

BOULDER STEEL LIMITED

A.C.N 009 074 588

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30 October 2009

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

Dear Sir/Madam

BOULDER STEEL LIMITED **REPORT FOR QUARTER ENDED 30 SEPTEMBER 2009**

Enclosed herewith is the quarterly report and Appendix 5B for the quarter ended 30th September 2009.

Yours sincerely,



Daniel Owen
Company Secretary

Boulder Steel Limited Quarterly Report for Period Ending September 2009

Highlights

- *Visit by the Managing Director of Arabia for Business Strategies (ABS) to assess raw material asset acquisition opportunities in Australia and to inspect progress on the Gladstone Steel Project.*
- *ABS and Boulder presented themselves as a 'Partnership of Steel' at the SBB Steel Markets Middle East conference in Dubai.*
- *The Gladstone Steel Project progresses significantly with Queensland Government support.*
- *Updated pre-feasibility studies reaffirm low production costs for the Gladstone Steel Project in comparison with overseas producers..*
- *The benefits of being an integrated steel producer are borne out during the global financial crisis.*

ABS Boulder Strategic Partnership

ABS and Boulder worked closely together during the quarter to:

- characterise and delineate the way the partners will work together
- expand and clarify the role of raw material assets in joint venture activities
- identify opportunities for the acquisition of raw material assets
- further define early downstream activities and identify current opportunities in the Kingdom of Saudi Arabia.

This work included ABS Boulder unveiling its 'Partnership of Steel' strategy at the SBB Steel Markets Middle East conference during September in Dubai, where Dr Sudarshan Singh presented a paper on the proposed Rail and Heavy Beam plant to be constructed by the partners (see announcement of 30th September 2009). The paper reaffirmed the needs and key benefits of ABS Boulder's objective to provide a world class fully integrated steel plant for the supply of quality steel to the Kingdom of Saudi Arabia and the MENA region.

Meetings at the Dubai conference repeatedly highlighted the difficulties currently facing by steel producers in general. This applies particularly to downstream processing operations , which are dependent on third parties and which are not part of a fully integrated steel producer. This is a confirmation of the validity and strength of Boulder's end-to-end concept for low cost high quality steel production.

Mr Jawad Zulqadar, managing director of ABS, visited Australia and Boulder for three weeks. During this period the partners met with a number of potential raw materials suppliers of interest to ABS Boulder. During the meetings several opportunities for acquisition and/or joint development of iron ore, coal and limestone resources were identified. ABS Boulder's end-to-end concept of adding to raw materials in Australia was received with strong positive

feedback. The evaluation of these opportunities is still in progress. The increased scope of investment required by the strategic partners and consequently, the need for additional due diligence, made it necessary to further extend the MOU between ABS and Boulder to enable these tasks to be undertaken before formalising detailed agreements between the partners.

Mr Zulqadar visited the site for the Gladstone Steel Project and reviewed progress with Boulder representatives and government authorities. At the end of this successful visit Mr Zulqadar made a clear statement about the intention of ABS working in partnership with Boulder:

“The ABS Boulder partnership does not intend to acquire raw material assets in Australia for the sole purpose of exporting these commodities. ABS, in partnership with Boulder Steel, strongly supports the concept of adding value to these raw materials in the proposed Gladstone steel plant, creating new employment opportunities for Australians. ABS wants to be seen as a true joint venture partner, by not just contributing its financing capabilities, but also by ensuring off-take for semi-finished steel products from Gladstone and by assisting with development of infrastructure, if necessary.”

**1. Gladstone Steel Project
(100% Boulder Steel Limited)**

The feasibility analyses for the project were updated. The outcomes of this process again confirmed that the steel mill upon commencement of operations will be amongst the lowest cost steel producers in the world. Further, the analyses clearly validated the economics of producing steel semi-products in Australia prior to delivery to the Kingdom of Saudi Arabia for further processing.

Development work for the project escalated during the quarter:-

- The Premier of Queensland stated, “This proposed Boulder Steel project heralds a new era for the region”, when the draft Terms of Reference [TOR] for the Environmental Impact Study [EIS] were issued on 28th August 2009. The release of the TOR confirmed the validity of work already undertaken and enabled the EIS process to continue according to plan with most of the studies now complete or nearing completion. The Government has the community’s responses to the draft TOR for consideration. The final TOR are expected to be released in November 2009, however the actual date will effect timing of the EIS.
- Plant equipment tenders were issued in August to five international firms from Germany, Austria and China. The proposals are due to be presented in November.
- Studies to detail and optimise shipping, berth facilities and storage plus coal delivery systems were initiated. The studies will be completed during the next quarter.

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

EFS Revenue for the quarter was €2,389,858, an increase of €515,513 (27.5%) for the quarter.

EFS QUARTERLY REVENUE FOR THE LAST 4 QUARTERS			
4 TH QUARTER 2009	1 ST QUARTER 2009	2 ND QUARTER 2009	3 RD QUARTER 2009
€1,712,423	€1,740,697	€1,874,345,	€2,389,858
-38.1%	+1.7%	+7.68%	+27.5

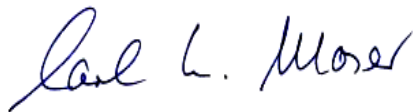
**3 UAE Finishing Plant Project, Sharjah, UAE
(100% Boulder Steel Limited through subsidiary)**

It was decided on 30 October 2009 to hand back the land to Hamriyah Free Zone.

4. Statements of Consolidated Cash Flows and Changes in Interest in Mining Tenements.

These reports are attached.

Yours faithfully



Carl U Moser

Director and 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")

30 September 2009

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	(440)	(440)
	(c) production	-	-
	(d) administration	(695)	(695)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	10
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	(1,125)	(1,125)
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)	(1,125)	(1,125)

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

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	64	64
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	64	64
	Net increase (decrease) in cash held	(1,061)	(1,061)
1.20	Cash at beginning of quarter/year to date	1,868	1,868
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	807	807

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	71
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

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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	750
Total		750

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	807	1,868
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	807	1,868

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		

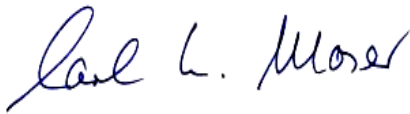
Issued and quoted securities at end of current quarter

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	481,899,953	481,899,953		
7.4	96,000	96,000		
7.5				
7.6				
7.7	8,150,000 264,904,000	- 264,904,000	<i>Exercise price</i> 20c 10c	<i>Expiry date</i> 31-03-2011 30-03-2012
7.8	15,000,000	15,000,000	10c	31-03-2012
7.9	96,000	96,000	10c	31-03-2012
7.10				
7.11				
7.12				

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 ~~/does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 
(Director/~~Company secretary~~)

Date: 30 October 2009.

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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