

BOULDER STEEL LIMITED

A.C.N 009 074 588

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30 April 2009

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 2009**

The first quarter of 2009 was significant for Boulder.

- A substantially new board was put in place.
 - Mr. Joachim von Schnakenburg retired effective 28 February 2009. The directors wish to thank Mr. von Schnakenburg for many years of service to the Company, for his valuable technical contributions and for his balanced advice.
 - Boulder's broader shareholder base resolved to remove Mr. Theofanis Katapodis as a director on 15 March 2009, following his election on 22 October 2008.
 - The Company also welcomes two new board members, Messrs Markus Buhl and Dieter Hopf, who between them bring considerable experience and expertise in both the steel industry and finance to the board.
- The share register also experienced considerable activity during the period with over 50% of shares on issue traded, resulting in the Company reminding substantial shareholders of their duty of disclosure.
- The options issue pursuant to the prospectus dated 18 March 2009 is well underway. It closes on 6 May 2009.

During the quarter the new board and management examined the operations and direction of the Company, particularly with regard to the current world economic climate. It reviewed current projects and the overall company objective to produce

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quality steel products, supplying the needs of the world steel market. The market demands products which are lighter, longer lasting and which enable ecologically efficient applications.

The board and management reaffirmed that sustainable long-term profitability will be built upon being a cost efficient and reliable long-term supplier of quality products. Achievement of a successful outcome is based upon the following principles:

- Control of the supply chain from raw materials to end products.
- Locating core production close to the raw material base.
- Locating downstream manufacturing operations where the mixture of sound infrastructure, production capability and proximity to market provide the best fit.

1. **Australian Iron and Steel Project, Queensland**
100% Boulder Steel Limited

The Gladstone project continues to demonstrate that it has the attributes necessary for low cost quality steel production and that it presents a sound basis to give Boulder a competitive edge concerning lower project risk, robust business economics and sustainable profitability. These attributes are:

- Proximity to reliable, good quality and low cost raw material supplies.
- Sound infrastructure
- Proven production processes which deliver high quality products
- Industry synergies
- A skilled workforce

These factors will enable the Gladstone project to produce steel in the lowest cost quartile for the foreseeable future.

During the period under review the project progressed as scheduled with the main highlights listed below.

- On 31 March 2009 the Queensland Co-ordinator General declared the project a 'Significant Project' for which an Environmental Impact Statement (EIS) is required. The project will benefit from a streamlined approvals process across the whole of government and the Queensland Government will become involved in expediting the various processes and infrastructure improvements necessary for the project to go ahead.
- The EIS process is well under way and studies are progressing to plan with no issues of concern identified to date.

- As part of the EIS process, meetings were held in China with several potential equipment suppliers to review the plant configuration, prepare a more detailed plant layout and obtain information on a number of key factors including air emissions, noise emissions and the fresh water balance. Boulder has received significant information from these suppliers.

The equipment suppliers acknowledged that the selected plant site and its favourable logistics allow for an optimum plant layout in line with that developed by Boulder. This is fundamental to remain in the lowest production cost quartile for the long term and it provides a competitive edge in all market conditions.

- The project was referred to the Federal Government as required by the Environment Protection and Biodiversity Conservation Act [EPBC] during the period. The plant design and layout is such that it will comply with all government requirements.
- The Gladstone Port Corporation's decision to expand Fisherman's Landing will result in additional available berths. This will permit Boulder's products to be exported from Fisherman's Landing, thus enabling greater efficiency and having the least effect on the Gladstone community.
- Review of the transport corridors between the plant site and the port, involving the Queensland Government Department of Infrastructure and Planning and Boulder, provided a superior efficiency outcome for the movement of materials and products, enhancing the economies of the project.
- Negotiations with Queensland Rail for the delivery of coal to the plant site are continuing in a positive manner.

2. **Sharjah Finishing Plant Project, Sharjah, United Arab Emirates**
100% Boulder Steel Limited (through subsidiary – Boulder Steel [UAE] Limited)

Due to the impact of the global financial crisis and the resulting deterioration of project economics for the Finishing Plant Project, the Company has decided to close down the Sharjah Project effective May 2009. The Hamriyah Free Zone Authority (HFZA) has been informed about this decision.

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

During the period under review, EFS's total revenue was €1,740,697 (A\$3,481,394), up from €1,712,423 (A\$3,424,846) for the December 2008 quarter. This means a slight improvement in sales compared with the previous quarter, in an industry which is particularly affected by the international financial crisis.

The management of EFS have undertaken measures to address the downturn in demand from the automotive industry, including cost cutting and developing new supply contracts to ensure the ongoing profitability of the company.

EFS – Quarterly Revenue during last 4 quarters			
2nd Quarter 2008	3rd Quarter 2008	4th Quarter 2008	1st Quarter 2009
€3,003,507	€2,767,026	€1,712,423	€1,740,697
A\$5,005,845	A\$4,611,710	A\$3,424,846	A\$3,481,394
+0.5%*	-7.9%*	-38.1%*	1.70%

* Quarterly revenue changes, based on Euro figures.

A\$/€ exchange rate for the second and third quarter of 2008: 0.60

A\$/€ for the fourth quarter 2008 and the first quarter of 2009: 0.50

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

The company had \$2.35million on hand on 31 March 2009 after it paid out \$1.27 million during the quarter. The payments included some abnormal payments incurred during 2008. The company expects to generate cash flow from its options issue and other activities currently underway and project expenditure of approximately \$700,000 for the forthcoming quarter.

The reports are attached.

Yours faithfully

Boulder Steel Limited

Carl U Moser

Director & General Manager

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")

31 March 2009

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	(457)	(2,599)
	(c) production	-	-
	(d) administration	(834)	(3,584)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	18	165
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(1,273)	(6,021)
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)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(1,273)	(6,021)

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Appendix 5B
Mining exploration entity quarterly report

	(1,273)	(6,021)
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	-
	Net financing cash flows	-
	Net increase (decrease) in cash held	(1,273)
1.20	Cash at beginning of quarter/year to date	3,581
1.21	Exchange rate adjustments to item 1.20	17
1.22	Cash at end of quarter	2,325

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
	61
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	700
Total		700

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	2,325	3,581
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,325	3,581

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	Preference + securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+ Ordinary securities	481,803,953	481,803,953		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+ Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	8,150,000 6,387,067 5,500,000	- - -	Exercise price 20c 30c 60c	Expiry date 31-03-2011 30-06-2009 30-06-2009
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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