

BOULDER STEEL LIMITED

A.C.N 009 074 588

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31 January 2008

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 2007**

1. Australian Seamless Tube Project, Ipswich, Queensland **100% Boulder Steel Limited (through subsidiary)**

The Company's wholly owned subsidiary, Asia Pacific Seamless Tubes Limited ("APST") is continuing to seek finalisation of government approvals for the project which is located at the Southern End of the Swanbank Enterprise Park ("SEP") near Ipswich, Queensland.

The mandatory public display process has concluded.

Most Queensland government department authorities have given their support for the project while two departments are still reviewing the project documentation.

During this review process, the Ipswich City Council ("ICC"), as the consent authority, suggested that APST may wish to consider and assess a second, alternative site option which had recently become available within the Swanbank Enterprise Park and compare the project benefits between both sites. This alternative site is already an approved industrial site and will not be subject to the same approval requirements as the original site as it is located in the central area of the SEP.

APST has confirmed with ICC and the land owners, that the final site selection will be based on APST not suffering any timing or cost penalties should the decision be made to move sites.

A final analysis of the site comparisons will be completed shortly and we expect that the project will benefit positively from this opportunity.

Approvals for either site are expected before the end of June 2008 with construction to commence as soon as possible thereafter.

Proposals have been received from most major equipment suppliers for the process equipment. Delays have been experienced with receiving proposals for the steel plant equipment due to heavy workloads of the major suppliers. This problem has been solved. APST expects these proposals to be received within the next four weeks at which time design for the overall plant and ancillaries can be finalised.

As a result of these delays, the financing of the APST project will be delayed until after the successful funding of the UAE Finishing Plant is in place.

2. Sharjah Finishing Plant, Sharjah, United Arab Emirates **100% Boulder Steel Limited**

During the period under review, the following milestones have been achieved:

A local office of Boulder Steel was set up and registered with the Sharjah authorities. The registered address is: PO Box 49688, Hamriyah Free Zone, Sharjah, UAE.

Industrial Licence No. 3102 was granted by Hamriyah Free Zone for a Finishing Facility for Seamless Steel Tubes.

15 hectares of land at Hamriyah Free Zone were obtained for setting up the UAE facility.

Mr K.K. Kahale was appointed Chief Operation Officer for the UAE facility. Mr Kahale is a mechanical engineer from India with more than 30 years experience in the international steel industry. He has held senior technical and management positions with major international steel companies, including Arcelor Mittal and ESSAR Group, in India, Algeria and in the UAE.

The technical concept, plant layout and project realisation stages for the Sharjah facility have been finalised. The project will be executed in three phases:

- **PHASE I**
Threading line for the production of 50,000 to 60,000 tpa of tubing and casing in the outer diameter (OD) range (2.3/8" 2.7/8" to 9.5/8".
- **PHASE II**
Lines necessary to reach a total capacity of 250,000 tpa of API pipes:
 - Heat treatment line OD 4.1/2" to 13.3/8" (14.3/8")
 - Quality assurance lines (EMI and UT)
 - Finishing line for API casing and tubing OD 4.1/2" to 13.3/8" with a capacity of 200,000 tpa.
 - Coupling workshop OD 2.3/8" to 13.3/8".
- **PHASE III**
Sizing and threading line for premium connections OD 3.1/2" to 9.5/8"
Additional coupling threader in the coupling shop.

Various quotes for the major plant equipment were obtained through EMS, the Italian-based technical consultants to the UAE project.

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

Finalisation of the commercial and technical feasibility report by the UK-based consultancy group, McLellan.

Obtaining preliminary environmental clearance to start project activities

Finalisation of the contract with the local UAE consultant in accordance with UAE norms.

Obtaining final offers from major equipment suppliers through EMS and entering into pre-contractual arrangements with them.

Start of site preparation.

Employment of senior engineers and support staff for the construction and subsequent operation of the plant.

The Company is awaiting firm financing proposals for the UAE project and it will keep the market informed pending further developments.

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

During the period, EFS’s total sales were €3,333,812 (A\$5,556,812)*, down from €3,402,428 (A\$5,670,713)* during the previous quarter. The decrease in revenue was largely due to some customers closing their books by mid-December for the end of the German financial year. It is expected that the revenue lost in December 2007 will be added to the figures for January 2008.

On 16 November 2007 the Company announced that EFS had received a firm order for the manufacturing and delivery of mudguard mounts from a major European truck manufacturing company. The contract value is €15 million (approx A\$ 24.75 million) over a three year period. Production is scheduled to start in mid-2008.

A leading German car component manufacturer has increased its order volume of air suspension pistons by approx. €80,000/month

EFS’ new manufacturing facility in Heiligenkreuz/Austria is currently being prepared for start of production in the (northern) summer of 2008.

EFS – Quarterly Revenue during last 4 quarters			
1st Quarter 2007	2nd Quarter 2007	3rd Quarter 2007	4th Quarter 2007
€3,300,146	€3,371,371	€3,402,428	€3,333,812
A\$5,500,243	A\$5,618,952	A\$5,670,713	A\$5,556,354
+20.0%*	+2.2%*	+0.9%*	-2.0%*

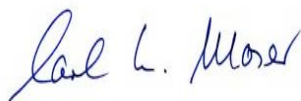
* Quarterly revenue changes

**4. 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")

31 December 2007

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	(1,561)	(2,930)
(c) production	-	-
(d) administration	(593)	(799)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	102	105
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,055)	(3,627)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,704)	(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	-	-
1.13 Total operating and investing cash flows (carried forward)	(3,759)	(5,331)

Appendix 5B
Mining exploration entity quarterly report

	(3,759)	(5,331)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	426	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	426
Net increase (decrease) in cash held		
	(3,759)	(4,905)
1.20 Cash at beginning of quarter/year to date	18,667	18,667
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	13,762	13,762

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	207
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	13,762	17,521
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	13,762	17,521

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:Carl Moser..... Date: ...31 January 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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