

# BOULDER STEEL LIMITED

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24 January 2013

Company Announcements  
Australian Stock Exchange  
20 Bridge St  
SYDNEY NSW 2000

Dear Sir/Madam

Boulder Steel Limited is pleased to announce that it has signed a Letter of Intent for the supply of steel slabs with Panyu Chu Kong Steel Pipe Co., Ltd (PCK), a wholly-owned subsidiary of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited ("**Chu Kong**") for the potential off-take by PCK of up to 2,200,000 tonnes a year, from a total proposed production of 5,000,000 tonnes per annum, once the Gladstone Steel Plant Project ("**GSPP**") is in operation.

Chu Kong is listed on the Hong Kong Stock Exchange under Hong Kong Stock Code 01938 and is China's largest manufacturer of longitudinal welded steel pipes. It has over 3,800 employees.

Chu Kong's most recent published accounts for the six months ended 30 June, 2012 show it earned a gross profit of RMB 355,000,000 (A\$54.1m) and a net profit after tax of RMB 170,337,000 (A\$25.9m) for the six month period.

The Letter of Intent forms the basis upon which the parties agree to negotiate a formal off-take agreement. The progression of the formal off-take agreement is subject to approval, by the Queensland Government, of the GSPP's Environmental Impact Statement, which is currently on public display, the financing for the project, the GSPP being completed and agreement as to price or a pricing formula for the steel slabs and any other applicable conditions.

Boulder is looking forward to further strengthening the relationship with this important partner and future customer.

In combination with Boulder's Environmental Impact Statement being on public display, this Letter of Intent is a significant step for Boulder.

Yours faithfully

David Simpson  
Managing Director