

BOULDER STEEL LIMITED

A.C.N 009 074 588

Head Office: Level 2, 16 Byfield Street, NORTH RYDE NSW 2113
Telephone: (+ 61 2) 9413 1811 Fax: (+ 612) 9419 2818
Postal Address: PO Box 1293, NORTH RYDE NSW 2113, AUSTRALIA
E-mail: admin@boulder.au.com Web: <http://www.bouldersteel.com.au>



29 January 2010

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

Dear Sir/Madam

RE: BOULDER STEEL LIMITED
REPORT FOR QUARTER ENDED 31 DECEMBER 2009

Quarter Highlights:

- Arabia for Business Strategies LLC (ABS) and Boulder Steel Limited entered into two Framework Agreements pursuant to their extended Memorandum of Understanding originally announced on 25 May 2009.

Framework Agreement No. 1 – Gladstone Iron and Steel Project, Australia

The parties agreed that:

- ABS will have an economic interest of 70%
- Boulder will have an economic interest of 30%
- ABS is responsible to secure all debt funding
- Boulder has to serve its portion of the debt funding

Details of the equity funding will be subject to further negotiations between the two parties.

Framework Agreement No. 2 – Rail and Heavy Beam Plant (KSA Project)

The parties agreed that:

- ABS will have an economic interest of 70-80%
- Boulder will have an economic interest of 20-30%
- ABS is responsible to secure all debt funding
- Boulder has to service its portion of the debt funding

Framework Agreement No. 3, covering the parties' joint efforts to acquire raw material assets in Australia, will be prepared and signed once a suitable partnership structure has been agreed between the parties. This is expected to be finalised during the March quarter 2010.

- The Gladstone Steel Project is progressing to plan, with most of the EIS studies completed. The final Terms of Reference (TOR) for the EIS were released on 25 November 2009.

1. The Gladstone Steel Project 100% Boulder Steel Limited

The release of the final Terms of Reference [TOR] for the Environment Impact Statement [EIS] has enabled work on the Gladstone project to progress with transparency. The work undertaken during the quarter included:

1. Liaison with plant and equipment suppliers to scope and evaluate supply proposals.
2. More complete scoping and analysis of the various infrastructure requirements to support the project, with emphasis on freight to and from Gladstone, port facilities, rail and road.
3. Meetings, and negotiations with raw material suppliers have progressed identifying sources, quality and blends of iron ore, coal and limestone to be used in the project.
4. Progression of the EIS for the plant site, with the only studies now requiring significant work being Air Quality, Transport and Cultural Heritage. The current plan indicates that all the remaining work on the plant site EIS will be completed during the March quarter.
5. The chief technical advisor to the ABS/Boulder partnership, Dr Sudarshan Singh, continues to develop the Saudi Arabian Rail and Beam Mill proposal. This facility will be constructed in the Kingdom of Saudi Arabia and its feed will be supplied by the Gladstone Steel Project. Dr Singh is also evaluating other market opportunities.
6. The commencement of a more detailed Feasibility Report, which is progressing according to schedule.

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

The European automotive industry continued to suffer the effects of the Global Financial Crisis especially in the heavy transport market segment. Despite this EFS revenue was EUR 2,760,378, an increase of EUR 370,520 compared with the results for the previous quarter. We would like to take this opportunity to compliment EFS management on their achievements in a tough world marketplace.

EFS QUARTERLY REVENUE FOR THE LAST 4 QUARTERS			
1ST QUARTER 2009	2ND QUARTER 2009	3RD QUARTER 2009	4TH QUARTER 2009
€1,887,206	€2,094,462,	€2,389,858	€2,760,378
+1.7%	+10.98%	+14.10%	+15.5%

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

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 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	(798)	(1,238)
	(c) production	-	-
	(d) administration	(547)	(1,242)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) – UAE Project closedown	(231)	(231)
	Net Operating Cash Flows	(1,575)	(2,700)
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)	(1,575)	(2,700)

Appendix 5B
Mining exploration entity quarterly report

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,052	2,116
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	(107)	(107)
	Net financing cash flows	1,945	2,009
	Net increase (decrease) in cash held	370	(691)
1.20	Cash at beginning of quarter/year to date	807	1,868
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,177	1,177

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	78
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

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	600
	Total	600

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	1,177	807
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,177	807

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				
7.2				
7.3	498,334,906	498,334,906		
7.4	16,434,953	16,434,953		
7.5				
7.6				
7.7	8,650,000 263,865,201	- 263,865,201	Exercise price 20c 10c	Expiry date 31-03-2011 30-03-2012
7.8	NIL	NIL		
7.9	1,038,799	1,038,799	10c	31-03-2012
7.10				
7.11				
7.12				

