

BOULDER STEEL LIMITED

A.C.N 009 074 588

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4 June 2009

Mr Peter Tranter
Senior Adviser, Issuers
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6840

By email: peter.tranter@asx.com.au

Dear Mr Tranter

We refer to your letter dated 2 June 2009 and respond as follows, adopting your numbering and defined terms:

1. Yes, the Company believes that the information contained in the Announcement was material to the Company.
2. Not applicable.
3. *See below points:-*
 - a. The Company first entered into discussions in relation to the formation of a strategic partnership with ABS on 17 May 2009.
 - b. The Company's Board considered a final draft of the MOU on 18 May 2009.
 - c. The Company received notification from ABS that it signed the MOU at 2.09 am (Sydney time) on 25 May 2009.
 - d. The Company signed the MOU on 18 May 2009.

4. See below points:-

- a. The Company did not release the information referred to in the response to 3(a) to ASX at an earlier time because:
 - i. **(LR 3.1A.1):** a reasonable person would not expect the information to be disclosed (because the information relates to a confidential, incomplete proposal and negotiation, and a reasonable person would consider that earlier disclosure of this information would be unreasonably prejudicial to the commercial interests of the Company).
 - ii. **(LR 3.1A.2):** the information was confidential (until the Announcement).
 - iii. **(LR 3.1A.3):** the information concerned an incomplete proposal and negotiation.
- b. The Company did not release the information referred to in the response to 3(b) to ASX at an earlier time for the same reasons as those set out in 4(a).
- c. The Announcement was made prior to commencement of trading on Monday 25 May 2009, which was the earliest possible time to make the Announcement after ABS had signed the MOU and communicated the same to the Company.
- d. The Company did not release the information referred to in the response to 3(d) to ASX at an earlier time for the same reasons as those set out in 4(a) – the matter was still incomplete as ABS had not signed the MOU at that time.

5. Noted.

6. No.

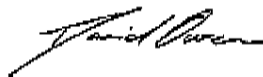
7. Yes.

8. No.

9. Not applicable.

10. The Company confirms that it is in compliance with Listing Rule 3.1.

Yours sincerely



Daniel Owen
Company Secretary



ASX Markets Supervisory Pty Ltd
 AFN 28 021 795 Corp
 Level 11, 100 Market Street
 Sydney NSW 2000
 Phone: (02) 9238 3000

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2 June 2009

Mr Daniel Owen
 Company Secretary
 Level 2, 16 Byfield Street
 North Ryde
 NSW 2113

By FAX: 02 9419 2818
 By Email daniel.owen@bouldersteel.com.au

Dear Daniel

Boulder Steel Limited (the "Company")

ASX Limited ("ASX") refers to the following:-

1. The change in the price of the Company's securities from 4.3 cents on 11 May 2009 to a high of 10 cents on 25 May 2009. We also note the increase on the volume of trading in the securities over this period;
2. The ASX Price and Volume Query dated 22 April 2009 and released to the market on 22 April 2009 at 16:00 (EST) (the "First Price Query");
3. The Company's response to the Price Query dated 22 April 2009 and released to the market on 22 April 2009 at 16:00 (EST) (the "First Response to Price Query");
4. The ASX Price and Volume Query dated 14 May 2009 and released to the market on 14 May 2009 at 12:12 (EST) (the "Second Price Query");
5. The Company's response to the Price Query dated 14 May 2009 and released to the market on 14 May 2009 at 12:12 (EST) (the "Second Response to Price Query");
6. The Company's announcement entitled "Boulder signs MOU with Arabia for Business Strategy LLC" released to the market on 25 May 2009 at 09:16 (EST) in which the Company announced that it had signed a memorandum of understanding (MOU) to form a strategic partnership with Arabia for Business Strategy LLC ("ABS") (the "Announcement"); and
7. The trading halt requested by the Company on 21 May 2009, beginning on 21 May 2009 and extending until the commencement of normal trading on 25 May 2009 ("Trading Halt").

Further we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Australian Securities Exchange

Level 11, 100 Market Street
 Sydney NSW 2000

Australian Clearing House
 AFL Clearing Corporation

ASX Notary and Financial Reporting
 Australia

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
 - *The information concerns an incomplete proposal or negotiation.*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - *The information is generated for the internal management purposes of the entity.*
 - *The information is a trade secret."*

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 -continuous Disclosure, we ask that you answer the following questions in relation to the Announcement in a format suitable for release to the market in accordance with listing rule 16.7A.

1. Does the Company believe that the information contained in the Announcement was material to the Company?
2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Announcement to be material.
3. If the answer to question 1 is "yes", please address each of the following questions:
 - a. When did the Company first enter into discussions in relation to the formation of a strategic partnership with ABS?
 - b. When did the Company's Board consider a final draft of the MOU?
 - c. When did ABS sign the MOU?
 - d. When did the Company sign the MOU?
4. If the Company became aware of any of the matters detailed in 3(a) to 3(d) above, why was the information not released to the market at an earlier time? Please address each matter separately and comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
5. In the First Response to Price Query the Company stated that:

We would like to draw your attention to the announcement concerning trading in the company's shares made by the company on 8 April 2009. The enquiries made by the company referred to in that

announcement are still inconclusive in regards to whether there have been changes in the holdings of the substantial shareholders referred to in that announcement. The company wrote to the two substantial shareholders reminding them of their obligations under the Corporations Act, but has received no response.

6. Please confirm whether, since 22 April 2009, the Company has become aware of any changes to the holdings of the substantial shareholders referred to in the First Response to Price Query?
7. Does the Company believe that changes to the holdings of the substantial shareholders (if any) may provide an explanation for the increase in the price of the securities from 11 May 2009 to 25 May 2009?
8. Is the Company aware of any other explanation for the increase in price and volume in the securities of the Company during the period from 11 May 2009 to 25 May 2009?
9. Please detail any announcement or release by or in relation to the Company from 11 May 2009 to 25 May 2009 that has not been released on ASX and that may provide an explanation for the increase in the price and volume of the securities during that period.
10. Please confirm that the Company is in compliance with listing rule 3.1.

Your response should be sent to me by email on peter.tranter@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, **not later than 16.00 WST on Thursday 4 June 2009.**

If you have any queries regarding any of the above, please let me know.

Yours sincerely

Peter Tranter

Senior Adviser, Issuers (Perth)