



# Grant Thornton

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28 October 2013

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Dear Sir or Madam

**BOULDER STEEL LIMITED (ADMINISTRATORS APPOINTED)  
ACN 009 074 588 (“the Company”)**

**ADMINISTRATION UPDATE**

I refer to the Administrators’ update of 28 August 2013.

I advise that on 21 October 2013 the Administrators’ issued a Supplementary Section 439A report to creditors advising that the reconvened second meeting of creditors would be held on Tuesday, 29 October 2013 at 11.00am at the offices of Grant Thornton.

A copy of the Administrators’ Supplementary Section 439A report can be found on the Grant Thornton website: [http://www.grantthornton.com.au/Business-portal/Sydney/Boulder\\_Steel\\_Ltd.asp](http://www.grantthornton.com.au/Business-portal/Sydney/Boulder_Steel_Ltd.asp)

A summary of the Administrators Supplementary Section 439A report is noted below:

- Since the second meeting of creditors on 26 August 2013, the Administrators have worked with various interested parties in order to secure a greater return to creditors than what would be available under a Liquidation scenario.
- In total, the Administrators received 4 non-binding offers and 2 binding offers which have now been formally submitted as a DOCA proposal. The two (2) DOCA proposals that we received were from:
  - Trident Capital Pty Ltd (“Trident”); and
  - Tasman Engineering Services Pty Ltd (“Tasman”)

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Our Ref: L - ASX Update October.Docx



- The key terms of the Trident DOCA are as follows:

**Trident DOCA Proposal Overview**

Item	Comment
Consideration	<ol style="list-style-type: none"> <li>\$25,000 non-refundable deposit on receipt of ASX approval for reinstatement without compliance with Chapter 1 and 2 of the ASX Listing Rules and approval from creditors for the Administrators to enter into a DOCA with Trident.</li> <li>\$125,000 payable following shareholder approval of the DOCA and Reconstruction Deed arrangements through a Proponent Raising at 0.5 cents per share.</li> <li>\$450,000 payable after a public raising through a prospectus, which Trident will use reasonable endeavours to achieve by April 2014.</li> <li>In the event that the Environmental Impact Statement is transferred or sold for cash consideration within the first 36 months following Boulder's reinstatement, Trident will pay the Administrators 35% of the net (after all costs are deducted) cash consideration received.</li> </ol>
Terms	<ol style="list-style-type: none"> <li>Boulder to retain suitable assets to enable it to retain its listing on the ASX.</li> <li>All costs associated with the reconstruction and recapitalisation of Boulder to be met by Trident, estimated to be \$100k.</li> <li>The Deed Administrator to carry their own costs.</li> <li>Use of Creditors Trust to enable relisting on the ASX.</li> </ol>
Conditions	<ol style="list-style-type: none"> <li>All necessary creditor and shareholder approval being achieved.</li> <li>The ASX confirming in writing that the transaction contemplated by this proposal will enable Boulder to relist on the ASX without the need to comply with Chapter 1 and 2 of the Listing Rules, and the ASX has no other conditions that are unsatisfactory to Trident.</li> </ol>

- The key terms of the Tasman DOCA (amended subsequent to the issuing of the Supplementary Section 439A report) are as follows:

**Tasman DOCA Proposal Overview**

Item	Comment
Consideration	1 \$625,000* (originally \$850,000 but reduced to \$625,000 following the issue of the Administrators Supplementary Section 439A report)
Terms	1 \$625,000* to be paid within 6 months of the DOCA being accepted, subject to due diligence.
Conditions	<ol style="list-style-type: none"> <li>Creditors acceptance of the DOCA.</li> <li>Boulder be released from all debts owed to all creditors.</li> <li>The removal of all registrations under the PPSR prior to the settlement of funds.</li> <li>Completion of satisfactory due diligence as determined by Paul Sundstrom of Tasman.</li> </ol>

- It is in the Administrators' opinion that creditors should vote to execute the Trident DOCA as it will result in all employee entitlements being paid in full including superannuation, which is not covered by the FEG scheme.
- The Administrators do not recommend that creditors vote in favour of the Tasman DOCA as it is still subject to completion of satisfactory due diligence by Tasman and as such carries a high risk that the transaction may not complete.

**Other Matters**

Shareholders are advised that the Administrators have successfully applied to ASIC for relief pursuant to Section 250P of the Corporations Act 2001, for an extension of time in which to hold the Company's Annual General Meeting ("AGM"). The AGM must now be held prior to 22 April 2014 (previously 30 November 2013).



A further update will be provided to shareholders after the reconvened second meeting of creditors on 29 October 2013.

Should you have any queries in relation to the above, please do not hesitate to contact Lisa McGarry of our office on (02) 8297 2411 or [lisa.mcgarry@au.gt.com](mailto:lisa.mcgarry@au.gt.com).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Said Jahani'.

Said Jahani  
Joint and Several Administrator