

BOULDER STEEL LIMITED

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2 March 2012

Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

PROPOSED SALE OF PART OF THE COMPANY'S INVESTMENT IN EURO FORMING SERVICES GMBH (EFS)

Boulder Steel Limited (**Boulder**) is pleased to announce that, subject to execution of a formal sale agreement (expected to occur in March 2012), Boulder has agreed in principle with EFS Euro Forming Services Gmbh (**EFS**) and the holders of the remaining 50% of the shares in EFS (**Klever**, being interests associated with EFS' managing director, Mr Manfred Klever) to sell to Klever:

- (a) 60% of Boulder's shares in EFS for a purchase price of EUR 750,000; and
- (b) all of the loans made by Boulder to EFS Bitburg and to EFS Austria for a purchase price of EUR 2,500,000.

The total purchase price of EUR 3,250,000 will be paid by Klever in the following instalments: EUR 100,000 in February 2012 (received), EUR 100,000 in March 2012 and EUR 2,550,000 in April 2012, and EUR 500,000 will be payable one year after execution of the sale agreement.

After completion of this transaction, Boulder will retain a 20% free carried equity interest in EFS.

Boulder shall apply the funds raised by this transaction to working capital for the development of the Gladstone Steel Plant Project and head office operations.

The estimated financial impact of the transaction on the consolidated accounts of Boulder is set out below:

Investment in EFS**AUD**

Loss on sale of 60% of shares currently held	177,146
Impairment <u>loss</u> relating to the remaining EFS shares held	<u>118,097</u>

Loans to EFS

These loans remain subordinated to certain European bank loans, and receive no interest and repayment of principal until the bank loans are repaid at some time in the future.

Loss on sale of all loans made to EFS	<u>AUD</u> 2,273,573
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Yours sincerely,

Boulder Steel Limited

Daniel Owen
Company Secretary