

BOULDER STEEL LIMITED

A.C.N 009 074 588

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General Information for Option Holders of Boulder Steel Options (BGDO)

Dear Option Holder

Thank you for your interest in exercising your BGDO options.

Below you will find general information to assist you in understanding and exercising your BGDO Options.

Quick Facts

Fact 1:	ASX Ticker Code: BGDO
Fact 2:	Expiry date: 31 March 2012
Fact 3:	Option type: Call Option* (American Style)
Fact 4:	Exercise Price: A\$0.10

* You have the right, but not an obligation, to purchase a share in Boulder Steel Limited at any time before the option expires at a fixed price (the exercise price) of A\$0.10.
For each exercised option you will be issued with one Ordinary Share in the Company.

Step 1 – Complete your Exercise Option Form

You should have received a notice from our share registrar, Computershare Investor Services Pty Limited (“Computershare”) after you acquired your Options. This notice should have a personalised Option Exercise Form (“exercise form”) attached to it. It is recommended that you use the personalised form sent to you by Computershare as it will help to ensure minimal delays in processing your exercise request.

If you are unable to find, or did not receive an Option Exercise Form, you can use the application form at the end of this document. Also included in this letter is the “Summary of Option Conditions”.

Carefully read and complete your exercise request form. Under the terms and conditions, an exercise notice (i.e. the signed exercise form) is required to be sent to Computershare in order for the instructions to be acted upon.

You will need to complete your holding information and sign the exercise form before returning it.

If you are using the attached, (non-personalised) exercise form please attach a copy of your Issuer/CHESS holding statement to the exercise form as proof of your option holding.

Step 2 – Payment

Payment by Cheque

As per the instructions on the exercise form, cheques must be made payable to “Boulder Steel Limited”, crossed “Not Negotiable”, and drawn on an Australian bank or financial institution, and denominated in Australian currency. Please do not forget to include your cheque in the envelope when posting your exercise form. (*Postage details are provided in Step 3*)

Payment via Bank Deposit

You may also transfer your options exercise monies directly to the Company’s bank account. The account details are as follows;

Name: Boulder Steel Ltd

Bank: Westpac

BSB: 032090

A/c: 347628

Swift Code: WPACAU2S

Please include your Holder Identification Number (HIN) or Shareholder Reference Number (SRN) in the reference of the transfer. Once the monies are transferred please send an email to: admin@bouldersteel.com.au advising us of the deposit amount, number of options exercised, referenced HIN or SRN and contact phone number. Please also confirm that the signed exercise form has been sent via mail.

Overseas option holders please instruct your bank to transfer the exact amount to our account in **Australian dollars**. The amount of money, which you pay to your bank must include all fee's including, but not limited to, bank, transfer and exchange fees. The company cannot exercise your options if you do not pay the exact required amount.

It is recommended that you print and keep a copy of your bank transfer receipt for your records.

The exercise price for each BGDO option is A\$0.10. Therefore, every share you acquire through the exercise of options will cost you A\$0.10. Example: If you wish to exercise 100,000 options (BGDO) you should send us a cheque for A\$10,000 or deposit A\$10,000 into our bank account.

Step 3 – Postage

Post **both** the completed exercise form and the accompanying cheque or a copy of the bank deposit receipt to the following address:

Computershare Investor Services Pty Limited
Boulder Steel Limited Options
GPO Box 1903
ADELAIDE, SA 5001
Australia

Q: What happens Next?

A: Once Computershare has received both your completed exercise form, and your payment has cleared they will issue you with 1 Share for every 1 Option you exercised.

You should receive notification of this issue within 2 - 3 weeks of mailing your exercise form and cheque or bank deposit receipt. For international option holders please allow an extra (1-2 weeks).

Once the shares have been issued, you will be able to trade them on the open market.

Assistance

If you wish to speak with someone at Computershare, the contact centre's number is **1300 556 161** (International +61 8 8236 2300). As long as you can identify yourself with your name, address and your HIN or SRN, Computershare will be able to provide you with information in regards to your holding.

You can also email your questions to: web.queries@computershare.com.au.

If you wish to contact Boulder's Company Secretary please contact our office on +61 (0)2 9413 1811 during business hours or email admin@bouldersteel.com.au

Hopefully this clears up some questions for you. If you have any further questions please do not hesitate to contact me.

Kind regards

Daniel Owen

Disclaimer: The contents of this document do not constitute legal or financial advice. Boulder Steel Limited ("the Company") strongly recommends that you seek advice from your legal or financial adviser before deciding whether or not to exercise your options.

Boulder Steel Limited

ABN 78 009 074 588

Level 2
16 Byfield Street
NORTH RYDE NEW SOUTH WALES 2113
Australia



Notice of Exercise of Options Expiring 31 March 2012

I/we hereby exercise my/our option to subscribe for ordinary fully paid shares in Boulder Steel Limited at an exercise price of \$0.10 per share.

I/we enclose application money of

\$A

I/we authorise you to register me/us as the holder of the shares to be allotted under my/our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHESS holding statement and entered herewith)

CHEQUES MUST BE MADE PAYABLE TO BOULDER STEEL LIMITED, crossed "Not Negotiable" and drawn on an Australian bank or financial institution, and denominated in Australian currency.

Please complete the following payment details

Drawer	BSB	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>

Sign Below – This section must be signed for your instructions to be executed.

I/we authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Name of Contact Person

Contact Person's Daytime Telephone

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney

Date – Day Month Year

Authorised Signatures

You must sign this form as follows:

- Individual: The securityholder must sign.
- Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.
- Power of Attorney: To sign as Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Director, Company Secretary, Sole Director and Sole Company Secretary can sign. Please indicate the office held by signing in the appropriate space.

Lodgement Instructions

The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Limited, GPO Box 1903, ADELAIDE SOUTH AUSTRALIA 5001.

SUMMARY OF OPTION CONDITIONS

“Exercise Price” means, in relation to an Option, the amount of 10 cents payable on exercise of an Option.

“Expiry Date” means 31 March 2012.

Subject to these conditions, each Option entitles the Holder to subscribe for and be allotted 1 Share upon the exercise of the Option and payment to the Company of the Exercise Price.

The Holder may at any time during the Exercise Period give a notice (“Exercise Notice”) to the Company requiring the Company to issue Shares on exercise of the Options.

An Exercise Notice must be in writing and must be delivered to the Company's registry, Computershare Investor Services Pty Limited, GPO Box 1903, Adelaide SA 5001 (or such other place as the Company may notify Holders in writing) together with payment of the Exercise Price for each of the Options exercised.

The Directors may prescribe the form of an Exercise Notice which must be given by a Holder in order to exercise an Option.

On exercise of any Options, the Company must allot to the Holder the number of Shares for which the Options are exercised at the Exercise Price. The Company must allot the Shares within 10 Business Days of receipt of the Exercise Notice.

Shares allotted upon exercise of Options will rank equally in all respects with all other issued Shares from the date of allotment and will be held subject to the Constitution.

Any option which has not been exercised by 5:00pm (Sydney Time) on the Expiry Date lapses. An Exercise Notice is not effective if it is received by the Company after the expiration of the Exercise Period.

If Shares in the Company are quoted on ASX at the time of exercise of the Options, the Company must make application to ASX for the number of Shares as corresponds to the number of Options exercised within 10 Business Days of the allotment of those Shares.

A Holder cannot participate in a new issue of securities in the Company without first exercising the Options. However, the Company will send a notice to each Holder at least 6 Business Days before the record date applicable to that new issue. This will give Holders the opportunity to exercise their Options prior to the date for the determination of entitlements to participate in that new issue.

If the Company offers Shares by way of a Pro-rata Issue (except a Bonus Issue) to the holders of Shares (whether renounceable or non renounceable), the Exercise Price of an Option will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

In the event of any reorganisation including subdivision, consolidation, reduction, return or cancellation of the issued capital of the Company on or prior to the Expiry Date, the rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules governing reorganisations in force at the time of the reorganisation.

The Company will keep and maintain, or cause to be kept and maintained, a register of Holders of Options. The Company must ensure that the Register is maintained in compliance with the Corporations Act and all other applicable rules and requirements.

Subject to the Constitution, ASX Listing Rules and ASTC Settlement Rules, all Options are transferable. The provisions of the Constitution relating to a transfer of Shares apply, with necessary alterations, to a transfer of Options.

These conditions are to be construed according to and are governed by the laws of New South Wales, Australia. Each of the Company and the Holder submits to the exclusive jurisdiction of the courts in and of New South Wales in relation to any dispute arising under these conditions.

This is a summary of the Conditions of Issue – New Options as set out in the Prospectus dated 18 March 2009. A copy of the Prospectus can be obtained by application to the Company or the Company's Share Registry.