

BOULDER STEEL LIMITED

A.C.N 009 074 588

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31 July 2008

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

Dear Sir/Madam

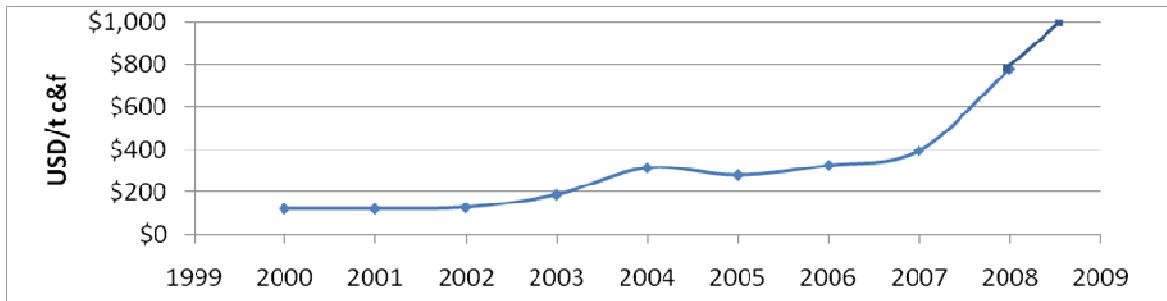
RE: BOULDER STEEL LIMITED **REPORT FOR QUARTER ENDED 30 JUNE 2008**

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:

- a) 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.
- b) 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.
- c) Pig iron prices have recently peaked at US\$1,000/tonne, as shown in the graph below. This is due to the high demand for pig iron worldwide, but also to recent increases in iron ore prices. Any excess pig iron, which Boulder will not use in its projected steel plant, could be easily sold on the world market at attractive prices. Boulder has already received expressions of interest for off-take from domestic customers.



Development of Pig Iron Prices (cost and freight, in US\$) since 2000.

The project team has selected a 200 hectare site in the Aldoga Precinct of the Gladstone State Development Area, which is ideally suited for the establishment of a pig 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 quarter under review, the following work has been performed:

- Land levelling at the project site was completed by Al-Sahel at the end of June 2008.
- The scoping study for the Environmental Clearance process was approved by HFZA and a sampling programme has 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) Ltd 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.

For the September quarter, the following targets have been set:

- Obtaining of complete Environmental Clearance from HFZA, Sharjah.
- Completion of geo-technical assessment of the land.

- Establishment of a strategic partnership with a major player in the seamless tube industry.
- Financial tie-up of the project.
- Finalisation of preliminary delivery contracts for major plant equipment.

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

During the period, EFS’s total sales were €3,003,507 (A\$5,005,845), up from €2,986,772 (A\$4,977,953) during the previous quarter. The newly expanded production lines in Germany and the new facility in Austria, which is currently starting up production, will substantially increase EFS' revenue over the next few years.

EFS – Quarterly Revenue during last 4 quarters			
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

4. Corporate Matters – Resignation and Appointment of Company Secretary

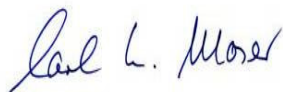
On 11 June 2008 Mr. Kenneth William O’Brien retired as Company Secretary. The directors of Boulder Steel Limited wish to thank Mr. O’Brien for 19 years of dedicated service to the Company and its subsidiary companies.

Mr. Daniel George Owen, the Company’s Project Development and Human Resources Manager, was subsequently appointed as Company Secretary of Boulder Steel Limited and its subsidiary companies.

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

These 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")

30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	(1,828)	(6,133)
(c) production	-	-
(d) administration	(523)	(1,982)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	100	248
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,253)	(7,872)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1,704)
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	-	(1,704)
1.13 Total operating and investing cash flows (carried forward)	(2,253)	(9,576)

Appendix 5B
Mining exploration entity quarterly report

	(2,253)	(9,576)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	426
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	-	426
Net increase (decrease) in cash held		
	(2,253)	(9,150)
1.20 Cash at beginning of quarter/year to date	10,440	18,667
1.21 Exchange rate adjustments to item 1.20	-	(1,330)
1.22 Cash at end of quarter	8,187	8,187

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	165
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	1,000
Total	1,000

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	8,187	10,440
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,187	10,440

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	481,801,953	481,801,953		
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>	8,150,000 6,387,067 5,500,000 148,291,418	- - - 148,291,418	<i>Exercise price</i> 20c 30c 60c 20c	<i>Expiry date</i> 31-03-2011 30-06-2009 30-06-2009 30-11-2008
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>				

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: Date: ...31 July 2008....
(Director/~~Company secretary~~)

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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