme commenced.

The 'Concept Drawings' as well as the Preliminary Design Drawings for the project were completed by QHC Architects and Engineers, Sharjah.

Boulder Steel (UAE) Limited is currently negotiating a strategic partnership with existing major players in the seamless tube industry. Once a strategic partner has been secured, the company aims to proceed towards financial tie-up.

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

During the 2007/08 financial year, EFS’s total sales were €12,726,519 (A\$21,210,865), down from €12,832,090 (A\$21,386,817) during the previous financial year. EFS recently expanded its production lines in Germany and started production in a new facility in Austria. It is expected that the expanded operations will substantially increase EFS' revenue over the next few years.

EFS – Quarterly Revenue during the four quarters of FY 2007/08			
3rd Quarter 2007	4th Quarter 2007	1st Quarter 2008	2nd Quarter 2008
€3,402,428	€3,333,812	€2,986,772	€3,003,507
A\$5,670,713	A\$5,556,354	A\$4,977,953	A\$5,005,845
+0.9%*	-2.0%*	-10.0%*	+0.5%*

* Quarterly revenue changes

Other Information

1. The accounts are in the process of being audited
2. The entity has a formally constituted audit committee.

Sign here: ..  Date:29 August 2008.....

Print name:Carl U. Moser.....
Director