ASX
AUSTRALIAN STOCK EXCHANGE

MARKET RELEASE

11 September 2003

Boom Logistics Limited

Boom Logistics Limited has applied for admission to the official list of Australian Stock Exchange Limited and for quotation of its securities. It has been given a provisional ASX code. Provision of an ASX code and publication of the following information does not mean that the entity will be admitted or that its securities will be quoted.

Pam Ross
Manager Company Announcements Office

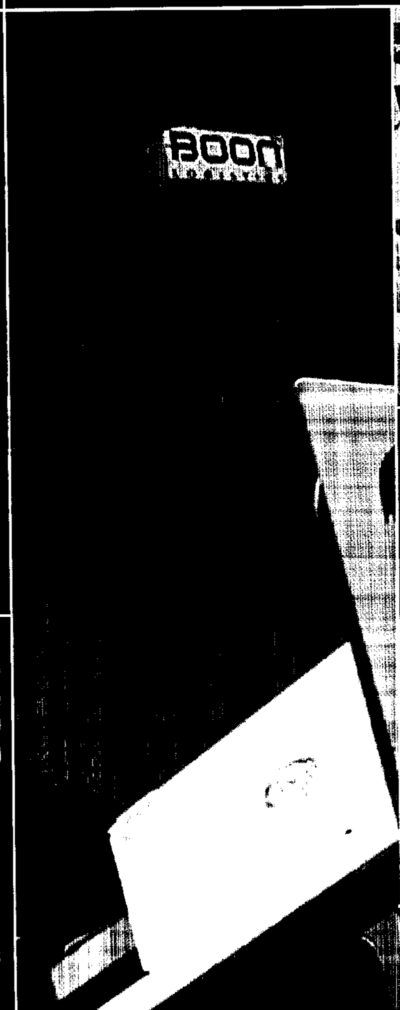
BOOM LOGISTICS LIMITED

ABN 28 095 466 961

Providers of lifting solutions to Australia

PROSPECTUS

BOOM LOGISTICS LIMITED

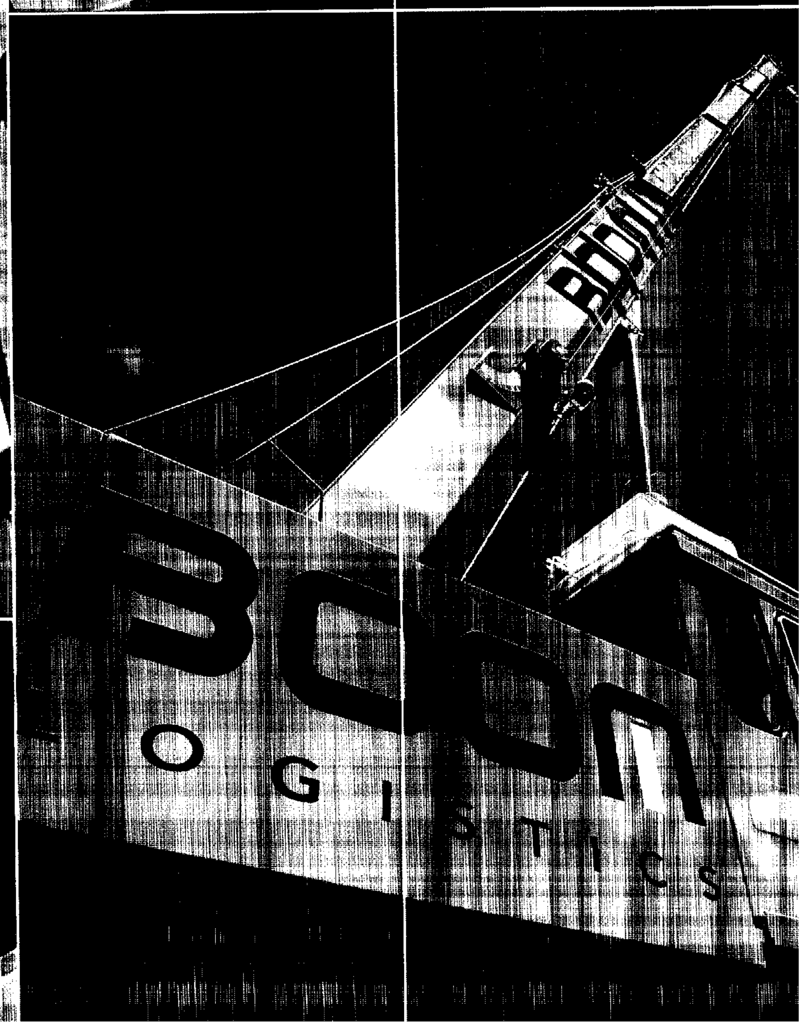


pectus for the Offer of 26,250,000 Shares at $0.80 per Share to raise million and the Offer of 7,500,000 ing Shares at $0.80 per Share by Existing eholders

ugust 2003

t Underwriters:

Potter	Wilson HTM
rities Ltd	Corporate Finance Ltd
25 006 390 772	ABN 65 057 547 323

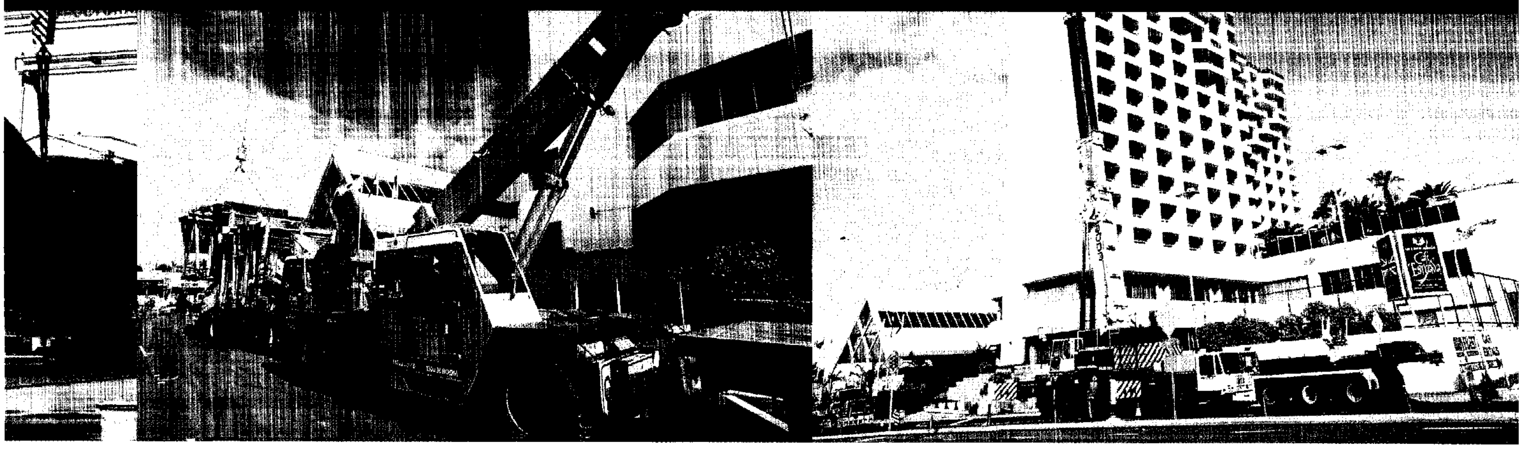


BOOM
LOGISTICS
LIMITED

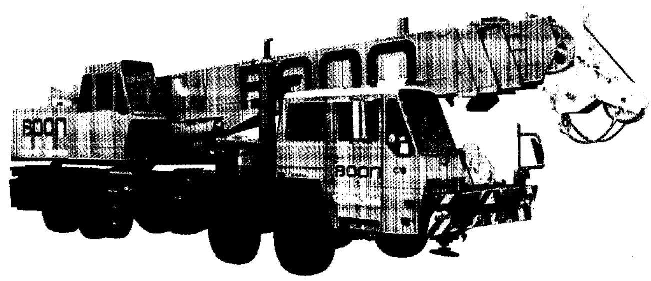
BOOM location in Kwinana industrial estate.


BOON
LOGISTICS
BOON
1BDJ-487
Melville Motors

KEY INFORMATION



Lodgement Date	27 August 2003
Exposure Period Ends (unless extended by ASIC)	3 September 2003
Opening Date	11 September 2003
Closing Date	1 October 2003
Shares Expected to be Allotted	7 October 2003
Holding Statements Expected to be Dispatched	9 October 2003
Trading of Shares on ASX Expected to Commence	14 October 2003



50 tonne truck mounted slewing crane.

These dates are indicative only. BOOM Logistics Limited (BOOM) (in consultation with the Underwriters) has the right to vary these dates without notice.

Important Notice

This Prospectus is dated 27 August 2003 and was lodged with ASIC on 27 August 2003. ASIC and ASX take no responsibility for the contents of this Prospectus.

BOOM will apply for the Shares offered by this Prospectus to be listed for quotation by the ASX within 7 days following the date of this Prospectus. No Shares will be issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.

Before deciding to invest in BOOM, potential investors should read the entire Prospectus. In considering the prospects for BOOM, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of BOOM. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Restrictions on Distribution

This Prospectus does not constitute an offer or invitation in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Prospectus Availability

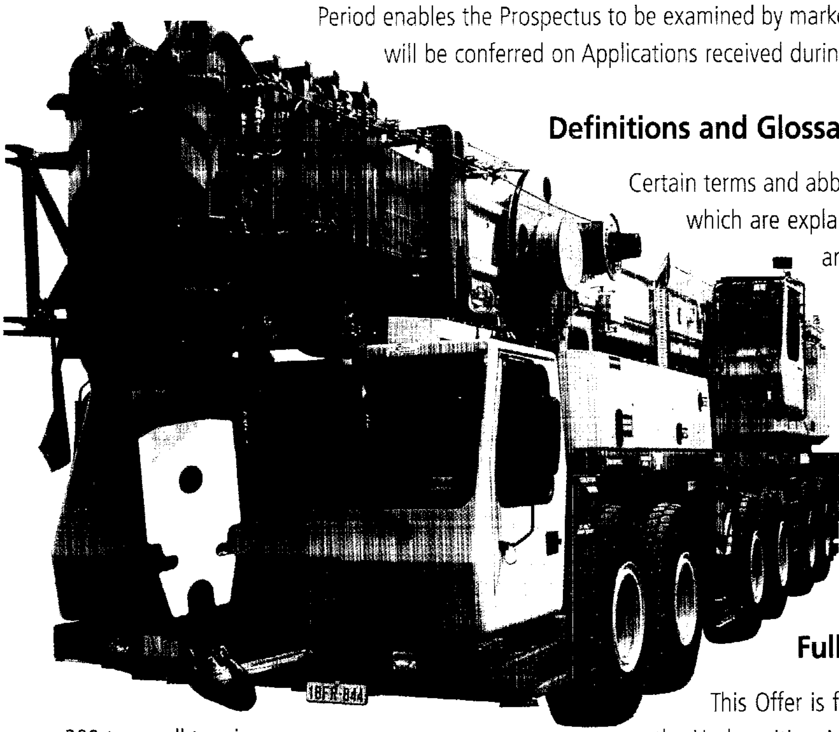
This Prospectus (except the Application Form) is available in electronic form on BOOM's website at **www.boomlogistics.com.au** and on the Underwriters' websites at either **www.bellpotter.com.au** or **www.wilsonhtm.com.au**. Any Australian resident who receives this Prospectus electronically will be sent a paper copy of the Prospectus (and attached Application Form) free of charge on request during the Offer Period.

Applications

The Application Form included in this Prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of the Prospectus. The Application Form contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form. Applications under the Offer must be made by completing a paper copy of the Application Form included in this Prospectus. BOOM will not accept a completed Application Form if it has reason to believe that the Applicant has not received a Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Exposure Period

Under the Corporations Act, BOOM is not permitted to process Applications in the period of 7 days after the date of lodgment of this Prospectus with ASIC. ASIC may extend this period for up to a further 7 days. The Exposure Period enables the Prospectus to be examined by market participants prior to the raising of funds. No preference will be conferred on Applications received during the Exposure Period.



200 tonne all terrain crane.

Definitions and Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary of Terms in Section 11. The financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. References to time are to Eastern Standard Time (EST) unless stated otherwise.

Photographs

The cranes pictured in this Prospectus are assets of the Company or are intended to be acquired by the Company in accordance with the Contracted Acquisitions.

Fully Underwritten

This Offer is fully underwritten by the Underwriters in accordance with the Underwriting Agreement. The Underwriting Agreement is summarised in Section 10.4.1. Provided the Underwriting Agreement is not terminated, the Offer will raise:

(a) $21 million for use by the Company.

(b) $6 million pursuant to the sale of Existing Shares by Existing Shareholders.

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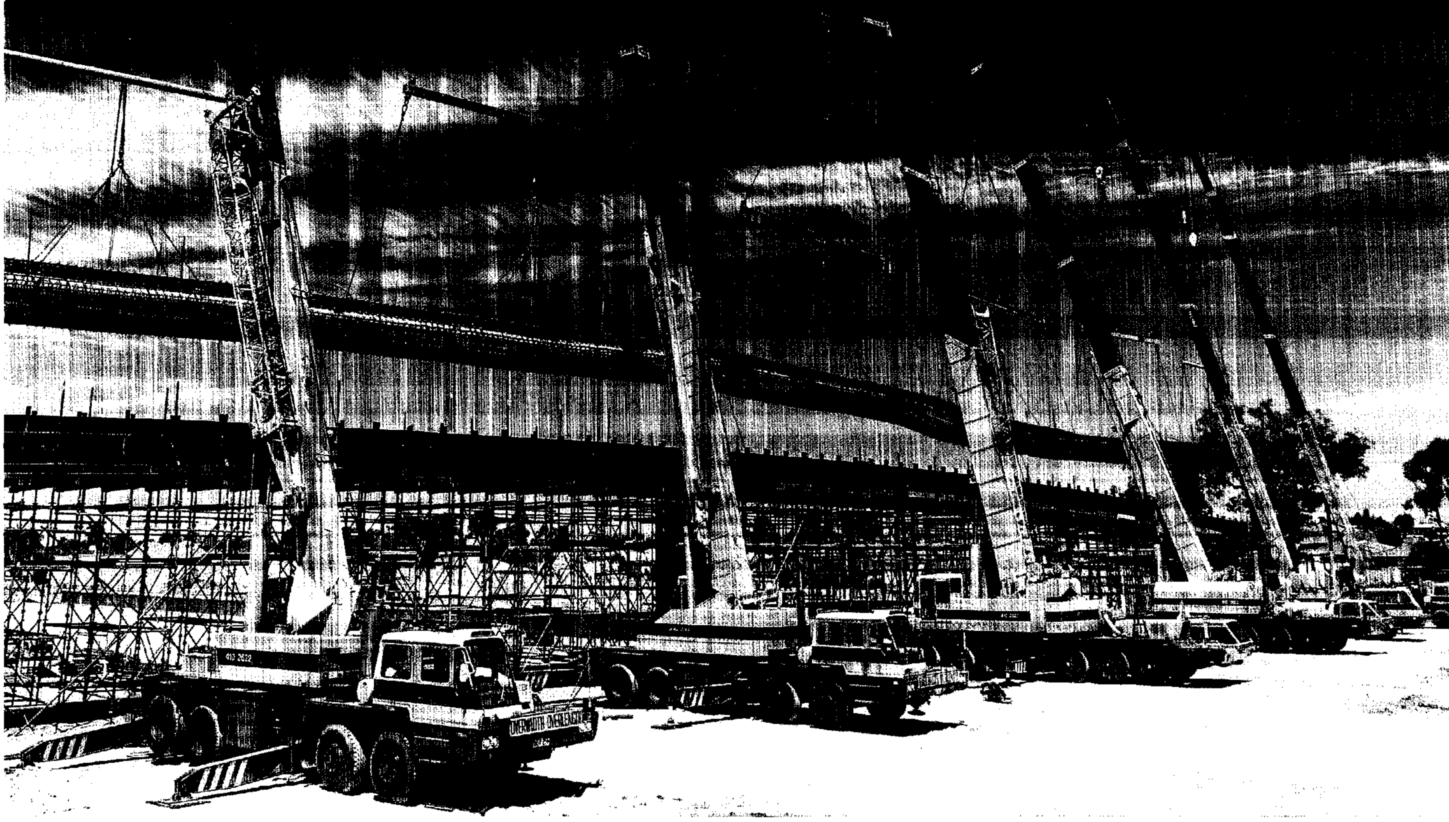
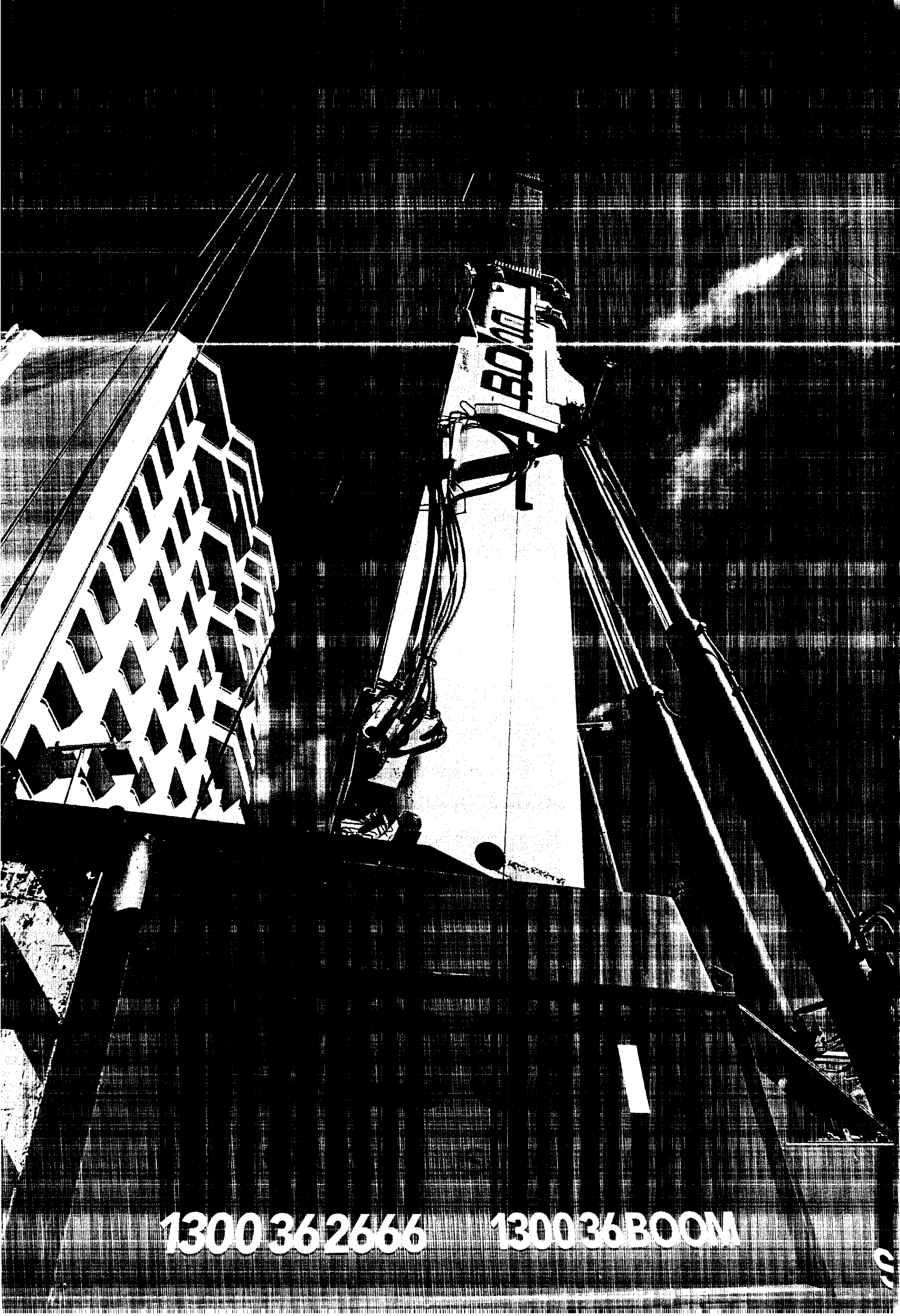
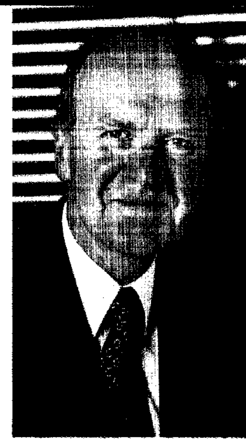


Multiple shared lift.


BOOM
1300 36 2666
1300 36 BOOM

CHAIRMAN'S LETTER



Dear Investor,

On behalf of the Board, I am pleased to offer you the opportunity to invest in BOOM Logistics Limited.

BOOM is an industrial services company that has acquired established crane hire businesses across Australia with long track records of success to form a national lifting solutions group with a strong market presence.

The provision of lifting services is a lucrative sector of the Australian industrial maintenance, construction and resources markets, with BIS Shrapnel indicating estimated industry revenue of some $889 million in the 2003 financial year. The sector is a fundamental part of economic activity across a wide range of industrial markets.

Following a number of acquisitions made over the past 2 years and their successful integration, BOOM is a leading Australian lifting solutions company. Under this Offer, BOOM is contracted to acquire a further 5 businesses, which will further enhance BOOM's national presence.

The Company intends to continue to grow its business through organic and acquisition opportunities to create shareholder wealth. The Company believes it can take advantage of these growth opportunities through its fleet size and national presence, quality, safety and risk management standards, experienced management team and listed company status.

The multiple industry sectors served by BOOM reduces the impact of volatility in any one of those sectors. BOOM business units have prospered through difficult economic times and have benefited from a stable workforce. The Company also benefits from its established customer base, with more than 70% of revenue in the last financial year sourced from customers of greater than five years standing.

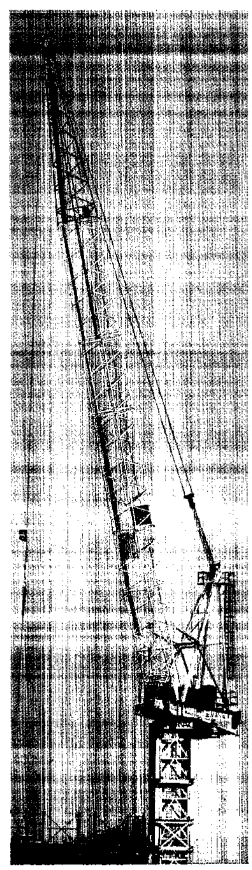
The Offer is expected to raise $27 million, of which the Company will retain $21 million to fund growth. Under the Offer, the Existing Shareholders are selling less than 20% of their shareholdings.

This Prospectus contains detailed information about BOOM. Please consider this information carefully before making your investment decision.

Together with my fellow Directors, I look forward to welcoming you as a shareholder of BOOM and sharing in our future prosperity.

Yours faithfully,

John Robinson
Chairman



Tower crane.


BOON
BOON
BOON

SECTION 1 – OFFER SUMMARY

This Section provides an overview of the Offer and must be read in conjunction with the remainder of the Prospectus.

1.1 Executive Summary

BOOM is a leading Australian lifting solutions company with a pivotal position in the growing industrial maintenance, commercial construction and resources sectors.

BOOM, which can trace its business origins back to 1977, was established in December 2000 to capitalise on opportunities in the crane industry. The Company identified the need for superior service by applying a new business model on a national scale to provide a focussed national operator.

The Company provides the following lifting services:

- Managed Lifting Solutions.
- Contractual Maintenance Arrangements.
- Crane Integration for Commercial Constructions.
- Engineering Services and Maintenance.
- Equipment Hire.
- Logistics and Transport.

Following the Offer, BOOM will acquire the following Contracted Acquisitions:

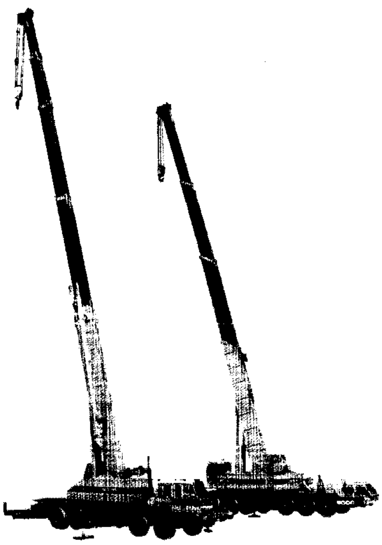
- Conmor Cranes.
- Heavy Lift Cranes.
- Purcell Cranes.
- Holts.
- Port Kembla Cranes.

These Contracted Acquisitions (as summarised in Section 10.4.9) will increase BOOM's national coverage and enhance the Company's diverse fleet range, knowledge culture and safety focus.

BOOM's position as a focussed national operator allows it to capitalise on strategic opportunities in the crane industry by eliminating the effects of:

- Fragmentation.
- Private ownership.
- Small scale operations.

1.2 Investment Highlights



- BOOM is a leading Australian lifting solutions company. Following the Contracted Acquisitions pursuant to this Offer, BOOM's national market presence will grow significantly.
- The Company has an experienced Board and senior management team focussed on creating shareholder wealth.
- The Company has attractive long term growth prospects from new contracts and clients, expansion of existing customer relationships and future acquisitions. BOOM's growth strategy is described in further detail in Section 4.
- The Company's established business plan and operating systems efficiently manages the integration of new businesses.
- The Company has a diversified business and revenue base with respect to industry, customer and geographic coverage.
- BOOM maintains long term customer relationships with a diversified high quality customer base generating stable recurrent revenue streams. BOOM's national presence, systems and quality assurance allows it to service national corporate customers.
- BOOM's capacity, flexibility, service and equipment range will allow future customer growth in new areas such as total solutions management.
- BOOM has established quality, safety and risk management standards and has a stable industrial relations record.
- Following the Offer, BOOM will benefit from being a listed public company that operates in a fragmented industry historically characterised by local private operators.

1.3 Key Financial Data

The table below sets out historical and forecast financial information on BOOM. In presenting this information, the Directors have provided pro-forma historical financial information to further assist investors to:

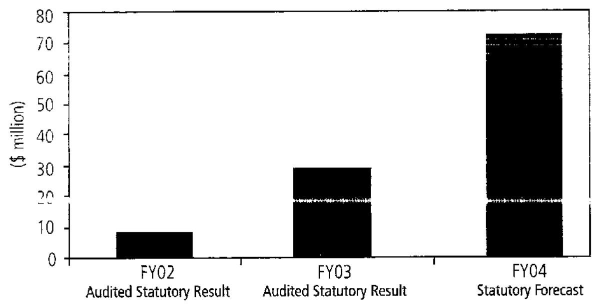
- Evaluate the historic financial performance of BOOM's component businesses.
- Assess BOOM's FY04 financial forecasts.

$m **Year end 30 June**	**2002** **Pro-forma**[1]	**2003** **Actual**[2]	**2003** **Pro-forma**[3]	**2004** **Statutory Forecast**[4]	**2004** **Pro-forma Forecast**[5]
Operating Revenue	74.7	28.6	82.2	73.1	**86.7**
EBITDA	17.2	6.7	20.2	18.6	**22.2**
EBIT	*	5.1	*	14.8	**17.9**
Net Profit After Tax	*	2.6	*	8.9	**10.9**
Basic EPS (cents)[6]	*	*	*	11.1	**11.8**
Diluted EPS (cents)[7]	*	*	*	10.9	**11.6**
Dividend per Share (cents)[8]	*	*	*	4.8	**5.9**
PE Ratio (times)[9]	*	*	*	7.3	**6.9**
Dividend yield at Offer Price[10]	*	*	*	6.0%	**7.4%**
Return on Equity[11]	*	24%	*	17%	**20%**
Interest Cover (times)[12]	*	3.4	*	7.0	**7.8**
Gearing[13]	*	188%	*	*	*
Gearing on IPO[14]	*	66%	*	*	*

1 FY02 pro-forma financial performance includes the results for FY02 of all BOOM's historic acquisitions and all Contracted Acquisitions assuming they were all owned by BOOM from 1 July 2001.
2 FY03 audited actual statutory result for BOOM.
3 FY03 pro-forma financial performance includes the results for FY03 of all BOOM's historic acquisitions and all Contracted Acquisitions assuming they were all owned by BOOM from 1 July 2002.
4 FY04 statutory financial forecast includes BOOM and all Contracted Acquisitions from the date the Contracted Acquisitions are to be acquired.
5 FY04 pro-forma financial forecast includes BOOM and all Contracted Acquisitions assuming all Contracted Acquisitions occurred on 1 July 2003.
6 NPAT divided by the weighted average number of fully paid shares on issue.
7 NPAT divided by the weighted average number of fully paid shares and options on issue.
8 Based on a payout ratio of 50% of NPAT divided by the number of fully paid shares on issue.
9 Offer Price as a multiple of diluted EPS.
10 Calculated as dividend per share (cents) as a percentage of the Offer Price.
11 Based on NPAT divided by total shareholders' equity.
12 Based on EBIT divided by net interest.
13 Based on the ratio of net debt to shareholders' equity per the FY03 audited statutory accounts.
14 Based on the ratio of net debt to shareholders' equity per the FY03 audited statutory accounts adjusted for the Contracted Acquisitions and the funds raised under the Offer.
* Indicates information is not calculable or considered appropriate in the circumstances.

Based on audited results, BOOM has increased operating revenue from about $7.4 million in FY02 to $28.6 million in FY03. Operating revenue is forecast to increase to $73.1 million in FY04. This growth is represented graphically below.

BOOM Revenue Growth



The information presented in the table on the previous page and graph summarises:

- Financial information for the Company and is derived from the pro-forma historical financial information included in Sections 7 and 9. This summary financial information should be read in conjunction with Sections 7 and 9, the risks outlined in Section 8 and information contained elsewhere in this Prospectus.
- The Directors' forecasts as detailed in Sections 7 and 9 of this Prospectus which are based upon a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of BOOM and the Board, and upon assumptions with respect to future business decisions which are subject to change. These estimates, assumptions and uncertainties are discussed in greater detail in Sections 7, 8 and 9. Events and circumstances often do not occur as anticipated and actual results are likely to differ from the forecasts. These differences may be material. Accordingly, the Board does not guarantee the achievement of the Directors' forecasts.

80 tonne all terrain crane

1.4 Capital Structure

Offer Price per Share	$0.80
Shares on Issue after Vendor Selldown[1]	36,235,706
Shares to be issued as consideration for Contracted Acquisitions[1]	20,234,938
Shares to be issued to CEO[2]	1,658,571
Shares to be issued to employees[1]	490,000
New Shares to be offered for subscription in this Offer	26,250,000
Existing Shares offered for sale in this Offer	7,500,000
Total Shares[4]	92,369,215
Market Capitalisation at the Offer Price[3]	$73,895,372
Options on Issue[1]	2,015,000
Total Shares and Options on issue on Completion of the Offer[4]	94,384,215

1 All securities will be subject to voluntary escrow until 1 September 2004 other than 140,000 Shares issued to employees not subject to voluntary escrow arrangements.

2 Shares held by the CEO are subject to voluntary escrow as set out in Section 10.16 of this Prospectus.

3 Based on Total Shares.

4 Total Shares includes 1,658,571 Shares to be issued to the CEO and 490,000 Shares to be issued to employees after the date of this Offer.

1.5 Indicative Timetable

Date of Prospectus	27 August 2003
Opening Date	11 September 2003
Closing Date	1 October 2003
Dispatch of Holding Statements	9 October 2003
Quotation of Shares on ASX expected	14 October 2003

These dates are indicative only. BOOM and the Underwriters reserve the right to vary the dates connected with the Offer (including the Closing Date of the Offer) without notifying Applicants.

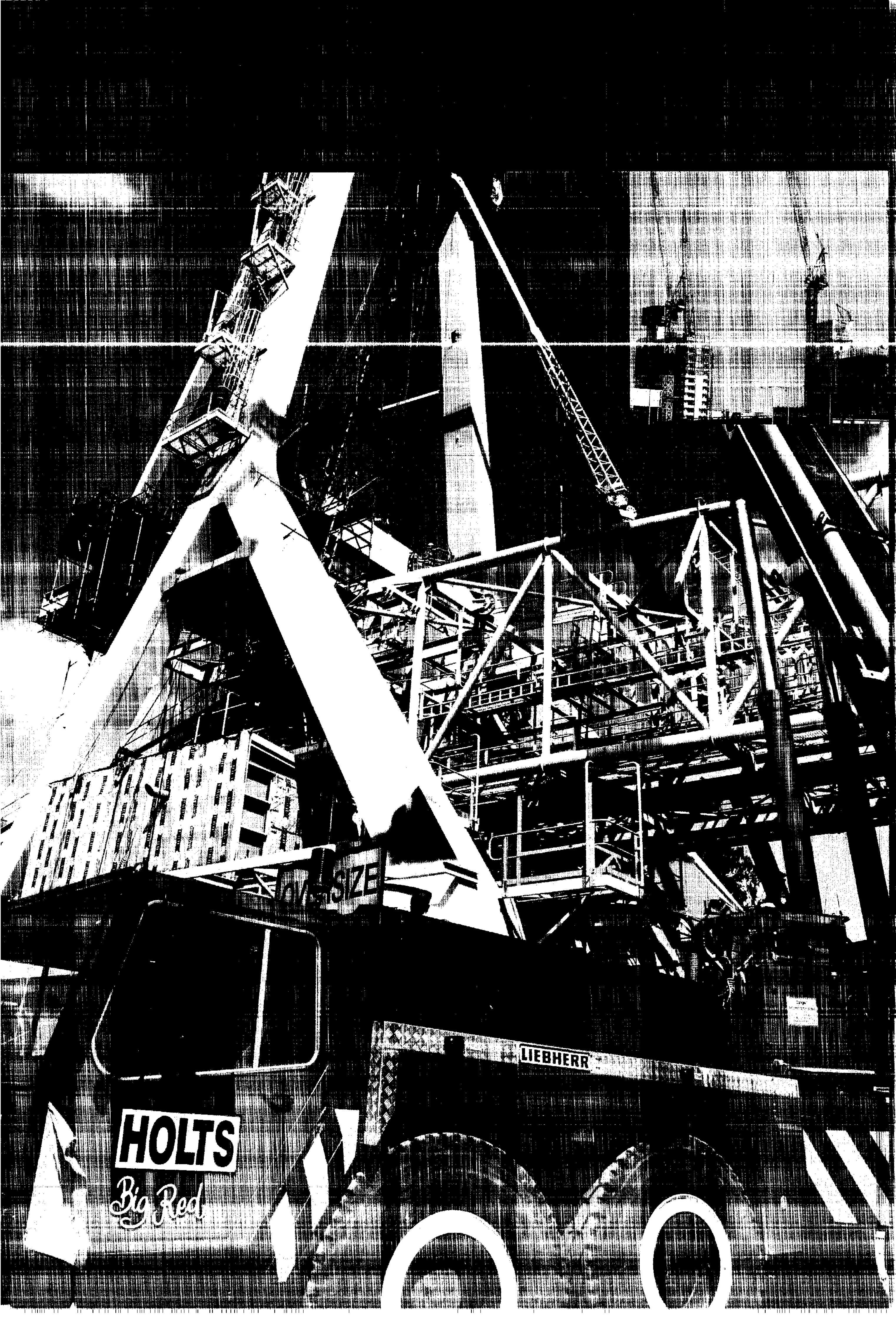
1.6 Use of Proceeds and Working Capital

The Company will use funds received from the Offer (which is fully underwritten) to pursue its objective of providing national lifting solutions to the Australian market. The Company intends to apply funds raised from the Offer to primarily fund the Contracted Acquisitions of Port Kembla Cranes, Holts, Purcell Cranes, Conmor Cranes and Heavy Lift Cranes and to provide working capital (refer to Section 2.3).

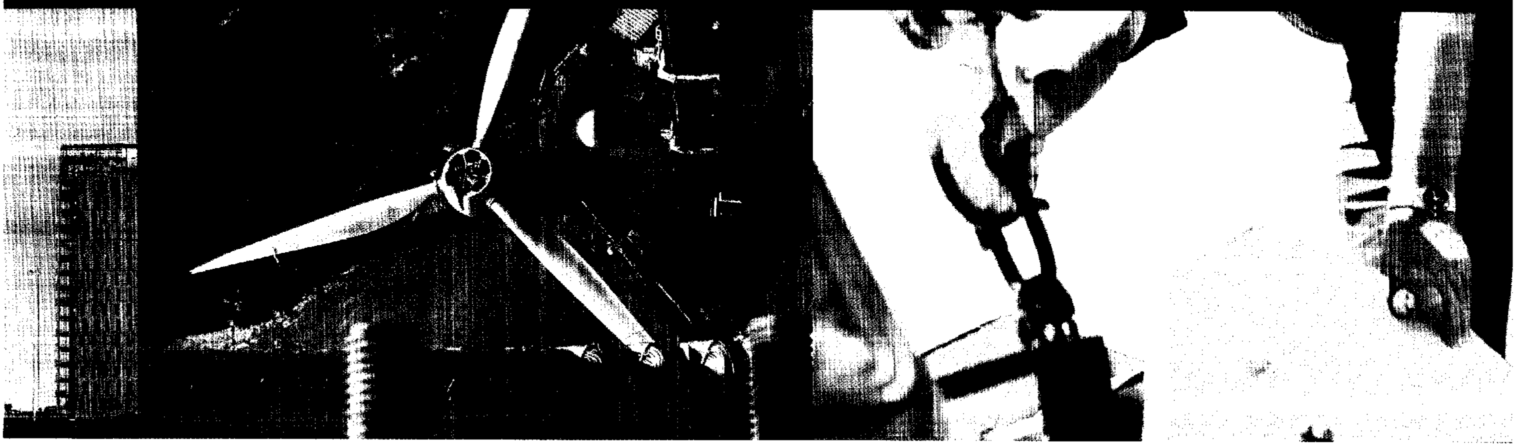
1.7 Dividend Policy

Subject to Directors' forecasts being met, BOOM expects to declare a fully franked interim dividend of 1.2 cents per Share in April 2004 and a final fully franked dividend of 3.6 cents per Share for the financial year ending 30 June 2004, payable in October 2004. This represents a total dividend for the financial year ending 30 June 2004 of 4.8 cents per Share.

In the future, and subject to BOOM achieving sufficient profits and franking credits, the Company intends to distribute approximately 50% of profit after tax in fully franked dividends. The Directors may review this dividend policy from time to time and, subject to prevailing circumstances, may change its terms. Further details of the Board's dividend policy are contained in Section 7.11.


LIEBHERR
HOLTS
Big Red

SECTION 2 – DETAILS OF THE OFFER



2.1 Description of the Offer

This Prospectus invites Applicants to apply for a total of 33,750,000 Shares in BOOM at a price of $0.80 per Share. This comprises 26,250,000 New Shares to be issued by the Company and 7,500,000 Existing Shares to be sold by the Existing Shareholders. The proceeds of the Offer ($27 million) will be paid to the Company and the Existing Shareholders in proportion to the number of Shares that each party is offering under this Prospectus. All of the Shares offered under this Prospectus will rank equally with all Shares currently on issue in BOOM in accordance with the rights attaching to Shares set out in Section 10.2.

2.2 Impact of Contracted Acquisitions following the Offer

The table below sets out the ownership of Shares before the Offer and immediately following the Offer.

	Before the Offer		After the Offer	
	Shares	**%**	**Shares**	**%**
Fully Paid Shares held by Existing Shareholders	43,735,706	100.0	36,235,706	39.2
Fully Paid Shares held by Vendors of Conmor Cranes	–	–	5,859,938	6.3
Fully Paid Shares held by Vendors of Heavy Lift Cranes	–	–	3,437,500	3.7
Fully Paid Shares held by Vendors of Holts	–	–	10,000,000	10.8
Fully Paid Shares held by Vendors of Purcell Cranes	–	–	937,500	1.0
Fully Paid Shares to be issued to the CEO	–	–	1,658,571	1.8
Fully Paid Shares to be issued to employees	–	–	490,000	0.6
Shares offered by Prospectus	–	–	33,750,000	36.6
Total Shares	43,735,706	100.0	92,369,215	100.0
Options	760,000	–	2,015,000	–
Total Shares and Options	**44,495,706**		**94,384,215**	

2.3 Use of Proceeds and Working Capital

	Use of Funds ($ million)
Issue of New Shares (fully underwritten)	21.0
Less: Funds applied for Contracted Acquisitions[1]	(14.7)
Less: Underwriting costs[2]	(1.2)
Balance for working capital	5.1

1 Details of the acquisition costs are provided in Section 7.14. This figure does not include deferred payments for the Contracted Acquisitions or funds received by the Company from debt funding.

2 Represents only the underwriting fee on the issue of New Shares. Associated capital raising costs ($0.5 million) will be met from existing working capital. Existing Shareholders will meet their respective proportion of the underwriting fee.

2.4 Opening and Closing Date of the Offer

The Opening Date of the Offer is 11 September 2003 at 9:00 a.m. EST and the Closing Date of the Offer is 1 October 2003 at 5:00 p.m. EST.

The Directors of BOOM (in consultation with the Underwriters) reserve the right to:

(1) Close the Offer early without prior notice.

(2) Vary any of the important dates set out in this Prospectus, including extending the Offer Period.

2.5 Underwriting Agreement

The Underwriters have agreed to jointly underwrite and manage the Offer on the terms of the Underwriting Agreement. Details of the material terms of the Underwriting Agreement are set out in Section 10.4.1 of this Prospectus. BOOM will pay the Underwriters' fees and expenses from the proceeds of the Offer on the terms of the Underwriting Agreement. The Underwriters have reserved the right to procure any person to sub-underwrite any portion of the Offer. The Underwriters may terminate the Underwriting Agreement if any of the events specified in Section 10.4.1 occur.

2.6 ASX Listing

BOOM will apply for the New Shares and the Existing Shares (subject to the ASX Listing Rules) to be listed for quotation by the ASX within 7 days of the date of this Prospectus.

The fact that the ASX may admit BOOM to the Official List is not to be taken in any way as an indication of the merits of BOOM or of the Shares offered by this Prospectus. Quotation, if granted, of the Shares offered by this Prospectus will commence as soon as practicable after the issue of Holding Statements to successful Applicants.

If the ASX does not grant permission for the official quotation of the Shares within 3 months after the date of issue of this Prospectus, none of the Shares offered by this Prospectus will be allotted or issued unless ASIC grants the Company a modification or exemption permitting such allotment or issue.

If no allotment or issue is made, all monies paid on Application for the Shares will be refunded without interest within the time required under the Corporations Act.

2.7 Voluntary Escrow Arrangements

Certain Shares and other securities on issue in the Company are subject to voluntary escrow restrictions. 58,479,215 Shares and 2,015,000 Options are subject to escrow until 1 September 2004 (the CEO has a longer escrow period). Details of these restrictions are set out in Section 10.16.

2.8 How to Apply for Shares

Applications can only be made by completing and lodging the Application Form accompanying this Prospectus. The Application Form contains detailed instructions on how it is to be completed. An Application Form must be accompanied by a cheque in Australian dollars, crossed "not negotiable" and made payable to "BOOM Logistics Limited – Float Account". Payment for the Shares must be made in full at the issue price of $0.80 for each Share subscribed. Applications which do not meet these requirements may be refused at the discretion of the Directors in consultation with the Underwriters.

Completed Application Forms and accompanying cheques should be lodged at either of the following addresses as soon as practicable after the Opening Date.

Joint Underwriters

Bell Potter Securities Limited

Exchange Plaza
Level 37, 2 The Esplanade
PERTH WA 6000
Tel: (08) 9326 7666
Fax: (08) 9326 7676

Wilson HTM Corporate Finance Limited

Level 18,
385 Bourke Street
MELBOURNE VIC 3000
Tel: (03) 9640 3832
Fax: (03) 9640 3848

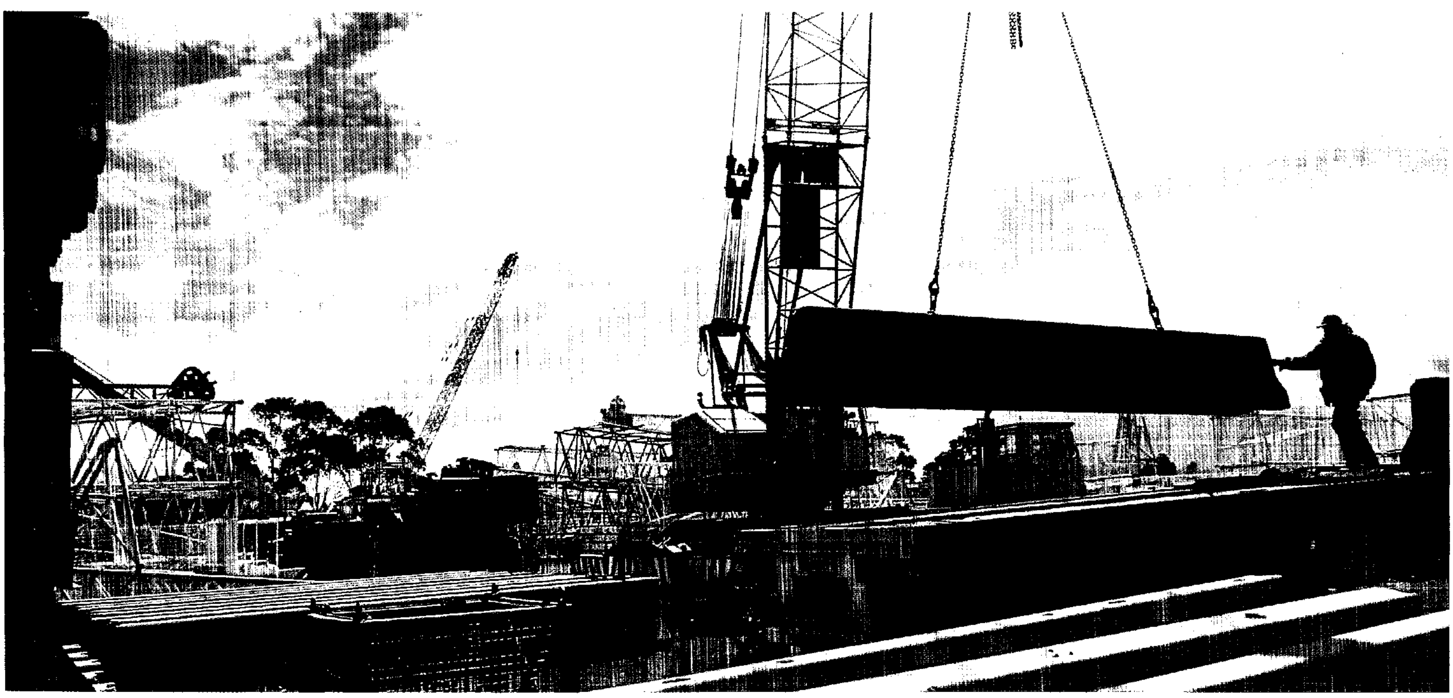
Share Registry

Computershare Investor Services Pty Limited

Level 12,
565 Bourke Street
MELBOURNE VIC 3000
Tel: 1300 850 505 or (03) 9615 5970
Fax: (03) 9611 5710

Completed Application Forms must be received before 5:00 p.m. EST on the Closing Date of the Offer.

The minimum application size is 2,500 Shares at $0.80 each ($2,000). Additional Shares can be applied for in multiples of 500 Shares.



200 tonne pin jib crane.

2.9 Allotment

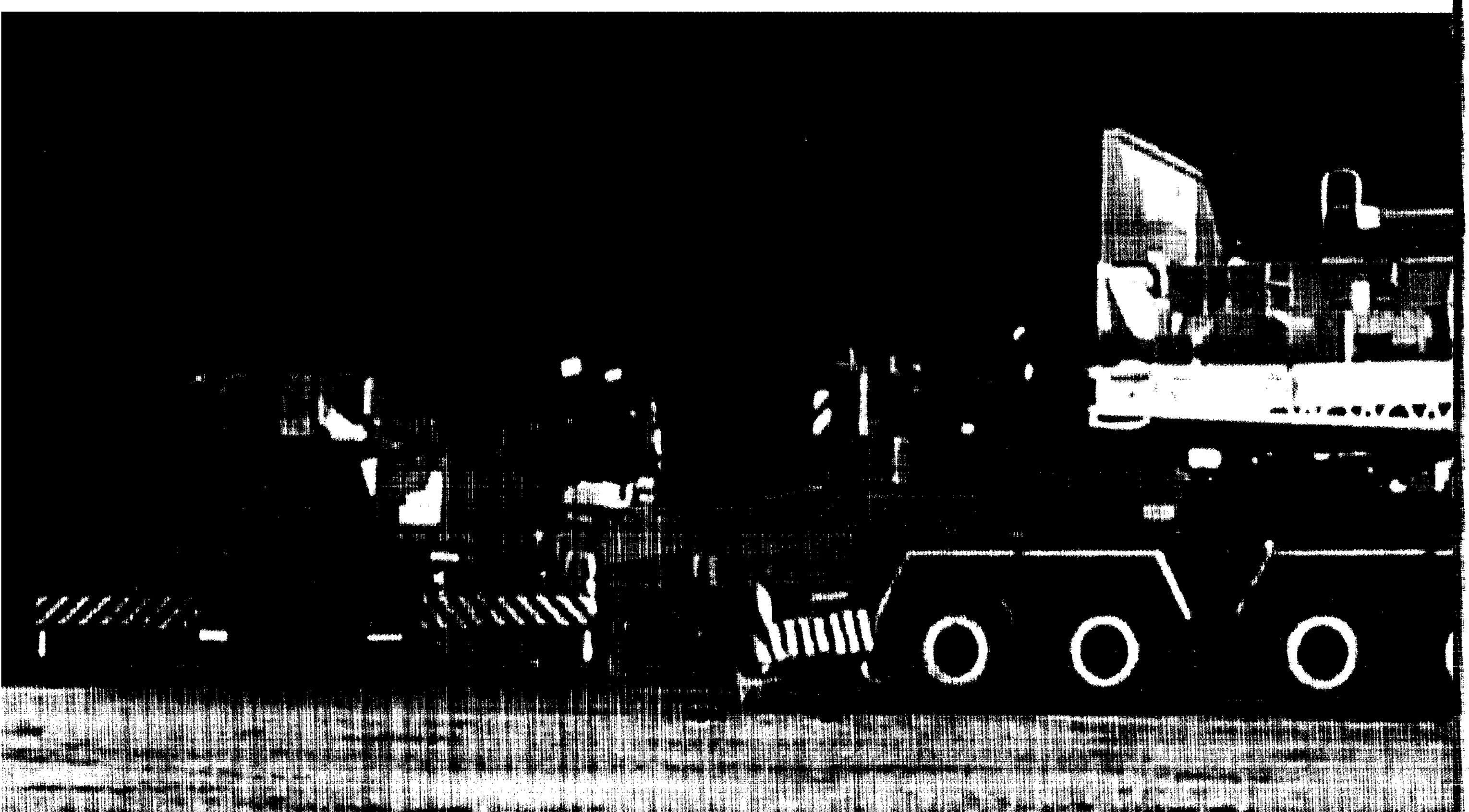
BOOM will not process any Application until the expiration of the Exposure Period. Shares applied for under this Prospectus will be allocated as soon as practicable after the Closing Date. Application Monies will be held in a subscription account until Shares are issued. Interest on Application Monies will be for the benefit of BOOM and will be retained by the Company irrespective of whether Shares are issued.

The Directors of BOOM, in consultation with the Underwriters, reserve the right to accept any Application in full, accept any lesser number of Shares or decline any Application. Applicants must not assume that the Shares they apply for, or any number of Shares, will be issued to them in response to their Application. Before dealing in any Shares, Applicants must satisfy themselves as to their actual holding of Shares.

If any Application is rejected, in whole or in part, the relevant Application Monies will be repaid without interest. Where the number of Shares issued is less than the number applied for by the Applicant, the surplus Application Monies will be returned by cheque within 14 days after the Closing Date. Where no Shares are issued, the Application Monies will be returned in full by cheque within 30 days of the Closing Date.

2.10 CHESS and Issuer Sponsored Subregister

BOOM will apply to participate in Clearing House Electronic Subregister System (CHESS), in accordance with the ASX Listing Rules and the Securities Clearing House (SCH) Business Rules. BOOM will operate an issuer sponsored subregister through Computershare Investor Services Pty Limited. CHESS and the issuer sponsored subregister will together make up BOOM's register of securities.



Heavy lifting equipment, Latrobe Valley

BOOM will not issue share certificates to investors, but as soon as practicable after allocation, investors will receive holding statements (similar to bank account statements) which set out the number of Shares allocated to them pursuant to this Prospectus. The statements will also set out each investor's unique Security Holder Identification Number (HIN) (in the case of a holding on the CHESS subregister), or Security Holder Reference Number (SRN) (in the case of a holding on the issuer sponsored subregister).

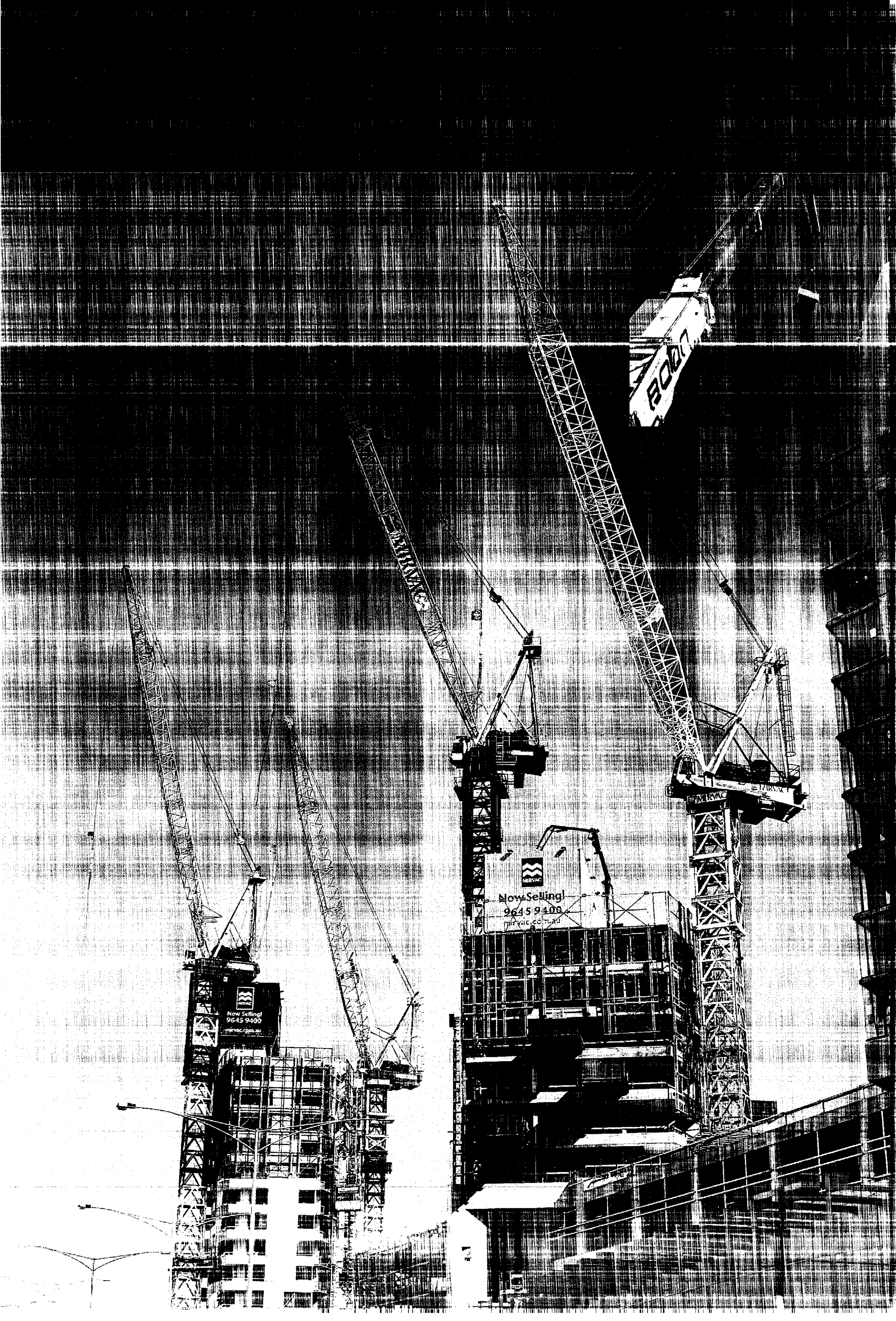
Investors will be provided with periodic statements from BOOM's registry showing any changes in their holdings of securities. Investors may request a statement at any time (although an administration fee may be charged for these additional statements).

2.11 Risks

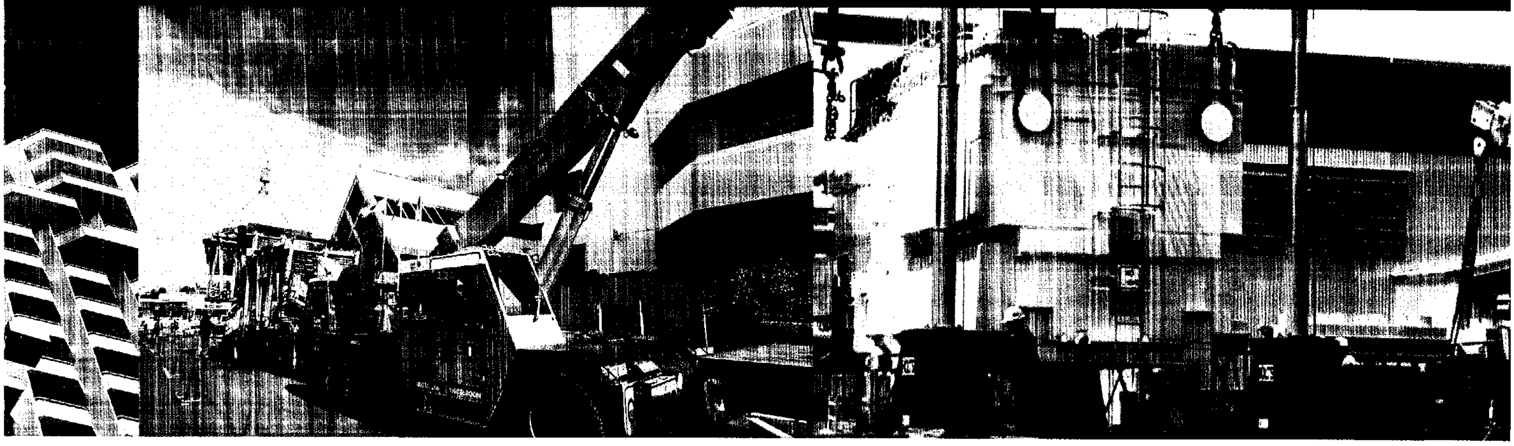
Investments in the Company are subject to both general and specific risks. Some of these risks are described in Section 8. Before deciding to invest in the Company, investors should read and understand these risks.

2.12 Enquiries in Relation to the Offer

This Prospectus provides information for investors in BOOM and should be read in its entirety. If after reading this Prospectus you have any questions about any aspect of an investment in BOOM, please contact your stockbroker, accountant or independent financial adviser.


Now Selling!
9645 9400
Now Selling!
9645 9400

SECTION 3 – THE BUSINESS



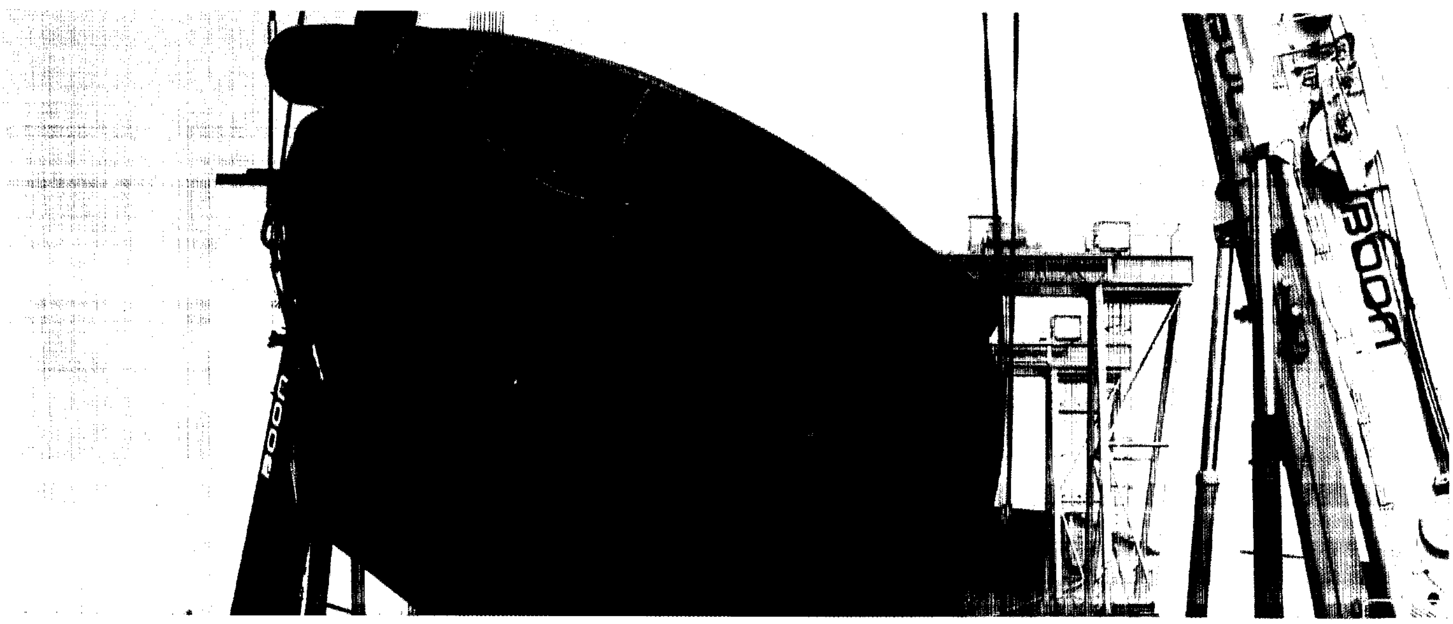
3.1 Executive Summary

BOOM is a leading lifting solutions company in Australia with a pivotal position in the growing industrial maintenance, commercial construction and resources sectors.

BOOM, which can trace its business origins back to 1977, was established in December 2000 to capitalise on opportunities in the crane industry. The Company identified the need for superior service by applying a new business model on a national scale to provide a focussed national operator.

The Company provides a range of lifting services including:

- Managed Lifting Solutions.
- Contractual Maintenance Arrangements.
- Crane Integration for Commercial Constructions.
- Engineering Services and Maintenance.
- Equipment Hire.
- Logistics and Transport.



Lifting vessel at Jervoise Bay, Western Australia.

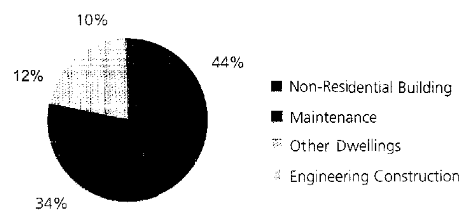
BOOM brings to the crane industry a number of competitive strengths:

- An ability to utilise its product range nationwide.
- A large and flexible fleet to meet a wide range of lifting requirements for customers.
- A depth of industry experience and knowledge.
- A commitment to quality and systems assurance to deliver service excellence.
- An ability to provide innovative lifting solutions.
- Financial capacity to secure national contracts and take advantage of organic and acquisitive growth opportunities.
- Emphasis on the regulation and management of compliance and safety.
- Business integration expertise.

The business of providing lifting solutions in Australia has historically been both stable and lucrative, forming an integral part of the industrial maintenance, commercial construction and resources sectors. According to the BIS Shrapnel Report (refer to Section 5):

- The crane industry in Australia was worth an estimated $889 million in FY03 and is projected to grow to $1.077 billion in FY07.
- New construction (including engineering construction, non-residential building and other dwellings) represents the biggest single activity sector with revenue of $592 million in FY03. Maintenance represented the balance of $297 million.
- The crane industry is estimated to have grown by 14% in FY03 with minimal estimated growth in FY04. Growth of 8-10% is estimated for FY05 and FY06, primarily driven by new infrastructure and construction projects. By this time, the total crane market is estimated to exceed $1 billion.

Forecast Crane Industry Revenue Sources FY04



Source: BIS Shrapnel Report (see Section 5 of this Prospectus)

3.2 Strategy

BOOM intends to maintain and grow its position as a leading national supplier of lifting solutions in Australia, providing superior service to customers and generating sustainable returns for shareholders. BOOM plans to achieve this vision through implementation and execution of a number of strategies. These strategies include:

- **Building a national brand.**

  The Company regards an effective branding strategy as an important component of increasing BOOM's national market share. Upon completion of the Contracted Acquisitions, BOOM will progressively rebrand equipment in accordance with its national branding strategy.

- **Further develop customer relationships.**

  Through the acquisition of businesses, BOOM has acquired a portfolio of regional customers. Following the increase in BOOM's scale and geographic coverage (primarily from the Contracted Acquisitions), BOOM intends to encourage customers to enter into nationwide contracts.

- **Enhance existing business capabilities.**

  The Company intends to build on the strengths of the existing business and the Contracted Acquisitions. As a national group, BOOM will benefit from enhanced purchasing power, expansion of operations into auxiliary services and improved use of technology to improve efficiencies and equipment utilisation. In particular, as BOOM's scale and fleet size grows, the ability to relocate major equipment nationally, through the support of local regional offices, will further improve the Company's utilisation levels and service delivery.

- **Increase geographic and market diversity and contracted revenues.**

  The Company intends to continue its policy of geographic and market diversification. Through this objective, BOOM expects to reduce volatility of revenue and earnings by mitigating the impact of cyclical downturns in any one sector. The Company intends to increase the proportion of recurrent revenues under contract to reduce the volatility of its revenues and earnings.

- **Pursue disciplined new growth.**

  The Company intends to pursue a disciplined growth strategy. This encompasses both organic and acquisition growth as described in Section 4. BOOM has demonstrated that it can successfully integrate new businesses, increase operating margins and drive earnings growth. Organic and acquisition growth provide synergistic opportunities in equipment utilisation, recurrent revenue streams and cost efficiencies.

- **Focus on safety and quality.**

  Management regularly evaluates and improves the Company's standards for safety and quality. BOOM is currently a quality accredited organisation to AS/ISO 9002 Quality Management Systems. BOOM's expertise in contract negotiations, human resources, quality, safety and risk management have improved insurability (which is increasingly demanded by customers).

200 tonne all terrain crane.

3.3 History

BOOM (formerly "The Australian Crane Company") was registered on 22 December 2000 to build a national lifting solutions business.

The Company has acquired businesses with a long and profitable tradition in the crane hire industry. The businesses tabled below have a total of over 80 years experience and knowledge in the industry.

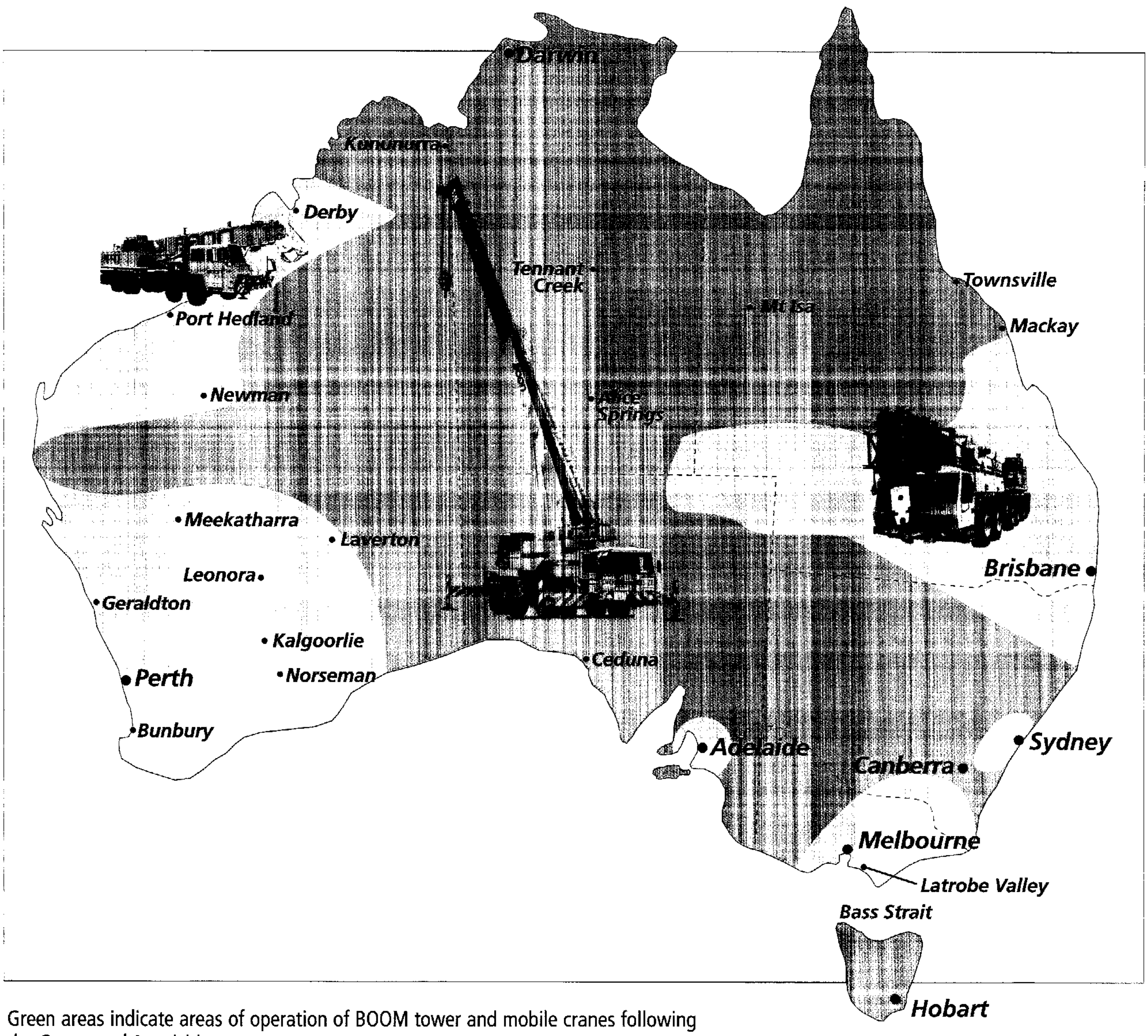
Business Acquisitions by BOOM

Business	History	Strategic Value
Uniway (Acquired February 2002)	Founded in 1989, Uniway was the second largest crane company in Perth (based upon fleet size) at the time of acquisition.	• modern and diverse equipment range • quality and safety emphasis • industry diversification
Alpha Crane Hire (Acquired February 2002)	Alpha Crane Hire was founded in 1999. It was the fifth largest crane company in Perth (based upon fleet size) at the time of acquisition.	• increased fleet capacity • diversified resource base • modern fleet
Midland Crane Hire (Acquired February 2002)	Acquired to boost lifting capacity, Midland Crane Hire was the second largest capacity crane company in Perth (based upon capacity) on acquisition. Founded in 1977, its client base was predominantly in the resources, construction, manufacturing and engineering sectors.	• large capacity mobile crane fleet • quality and safety emphasis • skilled personnel • increased fleet capacity
Sutville (Acquired February 2002)	Sutville was founded in 1978 and was the largest supplier of Favelle Favco tower cranes for hire in Australia at the time of acquisition. It was acquired for its specialisation in fabrication, rigging and recovery cranes in high rise construction, engineering and managed lifting solutions.	• tower crane industry leader • geographical diversification • offshore capabilities • fabrication capability • quality management
General Contractors (Acquired February 2002)	General Contractors was formed in 1993 by the owners of Sutville to provide mobile crane services.	• large capacity crane • service capability for tower cranes
Brambles Perth Cranes (Acquired November 2002)	Brambles Perth Cranes was the largest capacity fleet in the Perth region. The business held significant maintenance contracts in Western Australia.	• geographical diversification • quality revenue streams • heavy lifting capacity
Brambles Goldfields Cranes (Acquired July 2003)	Brambles Goldfields Cranes began operations in Kalgoorlie in 1986. The business holds strategic contracts in the Goldfields region.	• resources based revenue • skilled personnel • large capacity crane

3.4 Business Base

Headquartered in Melbourne, Victoria, BOOM currently employs about 140 people nationally. This will rise to approximately 360 people following the Contracted Acquisitions.

From bases in Victoria, Queensland, New South Wales and Western Australia, BOOM will operate in all Australian States and offshore at petro-chemical industry facilities in the Bass Strait. The Company's fleet mobility enables it to operate nationally and provides scope to extend its presence internationally.



Green areas indicate areas of operation of BOOM tower and mobile cranes following the Contracted Acquisitions.

BOOM operates in four key industry segments:

- **Non Residential Building.**

  Office buildings, social and institutional construction, business premises and hotels.

- **Maintenance.**

  Maintenance of Australia's infrastructure, non-residential buildings and industrial facilities.

- **Other Dwellings.**

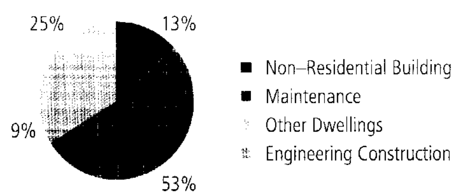
  All dwellings other than detached houses and inclusive of medium or high density units or townhouses, either low or high rise.

- **Engineering Construction.**

  Government infrastructure construction, heavy industry, resources sector, electricity generation and telecommunications.

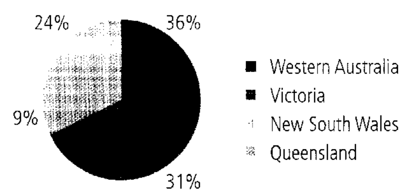
Following the Contracted Acquisitions, BOOM's revenues will be diversified by industry segment and geographic region, providing some protection against downturns in individual markets. The following graphs provide a breakdown of forecast FY04 revenue by industry segment and region respectively. BOOM's revenue base has no segment higher than 55% and its exposure to Other Dwelling construction is less than 10%. BOOM's geographical diversity is reflected by no single region accounting for more than 36% of revenue.

BOOM Forecast FY04 Pro-forma Revenue by Industry Segment



Note: Above figures are Directors' forecasts and assume all Contracted Acquisitions are completed.

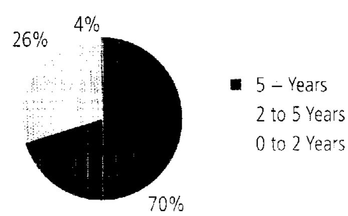
BOOM Forecast FY04 Pro-forma Revenue by Region



Note: Above figures are Directors' forecasts and assume all Contracted Acquisitions are completed.

BOOM has focussed on increasing the percentage of revenue attributable to long term customers. As a result, BOOM now enjoys long, stable relationships with a substantial portion of its customers, under Preferred Supplier Agreements (PSA) and Long Standing Arrangements (LSA). Some customer relationships extend for more than twenty years and some contracts extend for six years.

BOOM Customer Relationship Analysis based on FY03 Revenue



Note: Based on Directors' best estimates.

70% of BOOM's FY03 revenue was sourced from customers with relationships extending more than five years.

3.5 Business Description

BOOM's services are described below:

3.5.1 Managed Lifting Solutions

BOOM provides mobile cranes, tower cranes and transport to fulfil specific customer product movements. These can be combined to offer integrated logistical solutions to customers. In providing lifting solutions, BOOM employs highly trained and experienced lift specialists who plan and manage customers' lifting requirements. These managed lifting solutions include:

(i) Product Movements.

BOOM manages professional cranage for the transfer of products within customer environments.

(ii) Safety & Risk Management.

BOOM has established detailed operating procedures and processes for systematic quality, safety and risk management.

(iii) Project Management.

BOOM offers specialised management of lifting solutions for project management and design.

(iv) Resource Coordination.

BOOM provides facilitation and resource coordination on behalf of customers for local government, main roads departments, transport police and environmental issues.

(v) Specialised Equipment Development.

BOOM continues to develop and manufacture extensive ancillary equipment to enhance lifting services.

200 tonne all terrain crane servicing mining and resources industry.

3.5.2 Contracted Maintenance

BOOM provides mobile and tower cranes to assist customers with major planned or emergency maintenance programs. BOOM services major resources, petro-chemical and refining plants. The Company offers customers distinct advantages including:

(i) Fleet Capacity and Diversity.

BOOM's fleet has the capacity and diversity to minimise customer downtime during customer programmed maintenance activities.

(ii) Development of Lift Libraries.

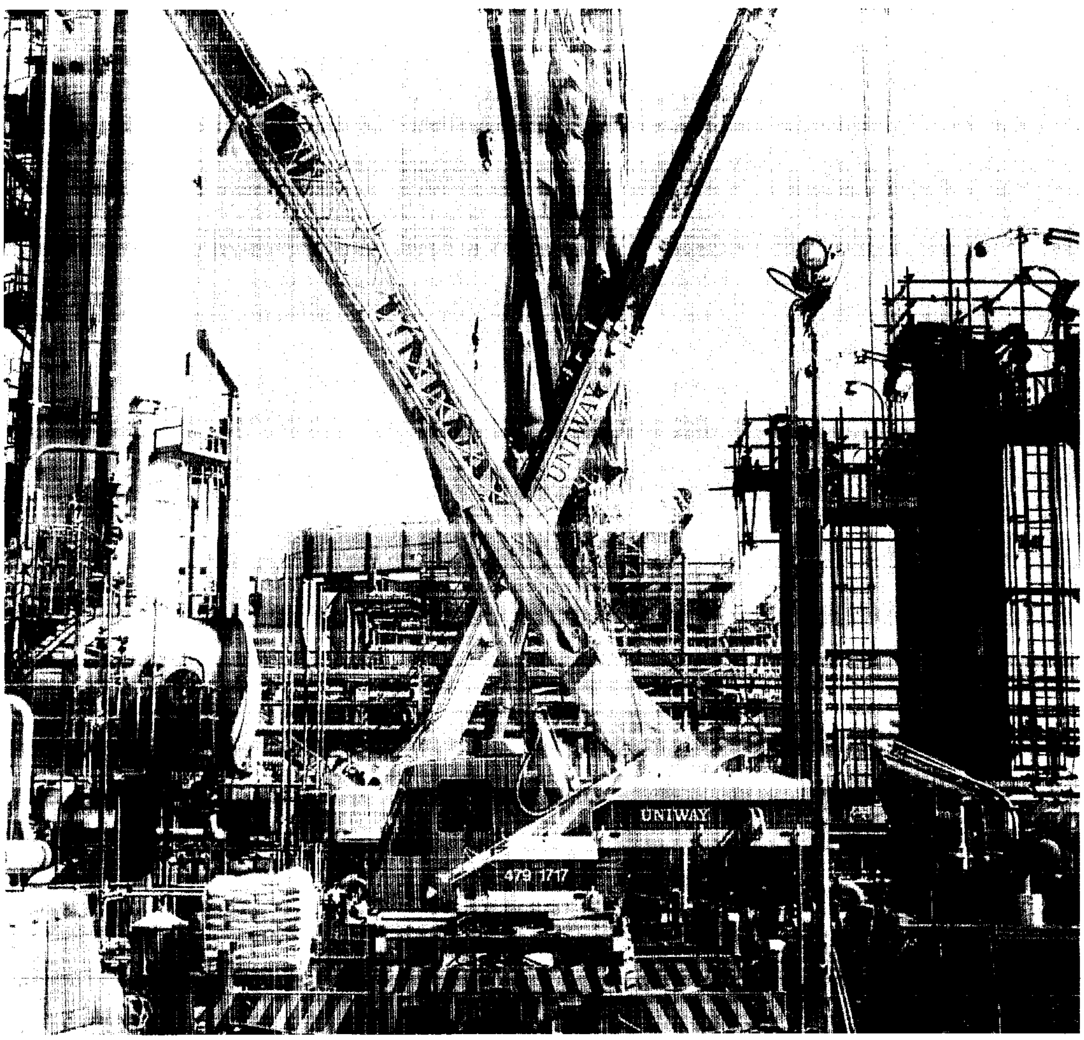
BOOM provides professional site services to assess and develop lifting parameters including quality, safety and insurability.

(iii) Human Resources Management.

BOOM oversees compliance by its personnel (including sub-contract staff) with the industrial relations and safety policies of customers during all maintenance activity.

(iv) Plant Breakdown / Emergency.

BOOM provides 24 hour / 7 day a week supply of cranage and personnel for customers' lifting requirements.



Mobile cranes lifting mechanical components in a refinery

3.5.3 Crane Integration for Commercial Construction

Through BOOM's national tower crane division, BOOM offers tower cranes for commercial construction and infrastructure projects. From the Victorian base, BOOM can service customers anywhere in Australia with:

(i) Engineering and Design.

BOOM's engineering personnel are involved at the initial stages of commercial development for the placement of tower cranes in building design.

(ii) Erection and Dismantling of Equipment.

BOOM's highly skilled rigging teams are contracted to erect, climb and dismantle tower cranes throughout Australia.

(iii) Tower Sections.

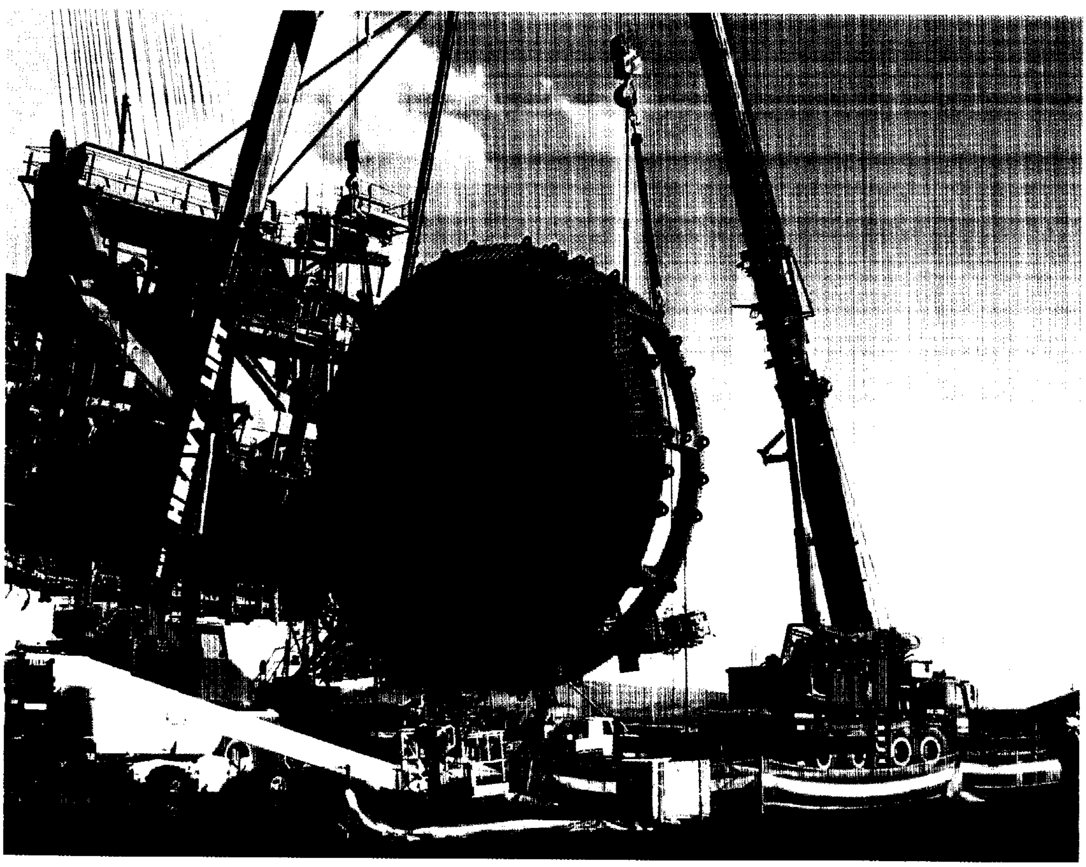
BOOM has one of the largest inventories of tower sections in Australia to support the Company's tower crane fleet and customers' tower cranes.

(iv) Crane Bases and Building Ties.

BOOM's engineers design and build crane bases and building ties for safe and successful tower crane operation.

(v) Forward Programming.

BOOM's fleet is programmed in partnership with customers for use in projects up to two years prior to commencement.



Heavy lifting cranes.

3.5.4 Engineering Services and Crane Maintenance

BOOM provides engineering and crane maintenance services for customers. These services include:

(i) **Maintenance of Cranes on Oil and Gas Platforms.**

BOOM is a leader in the management and maintenance of cranes on offshore rigs and oil and gas platforms.

(ii) **Design and Development.**

BOOM designs innovative solutions for the lifting and movement of non-standard products.

(iii) **Fabrication Services.**

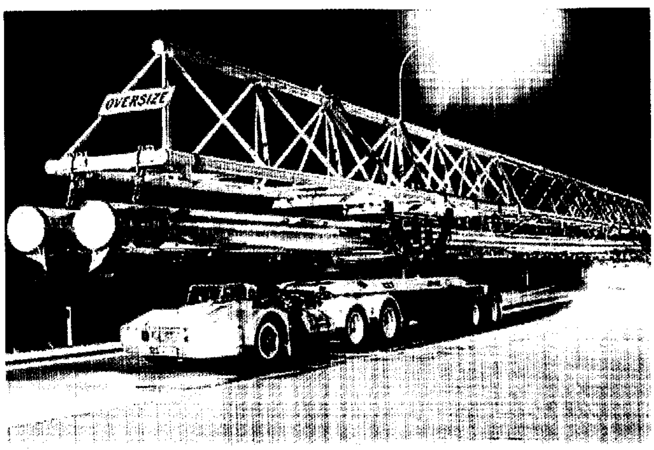
BOOM has fabrication centres in Melbourne and Perth and will acquire similar facilities in Toowoomba for the manufacture and modification of equipment and transport modules to support lifting solutions.

(iv) **Crane Audit.**

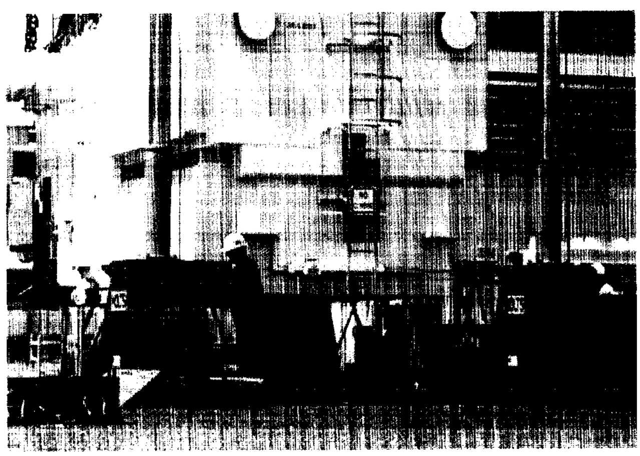
BOOM's fabrication centre in Melbourne conducts full audits of its crane components and can effect modification and upgrades to manufacturers' specifications.

(v) **Equipment Maintenance.**

Workshops operated by BOOM in Victoria and Western Australia carry out programmed maintenance of BOOM's own fleet. The workshops also have the capacity to complete services and repairs for clients. BOOM will acquire similar facilities in Queensland.



Innovative lifting solutions.



400 tonne jacking system

3.5.5 Logistics & Transport

Through the acquisition of Holts, BOOM will expand its logistics and transport services associated with lifting and crane requirements. These services will include:

(i) Total Coordination of Transport in Parallel With Lifting Services.

Movement coordination of "out of gauge" equipment throughout Australia.

(ii) Oversize Transport.

Development and supply of specialised transport equipment for moving overlength, overwidth and overheight equipment, particularly in the resources sector.

(iii) Plant Moves.

The dismantling and recommissioning of equipment through rigging and erection services.

(iv) Jacking & Skating.

The provision of innovative machinery with fast and simple setup, easy operation and low maintenance.

Oversize loads in transit.

3.5.6 Equipment Hire

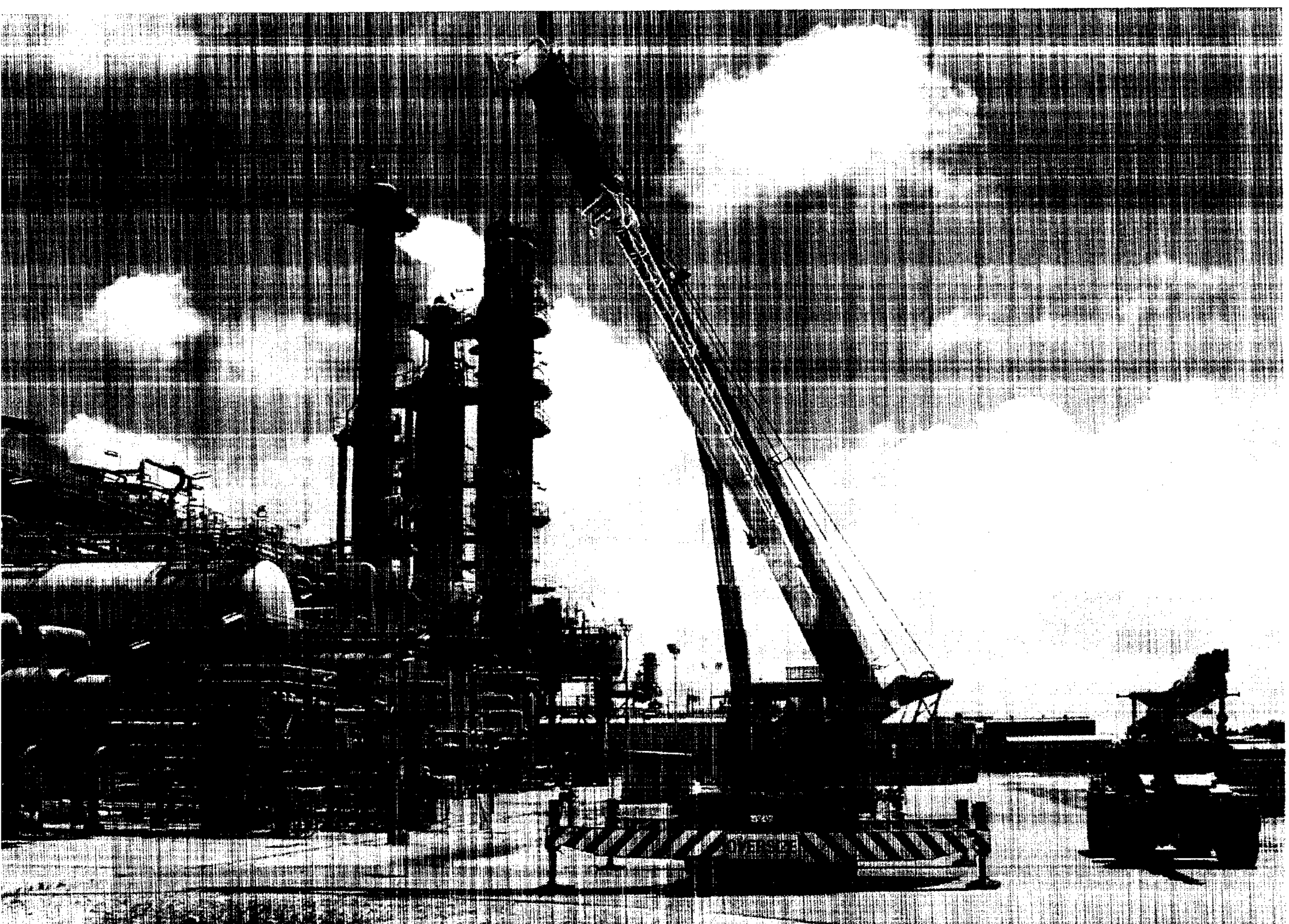
BOOM offers cranes for hire to customers for short term and longer term needs on both a Dry Hire (equipment only) and Wet Hire (operator and fuel) basis, as well as providing transport and ancillary equipment for lifting solutions including:

(i) Mobile Cranes.

BOOM is a national owner and operator of a diverse fleet of hydraulic mobile cranes.

(ii) Tower Cranes.

BOOM operates a large fleet of Favelle Favco tower cranes in the Australian market servicing customers both on and offshore.



Mobile crane carrying out maintenance at an industrial site

3.6 Sales and Marketing

BOOM's marketing strategy focuses on further developing existing customer relationships and winning new project contracts. The Company has client relationship managers dedicated to meeting the needs of customers. This includes regular site visits to assess lifting requirements.

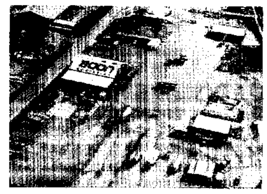
BOOM is focussed on new projects requiring crane services. The Contracted Acquisitions of Purcell Cranes in Port Hedland, Port Kembla Cranes in New South Wales and Holts in Queensland provide BOOM with access to markets expected to benefit from major new infrastructure projects (refer to the BIS Shrapnel report in Section 5).

Focus group sessions with customers are conducted to maintain a process of understanding customers' changing needs. This allows BOOM to proactively develop innovative solutions.

3.7 Locations

The Company has the capacity to provide its services throughout Australia and internationally. It operates or will operate from the following bases in Australia.

3.7.1 North Laverton, Victoria



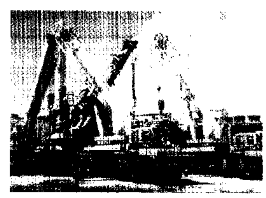
This is the operating base for BOOM's Tower Crane Division and offshore maintenance. Tower crane operations require large parcels of land to allow for storage, repair, maintenance and inspection of towers after dismantling and prior to erection.

3.7.2 Tottenham, Victoria

This large scale 1.7 hectare fabrication plant in Tottenham is equipped to fully service the offshore petro-chemical industry, onshore resources projects and tower cranes.

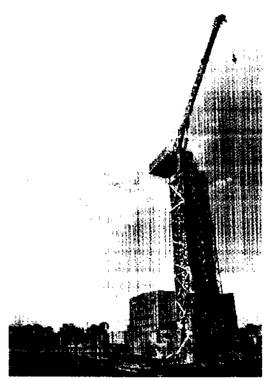
3.7.3 Braeside, Victoria

Braeside is located in the eastern suburbs of metropolitan Melbourne and will be the headquarters of the Victorian mobile crane business. The depot has the office, workshop and yard space to accommodate the mobile crane fleet and personnel. The facility also includes a heavy lifting pad and test weights for industry wide equipment registration. Braeside will be operational for BOOM on the completion of the acquisition of Conmor Cranes.



3.7.4 Brooklyn, Victoria

Brooklyn is located in the western suburbs of Melbourne and is the satellite facility to service the petro-chemical and heavy industrial businesses located at the Altona Refinery and Williamstown Shipbuilding facilities. Brooklyn will be operational for BOOM on the completion of the acquisition of Conmor Cranes.

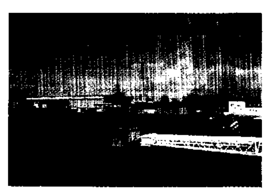


3.7.5 Latrobe Valley, Victoria

The Latrobe Valley facility is fully integrated to service the power generation industry in the region. The facility is strategically placed in the Latrobe industrial park to provide superior access for clients and will be operational for BOOM on the completion of the acquisition of Heavy Lift Cranes.

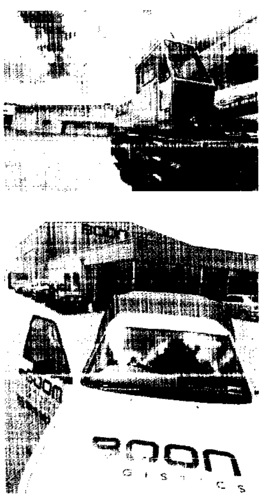
3.7.6 Kwinana, Western Australia

Kwinana is located in the heart of Western Australia's major industrial and heavy industry zone. BOOM provides lifting services to the petro-chemical, refining, resources, agri-business, industrial shipbuilding, processing and other heavy industries.



3.7.7 Welshpool, Western Australia

BOOM's Welshpool facilities provide the administrative centre, workshop and major operating base and facility for BOOM in Western Australia. The facilities form a hub to service the general metropolitan crane industry and regional areas.



3.7.8 Geraldton, Western Australia

The Geraldton facilities are located close to mineral processing and port infrastructure in the mid-west region. The facilities service agricultural and resources activities located in the Murchison and Gascoyne regions.

3.7.9 Kalgoorlie, Western Australia

The Kalgoorlie facilities provide crane services to the infrastructure that supports the mining regions of Western Australia. The region's requirements are complemented by BOOM's heavy lift personnel and equipment in Kwinana and Welshpool.

3.7.10 Port Hedland, Western Australia

BOOM's operations in the north-west of Western Australia will be coordinated from facilities in Port Hedland. The heavy lift capacity that BOOM will operate in this region will enable the Company to provide significant services to this developing region of Australia. Port Hedland will be operational for BOOM on the completion of the acquisition of Purcell Cranes.

3.7.11 Port Kembla, New South Wales

The Port Kembla facilities are positioned to provide immediate response to major industry in the surrounding region and to service the southern Sydney corridor as well as the coal region in southern New South Wales. Port Kembla will be operational for BOOM on the completion of the acquisition of Port Kembla Cranes.

3.7.12 Toowoomba, Queensland

The facility at Toowoomba provides crane services to the region and is the centre of research and development for specialist lifting equipment to cater for the rapid growth in off-site pre-fabrication and construction. Toowoomba will be operational for BOOM on the completion of the acquisition of Holts.

3.7.13 Beenleigh, Queensland

The Beenleigh base includes administration and maintenance facilities and will provide BOOM with access to the southern regions of Brisbane as well as the Gold Coast development belt. This region is becoming the second most strategic location for commercial and manufacturing development in the outer Brisbane area. Beenleigh will be operational for BOOM on the completion of the acquisition of Holts.

3.7.14 Rocklea, Queensland

Rocklea provides depot facilities for equipment and operators to service the localised commercial region. Rocklea will be operational for BOOM on the completion of the acquisition of Holts.

3.7.15 Hendra, Queensland

These facilities will be the centre of operations in the Brisbane region. The depot has extensive offices, storage and workshops to support services throughout Queensland. This base has experienced administrative and field personnel supporting crane services, heavy haulage and transport management. Hendra will be operational for BOOM on the completion of the acquisition of Holts.

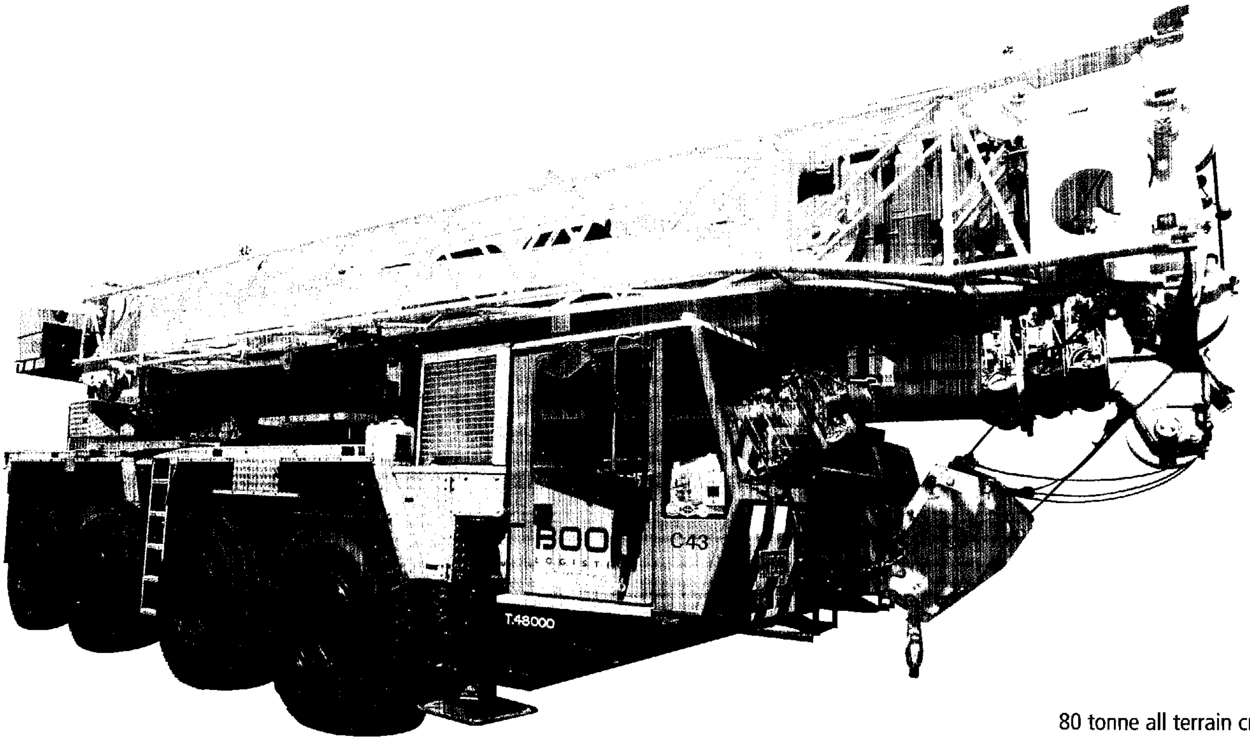
3.8 Equipment Description and Management

3.8.1 Mobile Cranes

The Company's mobile division fleet has an average age of nine years. Large capacity cranes in excess of 200 tonnes range in age from three to eleven years.

Current legislation requires a full rebuild of a mobile crane at twenty five years.

BOOM's equipment policy requires one internal and one external audit of machines each year.



80 tonne all terrain crane.

3.8.2 Tower Cranes

Tower cranes have been modified and upgraded (where necessary) to reach current new equipment capacity and lift speed. This process is done in accordance with the manufacturers' recommended specifications. Tower sections have also been upgraded, where appropriate, to meet increased specifications for tower crane operations.

Tower cranes are required to undergo a stringent structural and mechanical inspection by authorised personnel accredited to the National Australian Testing Authority (NATA) to comply with regulations in each State.

This process involves:

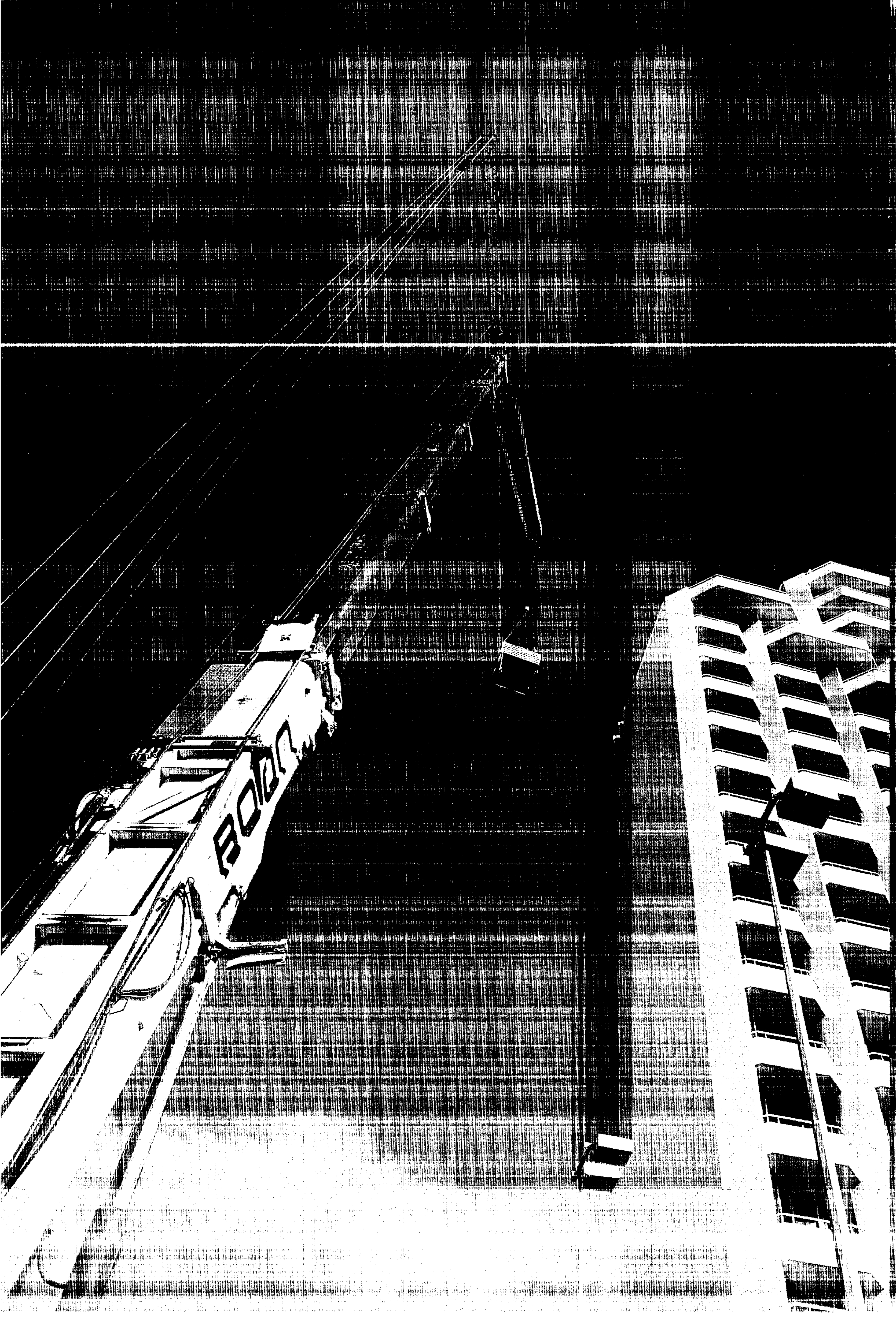
- Ultrasound crack testing of booms.
- Wire rope inspection and certification.
- Major moving components testing.

The Company has a policy of a complete "power pack" overhaul when tower cranes are between contracts. This refurbishment is done at the Company's North Laverton base in conjunction with BOOM fabricators.

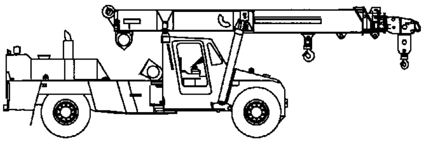
3.8.3 Depreciation

The Company's depreciation policy (which complies with relevant accounting standards) encompasses the following:

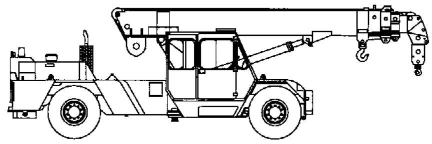
- Heavy lift mobile cranes 5%
- Light mobile cranes 10%
- Tower cranes 5%
- Vehicles, plant & equipment 25%



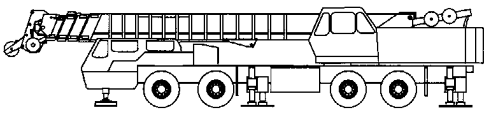
BOOM's Fleet



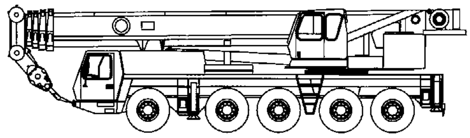
BOOM 18 tonne



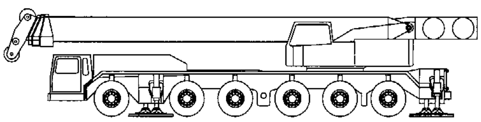
BOOM 25 tonne



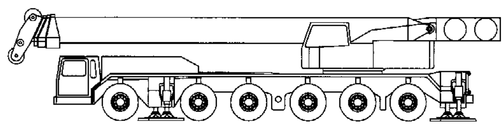
BOOM 50 tonne



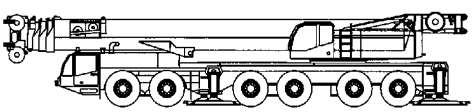
BOOM 100 tonne



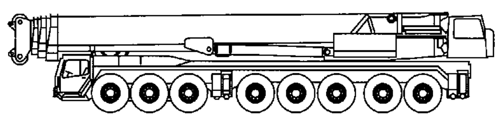
BOOM 140 tonne



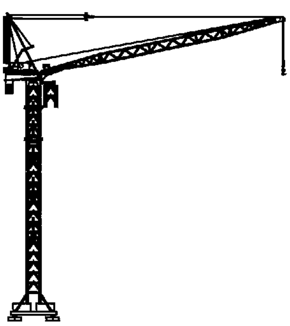
BOOM 200 tonne



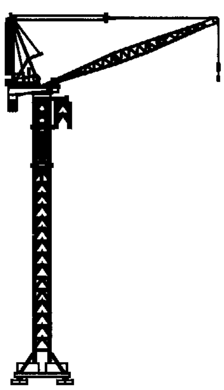
BOOM 300 tonne



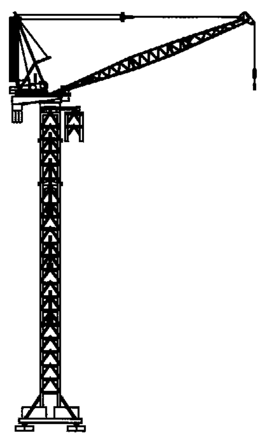
BOOM 400 tonne



BOOM Favelle Favco 300D

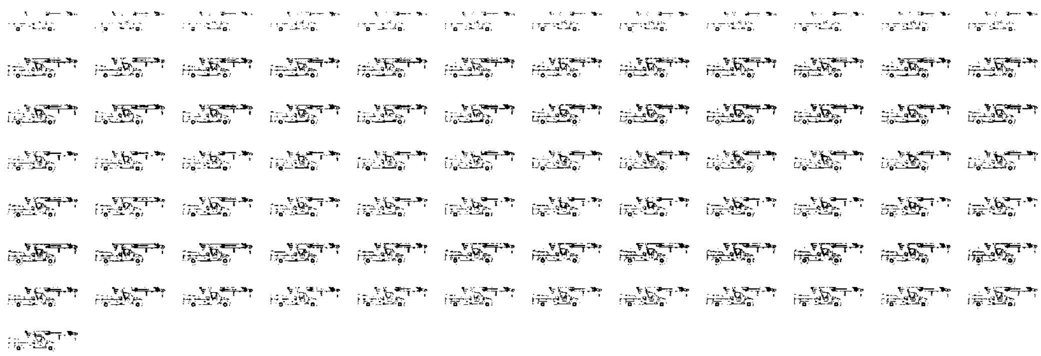
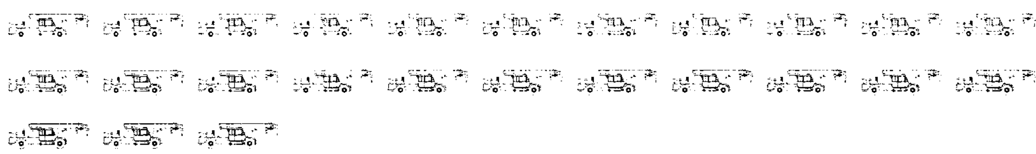
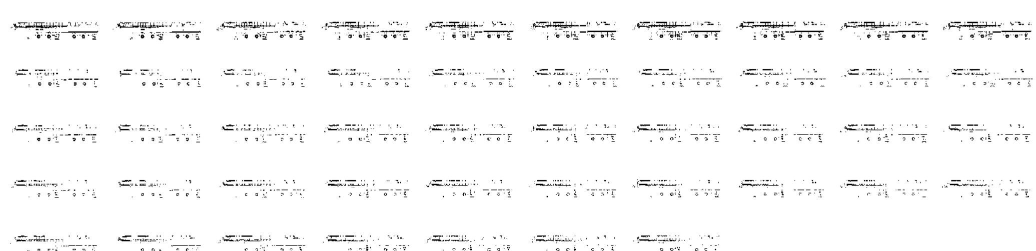


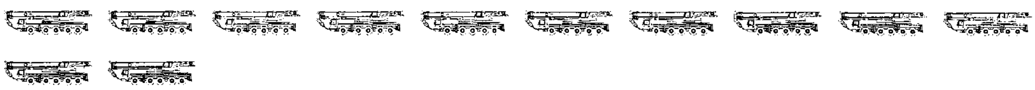
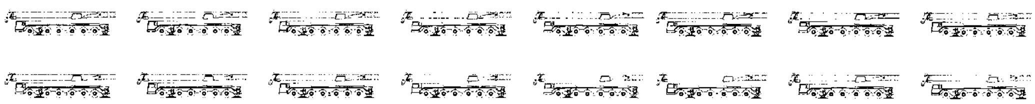
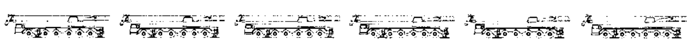
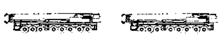
BOOM Favelle Favco 1000



BOOM Favelle Favco 1500

3.8.4 Mobile Crane Equipment

Capacity (Tonnes)	**No. of Units**	**Revenue Type**
Less than 25 tonne pick and carry cranes	85	Combination of long term Dry Hire plus contract hire and taxi hire at casual hourly rates
		
20 to 40 tonne truck mounted slewing cranes	25	Casual hire
		
15 to 40 tonne rough terrain cranes	29	Contract hire
		
50 tonne truck mounted slewing cranes	47	Contractual hire and casual hire for maintenance hire
		

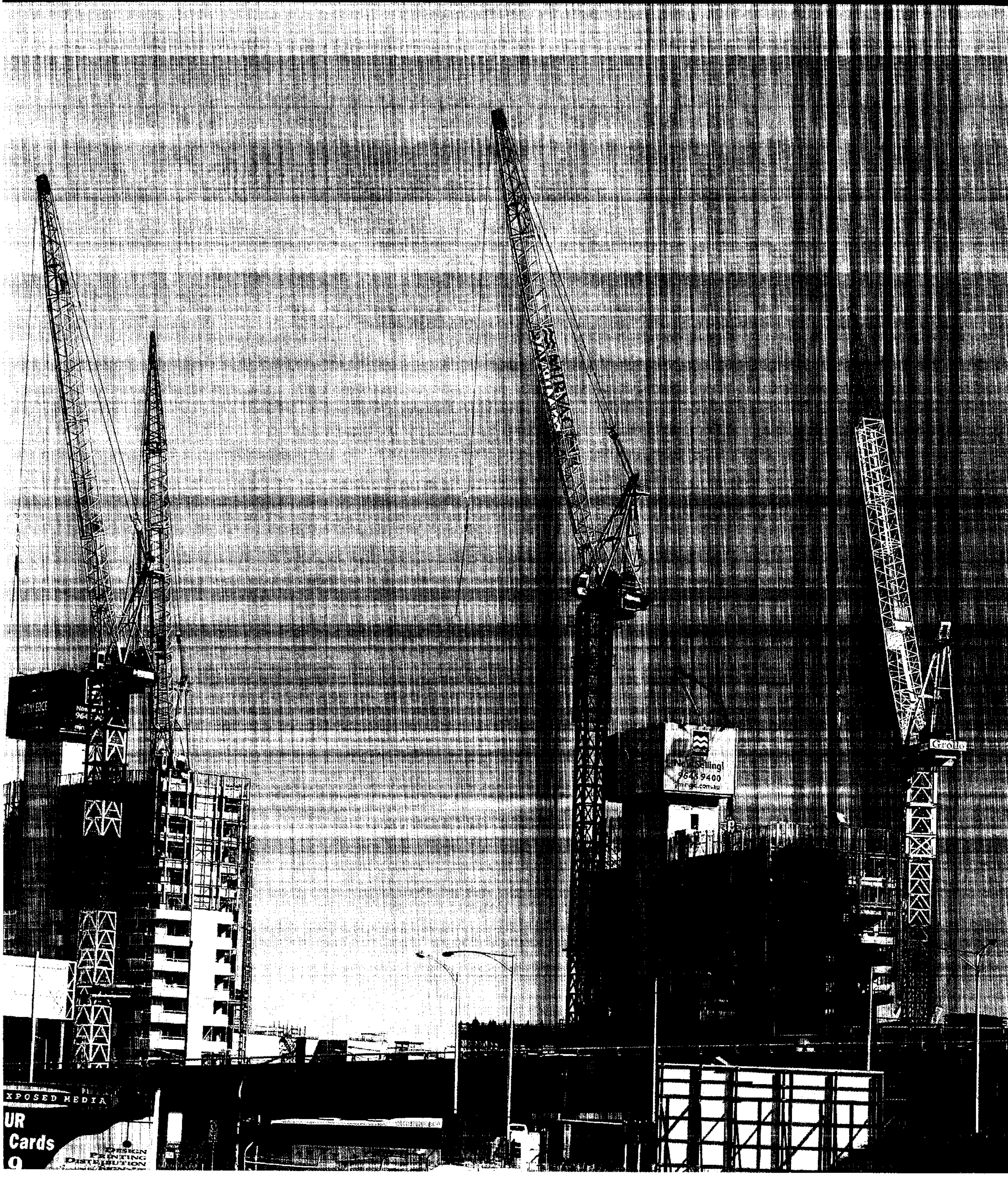
Capacity (Tonnes)	No. of Units	Revenue Type
60 to 100 tonne all terrain cranes	12	Contract hire and construction
		
100 to 180 tonne all terrain cranes	16	Contract hire, civil and industrial maintenance and construction
		
200 to 250 tonne all terrain cranes	6	Contract hire, civil and industrial maintenance and construction
		
300 tonne all terrain cranes	2	Contract hire, civil and industrial maintenance and construction
		
400 tonne all terrain crane	1	Contract hire, civil and industrial maintenance and construction
		
TOTAL	**223 units**	

* The table includes cranes from the Contracted Acquisitions.

3.8.5 Tower Crane Equipment

Crane Type	No. of Units	Revenue Type
Favelle Favco 1500	6	Contract hire Construction
Favelle Favco 1000	10	Contract hire Construction
Favelle Favco 310D	4	Contract hire Construction
Favelle Favco 300D	1	Contract hire Construction
Favelle Favco 230D	1	Contract hire Construction
Favelle Favco 750	1	Contract hire Construction
Potain K 3030	1	Contract hire Construction
Favelle Favco 350/500	5	Contract hire Construction
Favelle Favco 60R	1	Contract hire Maintenance
Favelle Favco SLD	3	Contract hire Maintenance
TOTAL	**33 units**	

* The Company is not acquiring any additional tower cranes pursuant to the Contracted Acquisitions.



Tower cranes in commercial construction.

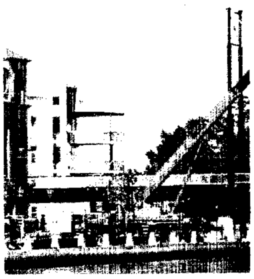
3.8.6 Equipment Sourcing

BOOM primarily sources its cranes from five manufacturers: Leibherr, Demag, Grove, Terrex and Favelle Favco. As a leading crane operator in Australia's hire market, BOOM is well positioned to achieve fleet uniformity and the management of spare parts. This can yield substantial benefits in labour, training and management.

3.8.7 Knowledge Management

The Company's knowledge management systems provide it with a distinct competitive advantage in fleet management, customer service and innovative lifting solutions.

The Toowoomba research and development capacity (to be acquired in the Holts' acquisition) will enable BOOM to design and build a complete range of lifting apparatus to supply customers with innovative solutions.



BOOM's lifting libraries on customer requirements provide it with knowledge management advantages for the provision of lifting services.

BOOM's development of software for fleet management will continue to improve efficiencies in operations, leading to increased utilisation of equipment and manpower.

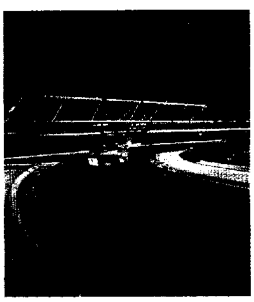
3.9 Key Customers and Contracts

BOOM's long term customers include major resource and petro-chemical corporations. In FY03, 70% of BOOM clients had been customers for five years or more. A number of these relationships with international corporations have existed for more than twenty years.

The Company's top ten revenue earning activities are subject to fixed contracts, PSAs or LSAs.

BOOM's current industrial and resource customers and those to be acquired as part of the Contracted Acquisitions are geographically diversified, with major concentrations in the Latrobe Valley (Victoria), Altona (Victoria), Kwinana (Western Australia), Port Kembla (New South Wales), Hendra (Queensland) and Bass Strait (Victoria). Commercial construction is concentrated in the major capital cities of Australia.

Case Study – Corporate Customer, Western Australia



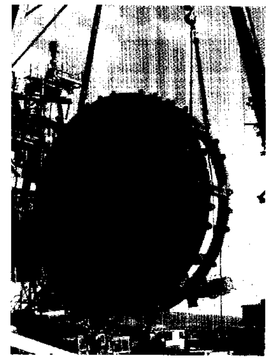
Through acquisition, BOOM has had a contractual relationship with a major minerals processing group in Western Australia for more than twenty years. Under a multi-million dollar contract, BOOM currently supplies a total lifting solution to the group from its Kwinana base, including lift studies, equipment, Dry Hire and management of lifting processes during shutdowns and turnarounds. This client is serviced on a 24 hours / 7 days basis by a dedicated client manager.

Case Study – Plant Development Customer, Queensland

BOOM's development of lifting solutions will be expanded with the acquisition of Holts. Holts was recently approached to create a more feasible method for the transport of units weighing 63 tonnes and over 61 metres in length from Gladstone to the designated project. Holts generated a new handling concept and design to eliminate expensive barge costs and reduce labour costs due to the developed transport module's efficiencies.

Case Study – Utility Customer, Victoria

BOOM will assume management of contracts, on completion of the Heavy Lift Cranes acquisition, to supply a full range of lifting solutions to a major coal-fired power generator on a rolling two year basis. Client requirements include 24 hours / 7 days emergency lifting needs and all lifting supplies for shutdowns, turnarounds and maintenance. Similar contracts are in place with all other major power generators in the area.

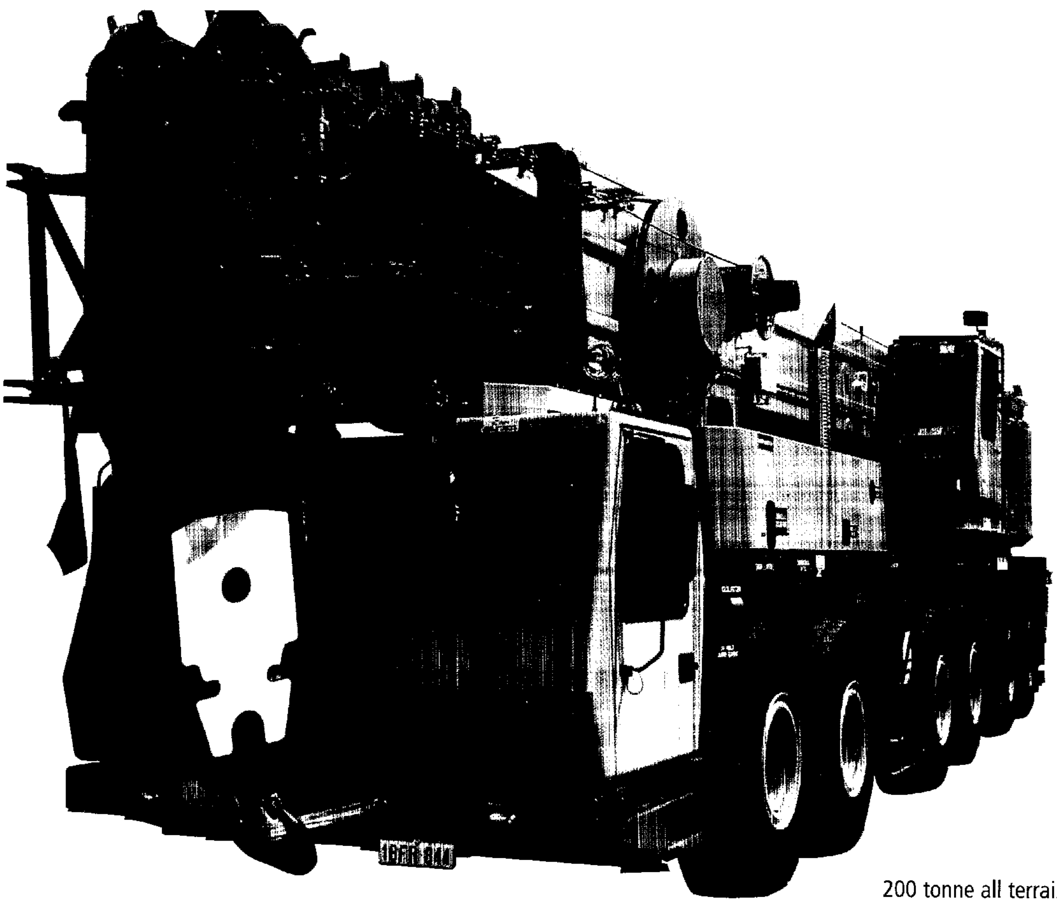


Case Study – Construction Customer, Victoria

BOOM has been contracted to provide tower cranes from the Laverton North base for the Docklands precinct project until 30 June 2004. The contracts have been let by national development companies with whom BOOM has long standing contractual relationships.

Case Study – Offshore Petro-Chemical, Bass Strait

BOOM has been contracted to supply lifting solutions and maintenance management services to a global petroleum group operating production rigs in the Bass Strait. BOOM is an accredited supplier to offshore platforms. Part of the contract includes the supply of fabricated steel products and components manufactured at BOOM's fabrication plant at Tottenham, Victoria.



200 tonne all terrain crane.

3.10 Our People

3.10.1 Senior Management

Rod Harmon

Mark Lawrence | Frank Legena | TA (Jack) Hebiton

Brian Praetz | Les Holt* | Hugh Morris* | Drew Baker

* To be employed pursuant to the Contracted Acquisitions.

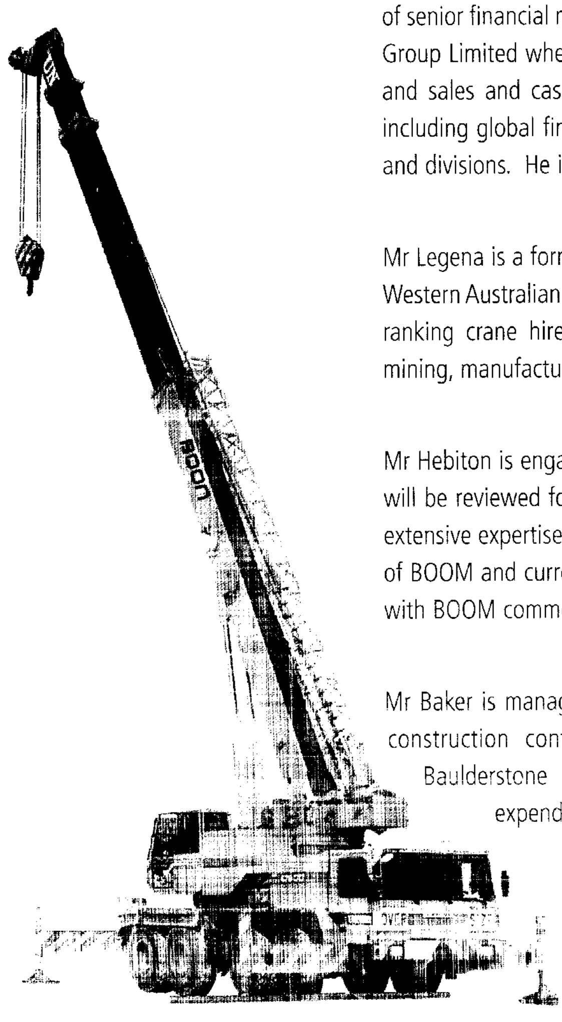
Mr Harmon was a senior executive of BHP Billiton Limited for eleven years, holding various management positions within BHP Billiton Limited's Steel, Collieries, Transport and Logistics businesses. Mr Harmon was also a director of a number of BHP Billiton Limited's subsidiaries. Mr Harmon most recently held the position of President BHP Land Logistics Services, a significant business operating throughout Australia, New Zealand, South East Asia and West Coast USA. Mr Harmon brings to BOOM a depth of business and corporate experience. He is based in Melbourne.

Mr Lawrence is an experienced finance executive, with a broad range of experience in a number of senior financial management roles. Mr Lawrence is a former chief financial officer for The Swish Group Limited where he established key business processes including cost and financial controls and sales and cash flow models. He has also held a variety of roles with Bovis Lend Lease including global finance manager, Sydney and financial controller of a number of business units and divisions. He is based in Melbourne.

Mr Legena is a former principal and co-founder of Uniway and has an intimate knowledge of the Western Australian market. Under Mr Legena's leadership, Uniway grew to become Perth's second ranking crane hire company supplying the full range of industry sectors including chemical, mining, manufacturing and government utilities. He is based in Western Australia.

Mr Hebiton is engaged on a short term contract to manage business development. This position will be reviewed following the Offer. Mr Hebiton has considerable business experience and has extensive expertise in a variety of commercial activities. He was previously the managing director of BOOM and currently holds directorships with a number of private companies. His association with BOOM commenced from the concept stage. He is based in Western Australia.

Mr Baker is manager of BOOM's national tower cranes. He has spent twenty five years in the construction contracting business, including working as a construction manager with Baulderstone Hornibrook. He was responsible for rationalising the crane fleet, capital expenditure and fleet acquisitions. He is based in Melbourne.



Mr Morris is currently the managing director of Conmor Cranes and is one of the most experienced and respected executives in the crane industry in Victoria and Australia, with over twenty nine years of experience. Mr Morris co-founded Heavy Lift Cranes in 2001. He will join BOOM on the completion of the acquisition of Conmor Cranes and is based in Melbourne.

Mr Praetz has come from a variety of senior management roles within the equipment rental, construction and manufacturing industries. He has held Divisional Management roles with BGC, Industrial Galvanisers, Cockburn Corporation and Blackwood Hodge. He brings to BOOM a strong marketing focus and commercial experience in managing diverse organisations with a national and international focus on growth. He is based in Western Australia.

Mr Holt is currently the managing director of Holts. He has extensive experience and knowledge in the crane and heavy transport industries. Mr Holt has successfully built Holts to be one of the largest crane and heavy transport companies in Queensland. He will bring to BOOM a depth of experience in providing innovative solutions through fabrication and design of equipment and is renowned for his ability in providing lifting solutions. He will join BOOM upon the acquisition of Holts. He is based in Queensland.

3.10.2 Workforce

BOOM has a large and highly trained workforce that encompasses the following services:

- **Operators** – qualified and experienced operators are provided with equipment services that are hired on a Wet Hire basis.
- **Riggers and Dogmen** – experienced riggers and dogmen are provided for lifts with mobile cranes and the erection, dismantling and climbing of tower cranes.
- **Mechanics, Fitters and Fabricators** – BOOM has competent mechanical staff for major maintenance of mobile cranes at maintenance bases and operates mobile repair services to cranes on location and at sub-bases. Its fabrication workshops have boilermakers and fitters who provide all the maintenance requirements of the tower cranes and are able to repair structural components of the mobile crane fleet.
- **Supervisors** – BOOM has trained supervisors and contracted engineers (specialising in computer aided design ("CAD") lift studies) to provide solutions and management of specialised lifts. These personnel also provide design of tower crane placement on high rise construction sites.

3.10.3 Industrial Relations

The Company places great importance on maintaining its history of stable industrial relations. The Company currently operates (or will operate following the Contracted Acquisitions) under the following awards:

- CFMEU National Building & Construction Industry Award 2000 (Cth)
- Mobile Crane Hiring Award 2002 (Cth)
- Metal Trades (General) No 13 of 1965 (WA) Award
- Transport Workers Award 1998 (Cth)
- Metal, Engineering and Associated Industries Award 1998 (Cth)
- Transport Workers Intrastate (Brambles Equipment – Queensland) Award 2000

BOOM has entered into certified agreements which operate in conjunction with these Awards. See Section 10.4.7 – Certified Agreements for further information.

3.10.4 Safety and Training

BOOM has implemented a safety management system and quality management system in accordance with AS/ISO 9002. These systems are subject to external review by accredited external auditors. The Company has full time training officers.

BOOM has the advantage of being accredited by its major customers to operate on major refinery and processing plants. This accreditation includes a review by the client of BOOM's safety systems, quality systems, operating procedures and equipment. This provides BOOM with significant advantages over other companies that are unable to fulfil the stringent requirements.

3.10.5 Equipment

BOOM has implemented its own quality assurance program (in addition to the requirements of AS/ISO 9002) including a half-yearly review of all equipment by both external and internal auditors. These audits ensure the integrity of the equipment and reinforce maintenance and up-keep of the equipment. BOOM has anticipated the introduction of the Crane Safety System in Victoria and Western Australia by implementing such procedures.

BOOM will apply its quality and safety standards across all Contracted Acquisitions through its National Manager Safety Quality and Risk.

3.11 Contracted Acquisitions

Following this Offer, the Company intends to complete the acquisitions of Conmor Cranes, Purcell Cranes, Port Kembla Cranes, Holts and Heavy Lift Cranes on terms set out in Section 10.4.9.

Purcell Cranes will operate as a regional branch of Western Australia under its existing operations management and will report to the General Manager, Western Australia.

Holts will continue with its existing management and conduct BOOM's operations in Queensland reporting to BOOM's head office in Melbourne.

Conmor Cranes and Heavy Lift Cranes will continue with their existing management and will be integrated into the Company's Victorian mobile crane division reporting to BOOM's head office in Melbourne.

Port Kembla Cranes will operate as a regional branch of the Victorian mobile division.

3.11.1 Conmor Cranes, Braeside, Melbourne, Victoria – Mobile Cranes

Conmor Cranes commenced operations in Victoria in the mid-1970s and is regarded as one of Victoria's most active, progressive and well respected mobile crane hire operations.

Conmor Cranes operates from two strategically located depots at Braeside in the eastern suburbs and Brooklyn in the western suburbs of metropolitan Melbourne. Conmor Cranes operates in a diverse range of industries with revenue generated from industrial maintenance, construction, civil works and petro-chemical plant shutdowns and turnarounds.

In working with customers for the erection of precast concrete and steel bridge sections, Conmor Cranes has a fleet of cranes ranging in capacity from 250 tonne heavy lift vehicles to all wheel drive and rough terrain pick and carry cranes. This fleet of cranes is complemented by ancillary lift equipment and transport resources.

Conmor Cranes is quality endorsed to AS/ISO 9002.

3.11.2 Heavy Lift Cranes, Latrobe Valley, Victoria

Heavy Lift Cranes is the major supplier of crane hire services to the power generation industry in the Latrobe Valley, Victoria and holds a major share in the Latrobe Valley market.

Heavy Lift Cranes is a strategic acquisition for BOOM due to its pre-eminent position in the Latrobe Valley market and its capacity to provide on-site cranes to customers under contract.

The Latrobe Valley is an expanding market for BOOM due to a number of known infrastructure projects being implemented in the short to medium term.

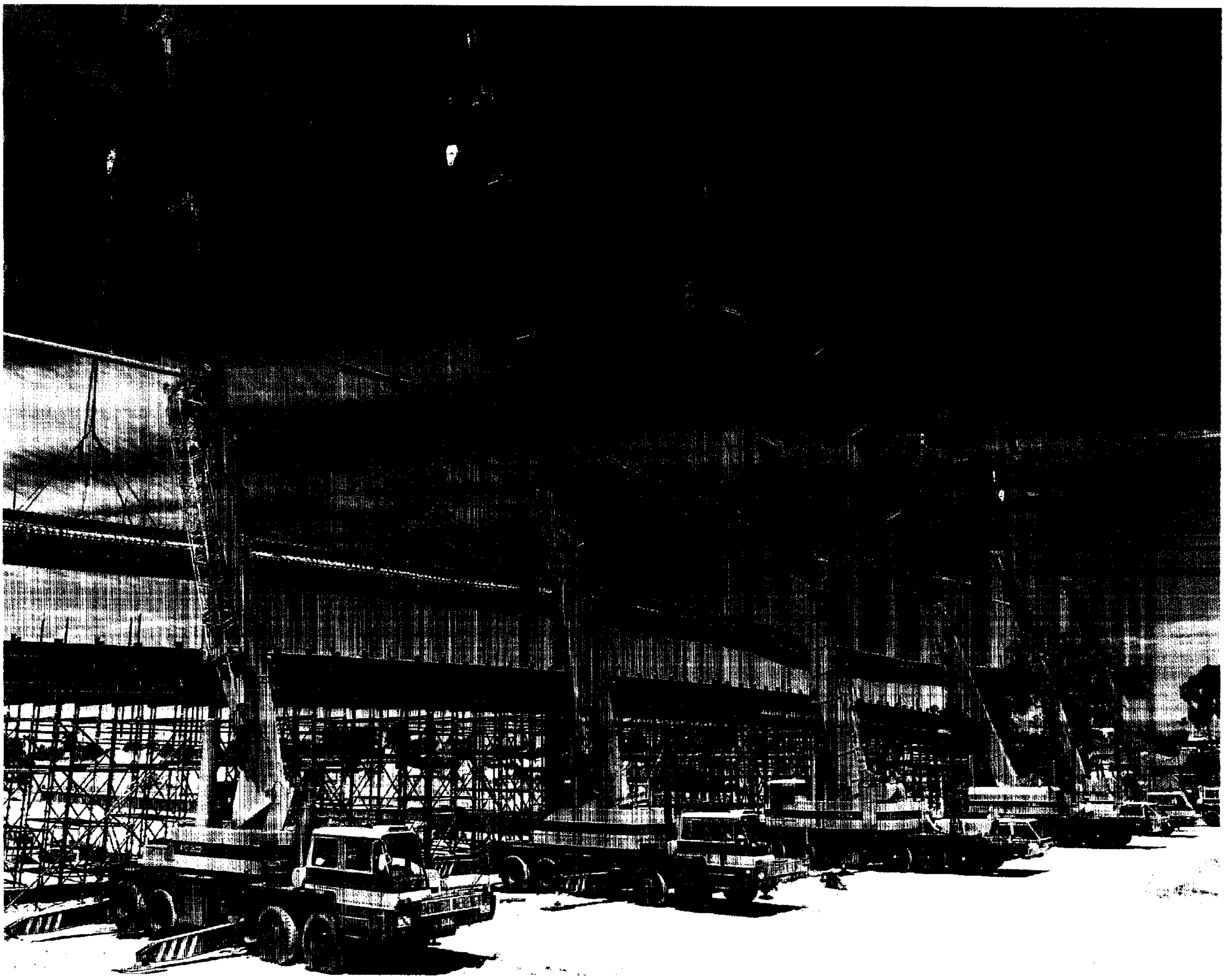
Heavy Lift Cranes is quality accredited to AS/ISO 9001.

3.11.3 Port Kembla Cranes, Port Kembla, New South Wales

On 1 August 2003, BOOM entered into contracts with Brambles Australia Limited to acquire the business and assets of Port Kembla Cranes.

Port Kembla Cranes currently provides mobile crane hire services to a range of customers, including manufacturing companies and the broader industrial market for shut down, industrial maintenance and construction applications in southern New South Wales.

Port Kembla Cranes is quality endorsed to AS/ISO 9002.



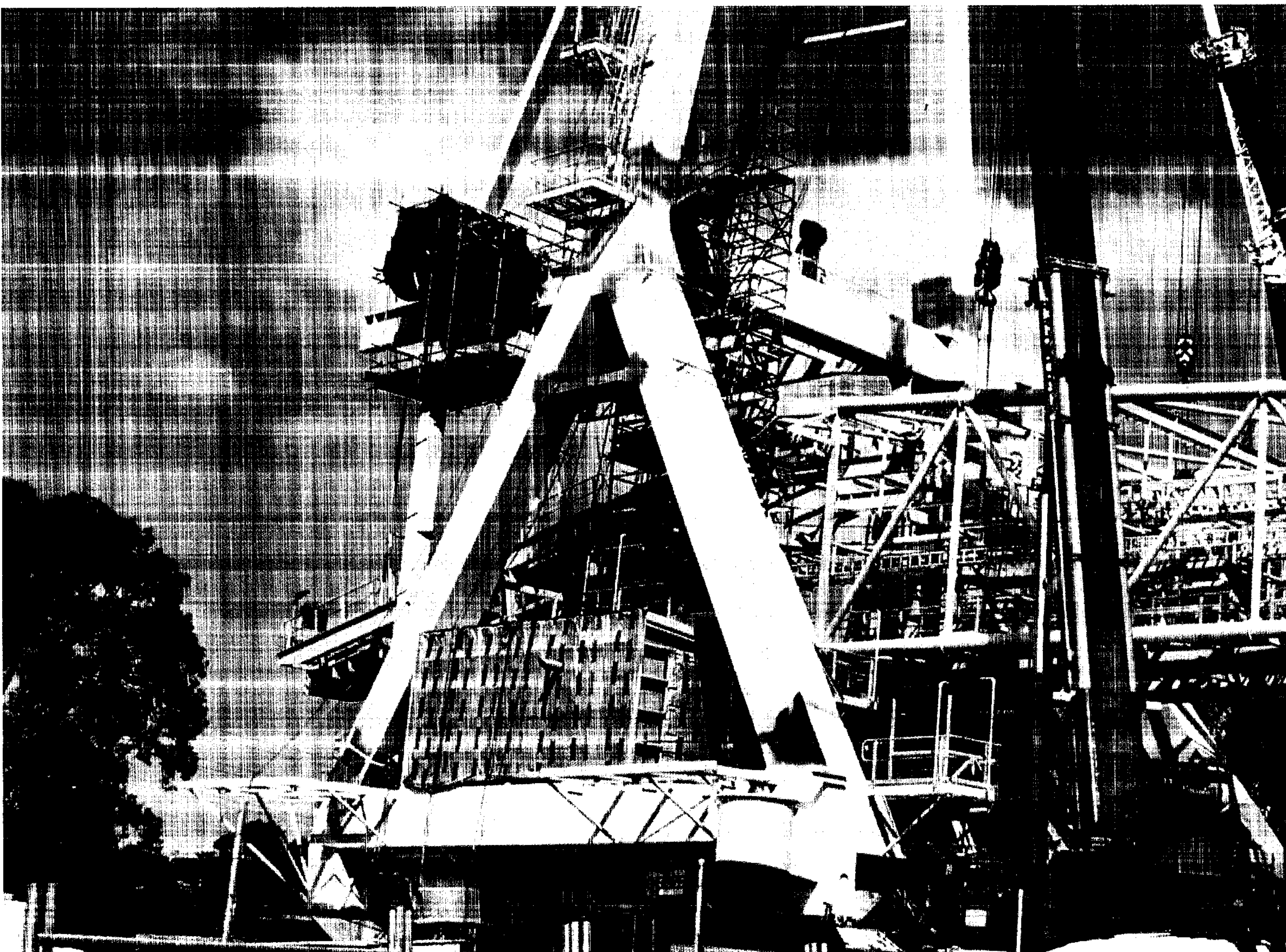
Multiple lift of bridge section.

3.11.4 Purcell Cranes, Port Hedland, Western Australia

Purcell Cranes was established in Port Hedland in 1971. The acquisition of Purcell Cranes will provide BOOM with a strong presence in the high growth north-west region of Western Australia.

Purcell Cranes operates a modern fleet servicing this remote region. It recently entered into a significant maintenance contract with an international resources company.

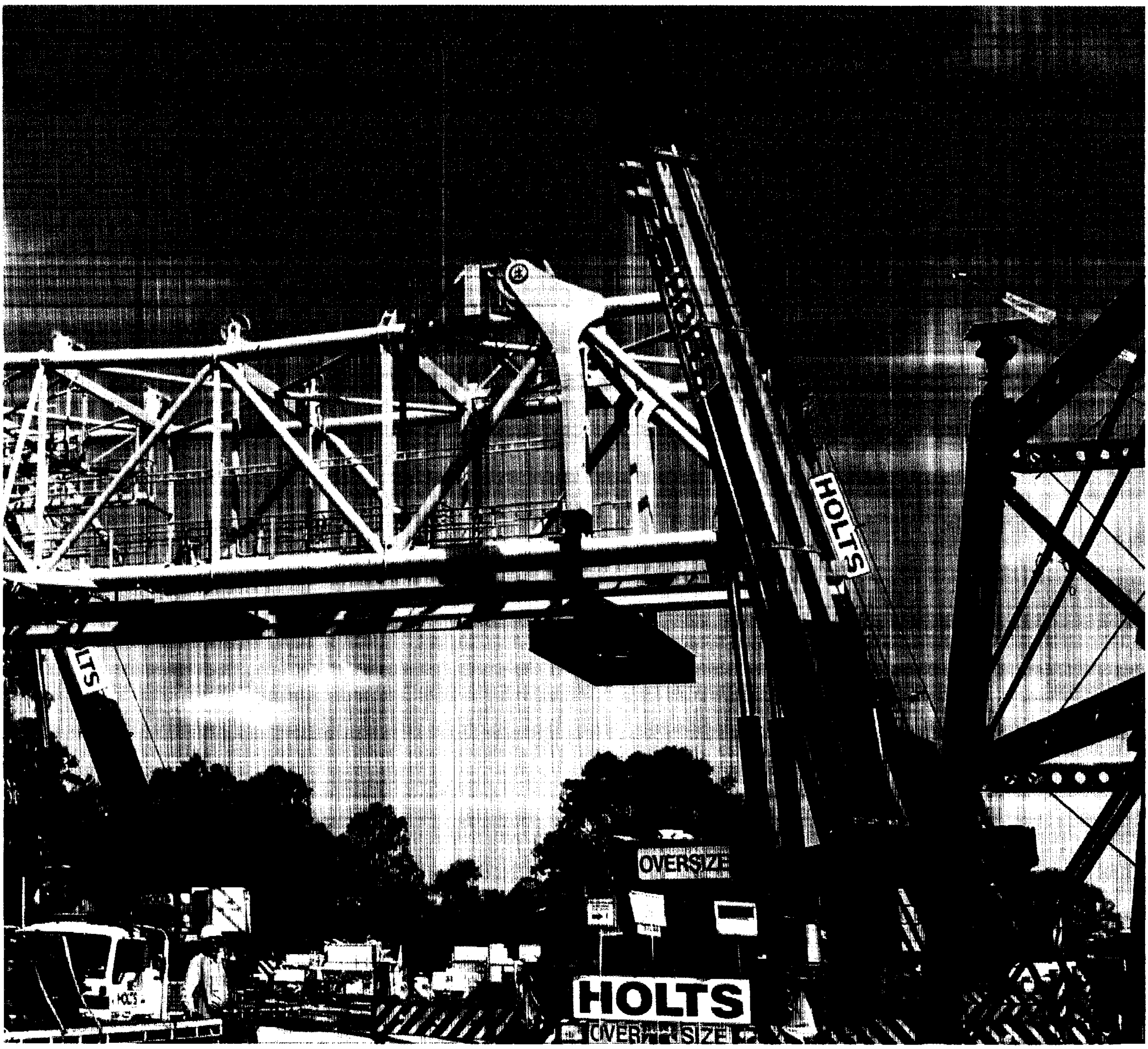
The acquisition of Purcell Cranes is expected to provide synergies within the Western Australian operations and will complete state-wide coverage for BOOM.



3.11.5 Holts, Brisbane, Queensland

Holts was established in Queensland in 1984 and has expanded and diversified its business operations. With the addition of logistic services in 2002, it has become one of the leading Queensland crane and heavy haulage companies.

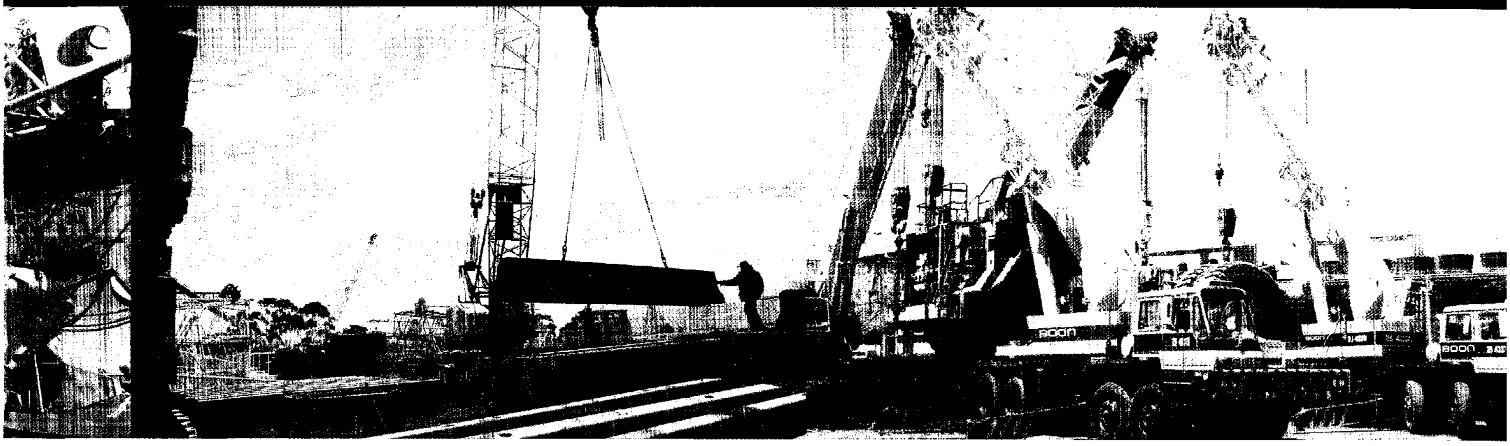
A distinguishing aspect of Holts business model is its ability to provide customers with an entire solution incorporating planning, lifting and transport requirements tailored to suit specific projects. Holt's experience in the industry, in partnership with its design and fabrication capabilities, has made it a leader in providing lifting solutions. Holts is quality endorsed to AS/ISO 9002.



Plant construction.

Stiff-leg derrick on offshore rig.

SECTION 4 – GROWTH OPPORTUNITIES & STRATEGIES



BOOM is committed to a sustainable growth strategy with the intention of generating increasing shareholder returns. This strategy comprises growth through organic investment and acquisition. The Company believes that the outlook, in terms of the number of growth opportunities for BOOM, remains positive, driven by major new infrastructure projects.

In prioritising these growth opportunities, BOOM has developed a set of investment and acquisition criteria. These criteria focus on enhancing geographic and market diversity, diversifying the customer base and increasing the national fleet size and consequent revenues. BOOM is also actively pursuing fresh revenue streams from total management solution contracts within those major corporations in Australia holding large crane asset pools.

4.1 Organic Growth Opportunities

BOOM's organic growth opportunities can be divided into a number of categories:

- **MAXIMISING RETURNS FROM CONTRACTED ACQUISITIONS**
- **BUILDING THE NATIONAL BRAND**
- **LEVERAGING THE EXISTING BUSINESS**
- **EXPANDING THE SERVICE OFFER TO CUSTOMERS**
- **PURSUING NEW MARKETS**

BOOM will be able to pursue many of these organic growth opportunities through greater fleet utilisation. Following the Contracted Acquisitions, BOOM's expected national coverage will allow BOOM to relocate equipment to the areas of highest utilisation. The depth and breadth of BOOM's asset pool will allow the Company to better serve existing customers and substantially reduces the need for cross-hire. Cross-hire occurs when BOOM sources equipment from outside the Company to meet customer demands due to the unavailability of its own cranes.

4.1.1 Contracted Acquisitions

One of BOOM's priorities following the Offer is to complete the integration of the Contracted Acquisitions.

BOOM has identified major benefits arising from improving utilisation levels and superior service rather than from cost-cutting and rationalisation of overheads. BOOM's increased fleet following the completion of the Contracted Acquisitions is expected to deliver significant capacity advantages.

4.1.2 National Brand

The Company regards effective branding as an important component of building national market share. This strategy will result in a single brand across all operations over time, an increase in visibility and an enhanced reputation as a provider of quality service.

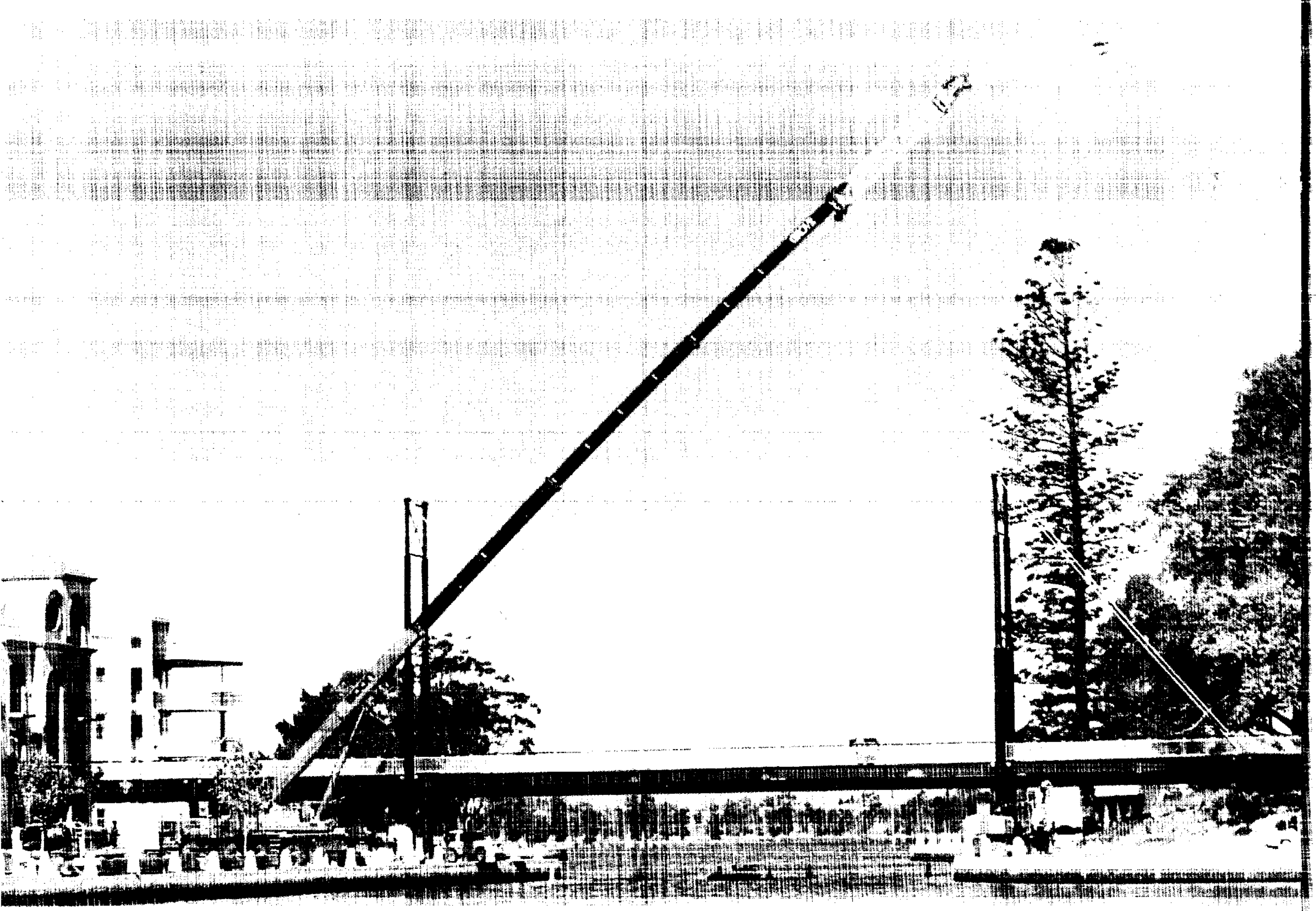
4.1.3 Business Leverage

BOOM sees strong potential for providing increased levels of crane lifting management from its existing customer base. Increasingly, customers require a lifting management solution beyond conventional crane hire services.

BOOM's expanded operations into heavy haulage (following the acquisition of Holts) provides the expertise, equipment and knowledge to offer a complete lifting, transport and logistics service from point of development to place of use.

4.1.4 Enhanced Services

With expanded capacity following the completion of the Contracted Acquisitions, BOOM is well placed to provide a more comprehensive national service offer to the existing customer base and to market to new customers. This service includes an enhanced ability to deliver total lifting solutions as a consequence of a larger fleet capacity, increased equipment diversity and a broader market presence.



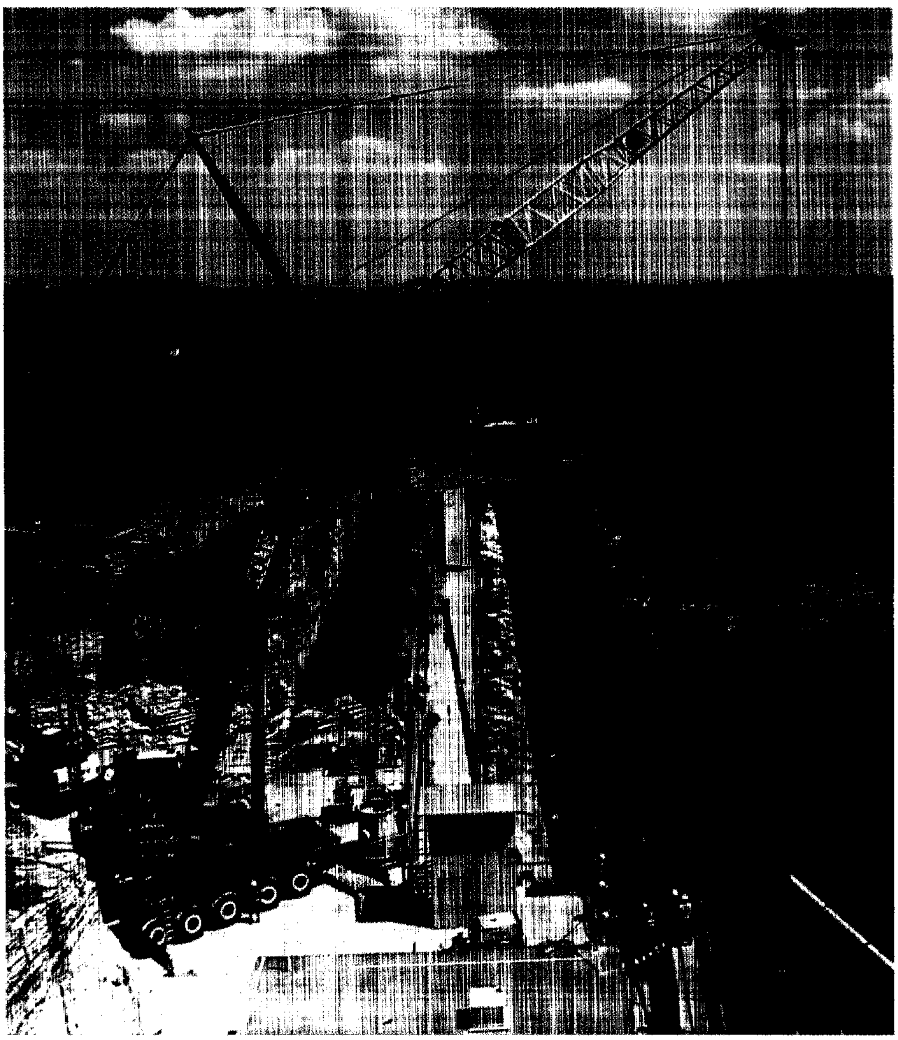
130 tonne all terrain crane with off-set fly jib

4.1.5 New Markets

BOOM has identified major expansion opportunities around Australia in the resources, infrastructure and energy sectors, each of which is expected to have strong economic prospects. BOOM will focus its marketing activities on winning contracts from these opportunities.

4.2 Acquisition Growth

Since its establishment, the Company has invested in systems and infrastructure to allow for efficient business integration. This provides the platform for the Company to grow through further acquisitions. BOOM's listed status is expected to provide the Company with additional leverage in acquiring crane businesses in a market characterised by small private operations. To facilitate this activity, BOOM has developed a set acquisition criteria to efficiently evaluate new acquisition opportunities.



Fully rigged heavy lift crane on civil works.

Note: Although great care has been taken to ensure accuracy and completeness in this project, BIS Shrapnel Pty Limited has not independently verified, and does not accept responsibility for, the completeness and accuracy of the factual information on which its opinions and assumptions are based, which information has been derived from public authorities or government bodies.

C4157

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SECTION 5 – BIS SHRAPNEL REPORT

1. INTRODUCTION & METHODOLOGY

BOOM Logistics requested BIS Shrapnel to develop a forecasting model to estimate the value of the crane hire market in Australia by market segment and state.

The following market segments were included:

- **NON-RESIDENTIAL BUILDING**
- **ENGINEERING CONSTRUCTION**
- **MAINTENANCE (TOTAL AUSTRALIA ONLY)**
- **OTHER DWELLINGS (EXCLUDING HOUSES)**

This report estimates the value of the crane hire market in constant 2000/2001 prices and is based on our most recent forecasts of each market, through to June 2007. It provides historical information from June 1996/97, as well as annual forecasts to June 2007.

The basic methodology used to estimate the value of the crane hire market is to derive a usage ratio per end-user sector (from BIS Shrapnel market research data and consultation with BOOM Logistics) and apply this to a building indicator (Australian Bureau of Statistics (ABS) data and BIS Shrapnel Forecasts).

Example;

3.5% of office construction is represented by crane hire		$2,962 million of office construction in 2002/03		$103.7 million of crane hire revenue in 2002/03
Usage Ratio	**X**	Building Indicator	**=**	Estimate of Crane Hire Revenue in New Office Construction

1.1 Building Indicators

The major sources of historical building indicators are the following ABS data sets:

- Value of Work Done on Non-Residential Building.
- Value of Work Done on Engineering Construction.
- Value of Maintenance Activity.
- Other Dwelling Commencements.

2. CRANE INDUSTRY FORECASTS

Using the ABS historical data for each Building Indicator, BIS Shrapnel has forecast each market. These forecasts of each Building Indicator form the basis of the forecast value of crane hire.

2.1 Total Crane Hire Market

The Total Crane Hire Market in Australia in the year ended June 2003, was estimated to be worth almost $889 million. This is made up of $592 million in new construction and a further $297 million from maintenance.

The table below shows the estimated total market for crane hire in Australia from the year ended June 2002 to June 2007.

Year ended June	Total Australia	Annual Percentage Change
2002	781	
Forecasts		
2003	889	13.8%
2004	894	0.6%
2005	963	7.7%
2006	1,060	10.1%
2007	1,077	1.6%

The total market in 2002/03 was estimated to be $889 million, an increase of 14% from the previous twelve months.

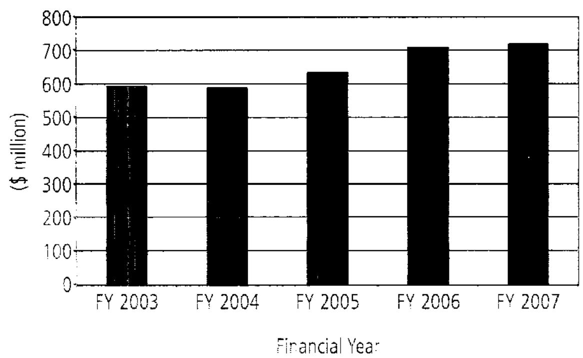
Following a steady market in 2003/04, expansion of between 8–10% is predicted for each of the following two years to 2005/06. By this time the market is expected to reach just over $1 billion.

A further small increase of 2% in 2006/07 will push the total market to $1,077 million.

2.2 Total New Construction

The total revenue from crane hire in all new construction markets including Engineering Construction, Non-Residential Building and Other Dwellings but excluding Maintenance Work is shown in Graph 1.

Over 80% of the new construction market in 2002/03 came from NSW, Victoria and Queensland.



Forecasts for growth in NSW, Victoria and Queensland for the next 5 years, with the exception of Victoria in 2003/04, are expected to push the market to nearly $718 million. The two years to June 2006 is forecast to be a period of particularly strong growth.

Western Australia is also in a period of strong expansion, barring a slight decline in 2003/04. The State should experience strong growth until 2005/06.

2.2.1 Non-Residential Building

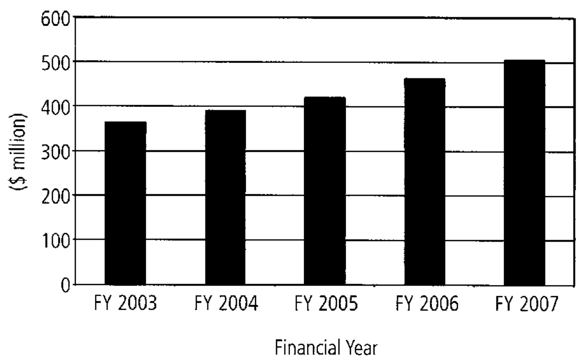
The new Non-Residential Building market represented over 60% of the total crane hire market in 2003, with a value of just under $364 million.

All states are expecting strong growth over the period to June 2007, boosting the total market to $507 million, or nearly 40% above the twelve months to June 2003.

The major sectors contributing to this increase in crane hire in the non-residential building market are offices and hotels.

The office market is expected to more than double in size over the forecast period, growing from $104 million in 2002/03, to $211 million in 2006/07. At this time, crane hire for office construction is expected to account for over 40% of the crane hire market for non-residential building.

Growth in the hotel market will be at a higher rate, but beginning from a lower base in 2002/03 of around $24 million. This sector is forecast to reach $53 million in crane hire by 2006/07.



The following assumptions of the percentage of crane hire per $million of work done were used for the following categories:

Hotels	3.5%	Education	1.5%
Shops	2.0%	Religion	0.5%
Factories	2.0%	Health	2.5%
Offices	3.5%	Entertainment & Recreation	3.0%
Other Business Premises	2.0%	Miscellaneous	2.0%

2.2.2 Engineering Construction

The total market for crane hire in Engineering Construction during 2002/03 was estimated to be worth $90 million.

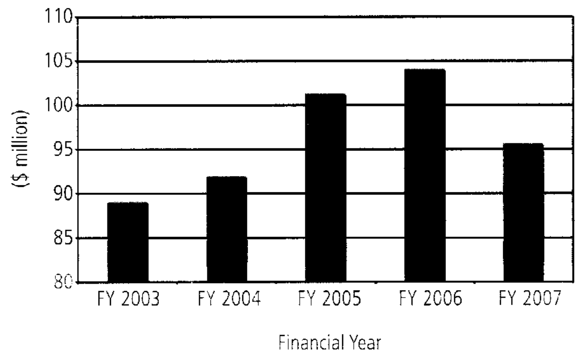
Having grown by 6% in 2002/03, a smaller 2% growth is expected in 2003/04, before a larger 10% increase in 2004/05. Another increase of 2% in 2005/06 will see the market peak at nearly $104 million before a contraction of $8 million or 8% in 2006/07.

As with non-residential building, the major state markets for crane hire are in the three eastern states and Western Australia.

All these states grew during 2002/03 and, with the exception of Queensland in 2003/04, are expected to grow strongly in the next three years to 2005/06, after which all states will begin to turn downwards. In the twelve months to June 2007 only the Northern Territory is expected to achieve growth.

The electricity sector will remain a strong sector for crane hire throughout the forecast period and telecommunications will also remain strong.

Graph 3 shows growth in most engineering structures will peak in 2005/06



The following assumptions of the percentage of crane hire per $million of work done were used for the following categories:

Roads, Highways	0.3%	Electricity	0.75%
Bridges	0.2%	Pipelines	0.05%
Railways	0.07%	Recreation	0.5%
Harbours	1.25%	Telecommunications	0.5%
Water Storage/Supply	0.05%	Heavy Industry	0.5%
Sewerage/Drainage	0.05%	Other	0.1%

2.2.3 Other Dwellings

The crane hire market for other dwelling construction in 2002/03 was estimated at $142 million.

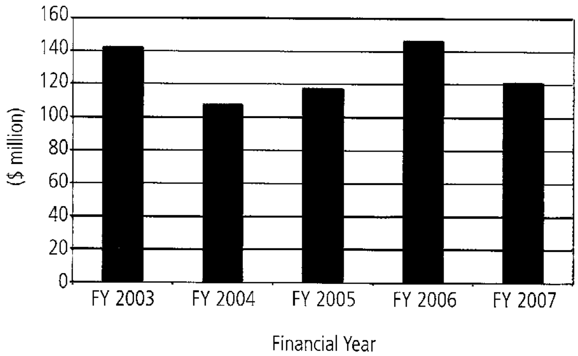
Other dwellings are classified as all other dwellings other than detached houses. For example, these include medium or high density units or townhouses, either low or high rise.

As might be expected, those states with the largest volume of other dwellings contribute the largest amount to the crane market.

Major fluctuations are expected in this market over the forecast period, with all the major states displaying the same trends.

A decline of 24% in 2003/04 is expected to be followed by 9% growth in 2004/05 and larger growth in 2005/06 of 25%.

A major correction is expected in 2006/07, with all states experiencing decline, as the crane hire market in other dwellings retreats from $146 million in 2005/06 to $121 million in 2006/07.

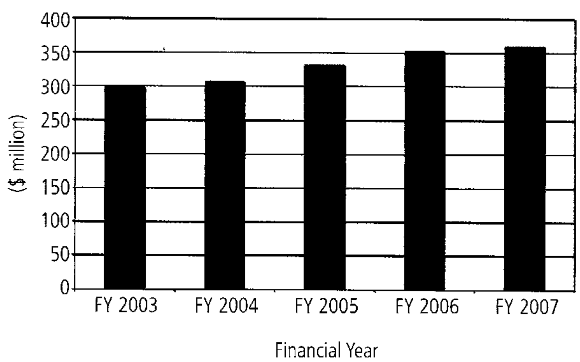


The percentage of crane hire per $million of work done on Other Dwellings was 1.5%.

2.3 Maintenance

The Australian market for crane hire in maintenance programs in 2002/03 was estimated to be worth nearly $300 million.

Graph 5 shows that this market is expected to show steady growth over the next four years to 2006/07.



The following assumptions of the percentage of crane hire per $million of work done were used for the following categories:

Roads	0.5%	Gas Pipelines	0.05%
Railways	0.05%	Telecommunications	0.05%
Ports	0.05%	Mining	4.0%
Water/Wastewater	0.05%	Heavy Manufacturing	4.0%
Electricity Supply	0.05%	Light Manufacturing	2.0%
Defence	1.0%		

3. OVERVIEW OF CONSTRUCTION AND MAINTENANCE MARKETS IN AUSTRALIA

3.1 Outlook for Non-Residential Building

Non-dwelling building commencements are forecast to decline marginally by 3% in 2003/04, due to a 17% setback in the social and institutional segment.

This is a pause in a strong cyclical upturn in non-dwelling activity as the economy strengthens, before moving into a boom in the middle of the decade. BIS Shrapnel is forecasting a further 30% increase in non-dwelling activity over the following two years to 2005/06.

The boom will be driven by sharp increases in the hotel, office, retail, factory and other business premises sectors.

The major sectors contributing to the increase in crane hire revenue in non-residential building are offices, hotels and other business premises.

Office building commencements are expected to rise by 20% in 2003/04, as economic growth strengthens and business confidence recovers, resulting in a rebound in the take-up of office space.

A booming economy, tightening office space supply and rising rentals will drive a major boom in office construction over the three years to 2006/07. Activity is forecast to surge in 2004/05 (+17%) and 2005/06 (+37%), with strong growth across all the major capital cities. Commencements are forecast to peak at $5.9 billion in 2005/06, before declining by 10% in 2006/07, remaining at a high level. Activity is forecast to plunge by 41% in 2007/08, due to an economic slowdown and high interest rates.

Hotel building activity is estimated to have surged by 70% in 2002/03. This will mark the beginning of a major upturn over the next three years to 2005/06. Hotel commencements are forecast to peak at $1.7 billion in 2005/06, at over double current levels.

Following a significant 39% decline over the three years to 2000/01, the other business premises sector entered a prolonged cyclical upswing in 2001/02 (+15%). Commencements are estimated to have increased by a further 18% in 2002/03. Activity is forecast to decline by 9% in 2003/04, a temporary setback, before increasing by 32% over the two years to a 2005/06 peak of $2.6 billion. Annual average commencements over the five-year period 2003–2008 are forecast to reach a historical high of $2.1 billion per annum, 16% above the level of the current five years to 2002/03.

3.2. Outlook for Engineering Construction

Engineering construction is currently in the midst of a solid rebound from the 2000/01 downturn. It has now surpassed the previous peak of 1999/2000 in both quarterly and moving annual total (MAT) terms, and further increases are expected over coming quarters. Total engineering construction increased 8.9% (in constant price terms) in 2001/02 and is forecast to increase by 12.5% in 2002/03 and a further 1.3% in 2003/04.

The upturn is then expected to continue for two more years beyond that, prior to another downturn. The peak of this cycle, in 2005/06, is expected to be well above the previous peak of 1999/2000, but the following downturn is also expected to be more severe than the downturn of 2000/01.

The upturn is currently coming through faster than expected. While the dry weather of 2002 may be partly responsible, another reason is the high engineering construction component in a number of major resource projects now under construction. The strength of the upturn is mainly due to higher levels of activity coming through in the heavy industry category.

While public sector engineering construction is now recovering, the current upturn is essentially being driven by a handful of large private sector investment projects. These projects, listed below, have collectively accounted for over $800 million of work done each quarter over recent quarters. However, with few large resource projects due to start over the next year, heavy industry construction activity will fall away as these projects are completed. Some big roads and public rail projects will pick up most of this slack. The end result will see an overall plateauing of work levels over the next year, before another general upturn from the second half of 2004.

The major private sector resource and railway projects underpinning high levels at present include:

- North-West Shelf LNG 4th production train – total project $1.6 billion, commenced September quarter 2001, completion by mid 2004.
- Bayu-Undan oil and gas field, Stage 1 – total $2.6 billion, commenced 2002, completion end 2003.
- A second trunk line (gas pipeline) from the North-West Shelf – total $800 million, commenced June quarter 2002, completion by mid 2004.
- The Alice Springs to Darwin rail line – total $1.28 billion, commenced June quarter 2001, completion early 2004 (or possibly earlier).
- The new Gladstone Alumina refinery – total $1.5 billion, commenced June quarter 2002, complete late 2003.

As many of these projects start to wind down, high levels of construction will be sustained over the next two years by the following key drivers:

- The next round of major private infrastructure projects, this time concentrated in New South Wales where three major projects will get underway during the next two years:
  - The $1.250 billion Western Sydney Orbital (commenced).
  - The $800 million Lane Cove Tunnel; and
  - The $640 million cross City Tunnel.
- A recovery in state government infrastructure construction, as a result of previously delayed projects finally getting underway and as revenues start to strengthen with faster growth in the economy. The key sectors to benefit will be roads and railways, with water and sewerage construction also expected to rise. Rail construction is expected to receive the biggest boost over the next two years of any engineering construction category. Work has begun on the following three major projects and will ramp up over the next 2 to 3 years:
  - The Epping to Chatswood Rail link in Sydney.
  - The Perth to Mandurah rail link in Western Australia; and
  - Regional fast rail links in Victoria.
- A rolling boom in heavy industry construction, with ongoing oil & gas investment set to be joined by stronger investment in other minerals segments and secondary processing facilities from 2004 as the world economy recovers.
- A major electricity investment phase, with significant increases in construction expected in generation, transmission and distribution sub-sectors from 2003/04, after a decline in 2003/03 (following high levels of 2001/02).
- Significant addition to Australia's gas pipeline network, including connections between Victoria and South Australia and possibly the connection of Darwin and Queensland for delivery of Timor Sea gas.
- An eventual recovery in telecommunications construction. A major downturn in the telecommunications market over the last two years will likely continue through 2002/03 before the first signs of recovery in network investments in 2003/04.

3.3 Outlook for Maintenance

Maintenance of Australia's infrastructure, non-residential buildings and industrial facilities is a $20 billion per year industry.

Maintenance activity has been relatively weak in recent years across most sectors. Government dominated sectors have, as a rule, been subject to constrained levels of funding for a number of years. Roads is perhaps an exception. In a longer term context, funding levels in many sectors, such as education, hospitals and railways, have been stagnant, or declining, over a long period of time. This has meant flat or falling maintenance expenditures in real terms, a large build-up of deferred maintenance and a deterioration in quality of assets, to below sensible fit-for-purpose standards in many cases.

There has also been a further tightening of state government expenditure as the economy has entered a downturn. Mining and heavy manufacturing sectors have also been in cost-cutting mode as a result of weak world demand, falling commodity prices and excess capacity. Commercial building sectors (hotels, offices, retail) have been affected by weak demand for space. We expect a catch-up period of renewals and rehabilitation expenditure at some stage.

The outlook from here is for a strong upturn, with most sectors likely to increase their expenditure on maintenance over the next five years. State Governments are expected to take advantage of strongly growing revenues to fund much overdue maintenance work and to increase levels of funding generally for social infrastructure and services.

Attention is increasingly focussing on previous inadequate levels of maintenance in the public sector. The most prominent example has been the findings of the McInerney Inquiry into the NSW rail system, which has already led to big increases in funding for rail maintenance. Similarly, funding for maintenance in schools, TAFE colleges, universities, public hospitals and roads will also increase.

We expect strong economic growth to become apparent during 2002/03, feeding into increased spending in state budgets being framed in that year for 2003/04. We anticipate solid increases in public sector maintenance expenditure in 2003/04 and 2004/05, moderating in 2005/06. This pattern will be evident in sectors such as education, water and wastewater, roads and railways.

As the Australian and world economies recover from 2002/03 onwards, incomes in both the industrial sectors and the non-residential building sectors will improve and capacity will be more fully utilised, leading to increased maintenance activity.

Property markets will begin to tighten as demand for space increases, and a major phase of maintenance and refurbishment will be required as the existing space becomes more fully utilised and deferred maintenance is undertaken.

A stronger rise in maintenance activity is expected in mining and heavy manufacturing through the middle of the decade, particularly during 2004/05 to 2006/07. A period of lower investment will combine with rising demand and prices (as the world economy finally shifts back into top gear), meaning an aging asset stock again being run at high capacity, with good profitability.

Overall, we expect quite strong growth in maintenance expenditure (in constant price terms) over the next five years, but particularly during 2002/03, 2003/04 and 2004/05, with growth moderating in 2005/06 and 2006/07.

Yours sincerely

R. B. Mellor R. Trewartha

Robert Mellor and Ross Trewartha

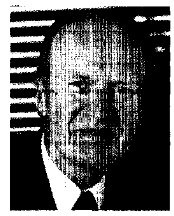
BIS Shrapnel Pty Limited

26 August 2003


BJON

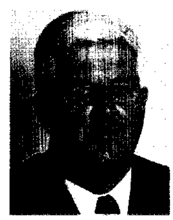
SECTION 6 – BOARD

6.1 Board

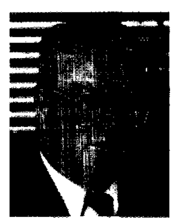


Mr Robinson was formerly CEO and managing director of Ashton Mining Limited. He is currently a director of Perseverance Corporation Limited and PSI Limited. He is also a director and deputy chairman of Prince Henry's Institute of Medical Research. Mr Robinson has extensive experience in corporate governance and compliance.

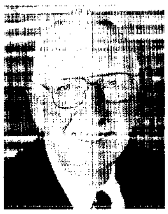
Mr Harmon was with BHP Billiton Limited for eleven years in various executive positions within BHP Billiton Limited's Steel, Collieries, Transport and Logistics businesses as well as holding various directorships. His experience is further set out in Section 3.10.1.



Mr Hebiton commenced his commercial career in the rural sector. In 1989, he acquired various business interests associated with land and property rental developments. In the late 1990s, Mr Hebiton was managing director of Hazdon Holdings Pty Ltd. He is currently a director of a number of private companies, was a principal of Alpha Crane Hire and is one of the driving forces behind the formation of BOOM. He is currently contracted on a short term basis by BOOM to manage business development as set out in Section 10.4.5.



Mr Williams was managing director of Sutville and had been associated with it since its formation in 1978. Through steady growth and focus on the hire/sale of tower cranes to the building and civil engineering sectors, Sutville enjoyed a pre-eminent status in the crane industry. He is one of the most experienced executives in the Australian crane hire industry.



Dr Davies was previously group chief executive and a director of BTR Nylex Limited. He was responsible for polymer, glass, textiles, resources and commercial interiors, and has extensive local and international experience in contractual negotiations.

He is currently chair of Gale Pacific Limited, Gascor Pty Ltd and the SECV Executive Committee, (and an Administrator with SECV) and a director of Snowy Hydro Limited.

Ms Bennett has held several executive roles at BHP Billiton Limited, the most recent as vice president of Corporate Services. Ms Bennett is a chartered accountant with over 25 years experience in finance, business management, audit and risk management. She is currently chief financial officer of the Royal Children's Hospital and the Royal Women's Hospital, Victoria and is also a director of the International Diabetes Institute.

6.2 Corporate Governance

The Company's Board of Directors is responsible for protecting the rights and interests of all shareholders in the Company through a process of policy setting and performance monitoring. The Board's functions include:

- Guiding and approving strategic direction and business planning for the Company.
- Monitoring business performance against agreed benchmarks.
- Ensuring the effectiveness of internal controls and business risk management.
- Appointing and monitoring the performance of the Company's CEO.
- Ensuring the Company complies with its responsibilities under the Corporations Act, the ASX Listing Rules, the Company's Constitution and other relevant laws.

The composition of the Board is determined in accordance with the following general principles:

- The Chairman shall be an independent non-executive Director.
- At least half of the Board must be non-executive.
- The Board shall comprise Directors with a broad mix of business expertise and experience.

The composition of the Board, its performance and the appointment of new Directors will be reviewed periodically by the Board, taking advice from the Remuneration and Nomination Committee and external advisers as appropriate.

In order to better manage its responsibilities, the Board has established an Audit and Risk Committee, an Occupational Health, Safety and Environment Committee and a Remuneration and Nomination Committee.

6.2.1 Audit and Risk Committee

The Audit and Risk Committee's primary objective is to assist and advise the Board in fulfilling its responsibilities in relation to the accounting and reporting practices of the Company, including:

- The nomination and remuneration of external auditors.
- Reviewing the quality of the external audit.
- Providing an independent, objective review of financial information provided by management to Shareholders and regulatory authorities.
- Reviewing the Company's financial control practices.

The Committee is not responsible for the review of related party transactions, as all such matters must be referred to the full Board.

The Audit and Risk Committee comprises three directors with at least 2 non-executive directors and is chaired by a non-executive director who is not the Chairman of the Board. Executives may attend by invitation.

The current members of the Committee are Ms Bennett (Chairperson), Dr Davies and Mr Hebiton.

The independent auditors have a direct line of reporting to the Committee and have clear and open access to members of this Committee.

The Audit and Risk Committee also has the function of reviewing management practices in relation to the identification and management of significant financial risk areas and regulatory compliance. Formal systems have been introduced for regular reporting to the Board on financial risks and compliance matters.

6.2.2 Occupational Health, Safety and Environment Committee

This Committee's primary role is to review and report to the Board on all Occupational Health, Safety and Environment Policies and to monitor the effectiveness of management systems covering these risks across all aspects of the business. System reporting shall include internal and external auditing of policies and their implementation. The Committee comprises of a minimum of three directors and meets at least four times a year. Current members of the Committee are Mr Robinson (Chairman), Mr Hebiton and Mr Williams.

6.2.3 Remuneration and Nomination Committee

This Committee's principal function is reviewing and making recommendations to the Board on remuneration policies applicable to Directors, senior executives and Company employees generally. The Committee has particular responsibility for the annual review and consideration of the CEO's remuneration structure. The Committee is also responsible for recommending criteria for the appointment to the Board, identifying suitable individuals for Board membership and evaluating performance. In discharging its responsibilities, the Committee draws on advice from external consultants. The Committee comprises a minimum of three non-executive directors and meets at least once each year. Current members are Mr Robinson (Chairman), Dr Davies and Ms Bennett.

6.2.4 Shareholder Communication

The Board aims to ensure that all Shareholders of the Company are kept informed of all material developments affecting the Company's business in accordance with all applicable disclosure requirements. Information will be communicated to Shareholders through the Annual General Meeting, Annual Report, half year and full year results announcements, formal disclosures to ASX and the Company's website at www.boomlogistics.com.au. The Annual General Meeting provides a particularly important forum for Shareholder participation in the Company's activities.

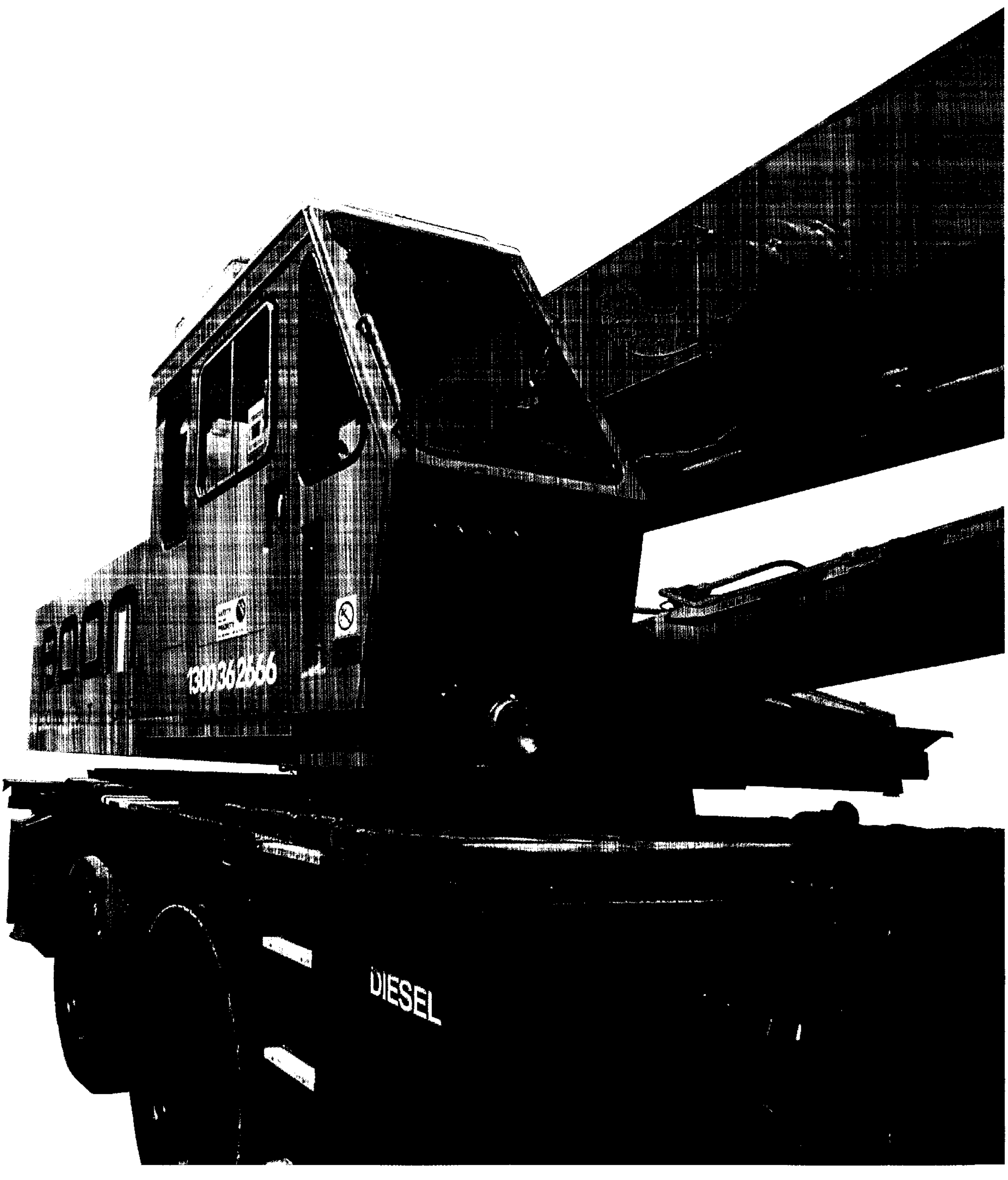
The Company Secretary has been appointed as the person primarily responsible for managing external communications with the ASX.

6.2.5 Securities Trading

The Company has a securities trading policy for Directors and senior executives. The policy requires Directors and senior executives to advise the Chairman or the CEO if they intend to trade in securities in the Company and provides safeguards for both the Company and the individual with respect to securities trading.

6.2.6 ASX Principles of Good Corporate Governance and Best Practice Recommendations

The Company's Board of Directors has formally resolved that following admission to the Official List, the Board will adopt the ASX Principles of Good Corporate Governance and Best Practice Recommendations (introduced on 31 March 2003) as appropriate. This process will involve the Board reviewing the Company's existing corporate governance practices in accordance with good governance practice.



BOOM LOGISTICS LIMITED

Providers of lifting solutions to Australia

FINANCIAL INFORMATION

FINANCIAL INFORMATION

7.1 Introduction

This Section contains a summary of BOOM's:

- FY02 pro-forma financial performance including the reported results for FY02 of all BOOM's historic acquisitions and all Contracted Acquisitions assuming they were all owned by BOOM from 1 July 2001.
- FY03 pro-forma financial performance including the reported results for FY03 of all BOOM's historic acquisitions and all Contracted Acquisitions assuming they were all owned by BOOM from 1 July 2002.
- FY03 audited statutory result for BOOM.
- FY04 statutory financial forecast including BOOM and all Contracted Acquisitions from the date the Contracted Acquisitions are to be acquired.
- FY04 pro-forma financial forecast including BOOM and all Contracted Acquisitions assuming all Contracted Acquisitions occurred on 1 July 2003.
- FY04 statutory forecast cash flow summary.
- Pro-forma statement of financial position as at 30 June 2003 adjusted for the impact of the Contracted Acquisitions and the Offer assuming they occurred on 30 June 2003.

All information presented in this Section must be read in conjunction with:

- The Directors' best estimate assumptions outlined in Section 7.6.
- The risk factors in Section 8.
- The Independent Accountant's Report set out in Section 9.
- The Independent Review of Directors' Financial Forecasts set out in Section 9.

7.2 Basis of Preparation of Historical Financial Performance

BOOM's historical pro-forma financial performance to the EBITDA level for FY02 and FY03, and the FY03 statutory results are summarised below.

For the purpose of preparing the historical pro-forma financial information for FY02 and FY03, it has been assumed that acquisitions made to date and the Contracted Acquisitions to be made by BOOM had been owned by BOOM since the beginning of FY02.

The FY03 statutory financial performance is based on the audited FY03 accounts.

Historical financial information has not been extended below the EBITDA level because the financial performance of the various businesses and companies below this level are not relevant to BOOM's operating structure.

FINANCIAL INFORMATION

7.3 Basis of Preparation of Forecast Financial Information

The Directors' statutory financial forecast for FY04 includes the forecast result of the Company and the Contracted Acquisitions to be made during FY04 as at the planned dates of acquisition.

For accounting purposes, the effective date of the Contracted Acquisitions is 1 October 2003.

As these acquisitions will take place part way through FY04, the Directors have also prepared a pro-forma financial forecast for the full year FY04. This forecast is prepared assuming the Contracted Acquisitions are made on 1 July 2003.

At the date of this Prospectus, there have not been any events of a material nature or any material change in the business operations or financial position in respect of any of the businesses that may impact on the Directors' FY04 financial forecasts.

The Directors' financial forecasts for FY04 assume a full head office function in a listed public company structure.

The Directors' financial forecasts for FY04 are based on the Directors' assessment of the present economic and operating conditions and on a number of assumptions regarding future events and actions, which, at the date at which the forecasts were adopted, the Directors reasonably expect to take place. These events or actions may or may not take place.

The forecasts are, by their very nature, subject to uncertainties and unexpected events, many of which are outside the control of the Company and its Directors.

Events and circumstances often do not occur as anticipated and therefore actual results are likely to differ from the forecasts and these differences may be material. Accordingly, the Directors cannot and do not guarantee that the forecasts will be achieved.

7.4 Summarised Group Earnings Information

Year	**FY02[1] Pro-forma**	**FY03[2] Pro-forma**	**FY03[3] Actual**	**FY04[4] Statutory Forecast**	**FY04[5] Pro-forma Forecast**
$million					
Revenue	74.7	82.2	28.6	73.1	86.7
EBITDA	17.2	20.2	6.7	18.6	22.2
EBITDA Margin	23.0%	24.6%	23.4%	25.4%	25.6%
Depreciation and Amortisation	*	*	1.6	3.8	4.3
EBIT	*	*	5.1	14.8	17.9
Net Interest	*	*	1.5	2.1	2.3
Pre Tax Profit	*	*	3.6	12.7	15.6
Tax•	*	*	1.0	3.8	4.7
Net Profit After Tax	*	*	2.6	8.9	10.9

* Indicates information is not calculable or considered appropriate in the circumstances.

1 FY02 pro-forma financial performance includes the results for FY02 of all BOOM's historic acquisitions and all Contracted Acquisitions assuming they were all owned by BOOM from 1 July 2001.

2 FY03 pro-forma financial performance includes the results for FY03 of all BOOM's historic acquisitions and all Contracted Acquisitions assuming they were all owned by BOOM from 1 July 2002.

3 FY03 audited statutory result for BOOM.

4 FY04 statutory financial forecast includes BOOM and all Contracted Acquisitions from the date the Contracted Acquisitions are to be acquired.

5 FY04 pro-forma financial forecast includes BOOM and all Contracted Acquisitions assuming all Contracted Acquisitions occurred on 1 July 2003.

FINANCIAL INFORMATION

7.5 Management Discussion and Analysis of Historical and Forecast Financial Information

7.5.1 FY02

Key factors that affected the performance of BOOM in pro-forma FY02 were:

- BOOM commenced operations as an integrated company in February 2002 following the successful acquisition of the Alpha Crane Hire, Midland Crane Hire, Uniway, Sutville and General Contractors businesses in WA and Victoria. These companies have been established within the industry for some time (refer to Section 3.3).
- The Victorian marketplace experienced significant growth in apartment developments which proved positive for the crane hire business, particularly tower cranes.
- The level of civil works in Western Australia, Victoria and Queensland increased, which had a positive impact on the demand for mobile crane hire services.
- Resource based customers in Western Australia and Queensland increased their demand for crane services.
- The business diversified its service offer with the inclusion of heavy haulage transport and logistics services.
- The Company experienced increased activity from its petro-chemical customer base in Victoria and Western Australia.

7.5.2 FY03

Key factors that affected the performance of BOOM in pro-forma FY03 were:

- The Victorian marketplace continued to experience a high level of activity in apartment and commercial developments which resulted in increased demand for crane hire, particularly tower cranes.
- The Company increased the level of recurrent revenue from maintenance related client activities. This revenue was principally sourced from an increased level of contracted services to industrial corporate clients.
- The Company experienced increased demand across all sectors, particularly driven by increased activity levels in the maintenance resources and construction sectors, which also led to an improvement in terms.

7.5.3 FY04

Key factors affecting forecast financial performance of BOOM in FY04 were:

BOOM is forecast to grow its existing level of revenue post the Contracted Acquisitions, which is forecast to take historical statutory revenue for FY03 from $28.6 million to $73.1 million for FY04. Crane hire rates charged in FY04 are forecast to remain constant with FY03 levels. The difference between FY04 forecast statutory revenue of $73.1 million and FY04 forecast pro-forma revenue of $86.7 million represents a timing difference between the date at which the acquisitions are to be made and an otherwise full year comparative.

FINANCIAL INFORMATION

Summary of revenue	Statutory FY04	%	Pro-forma FY04	%
Mobile Crane hire	61.6	84%	75.2	87%
Tower Crane Hire	11.5	16%	11.5	13%
Total	73.1	100%	86.7	100%

Note the above revenue includes "Other Revenue" from other activities referred to below.

BOOM's historical implied utilisation levels average 71% compared to optimal industry utilisation levels of 75%. Utilisation levels of large capacity cranes generally exceed those relating to the smaller spot hire cranes.

Tower crane revenue is largely contracted over periods ranging from 30 weeks to 100 weeks and the cranes are supplied on a Dry Hire basis.

BOOM earns other revenue from rigging labour and fabrication services in Victoria, which is necessary for the provision of site-specific tower crane infrastructure and transport and logistic services. BOOM also provides specialised services such as engineering consultancy along with specialised supervision, maintenance, inspection and testing services. BOOM generates equipment recharge revenue to complement other lifting and fabrication services.

The majority of the Company's operating costs comprise rechargeable costs, direct labour, equipment maintenance and fuel and oil.

Rechargeable costs, which are passed on to customers at a nominal margin, include cross-hire costs, Dry Hire transport, fabrication expenses, plant and equipment recharge costs and the costs of external mechanics, fitters and boilermakers.

Crane operator costs equate to 31% of related Wet Hire revenue derived from mobile cranes. This has been forecast to continue through FY04. All crane operators are costed at base salary plus employment on-costs inclusive of workcover, annual, long service and sick leave, superannuation and income protection. Budgeted overtime cost is also calculated as additional to base salary. All operators are covered by award agreements.

Other labour costs include operations management and relate to the salaries payable to operations managers, supervisors, lift study personnel and engineers at the operational level. At a corporate level, salaries are payable to business development personnel, divisional management and administration management.

Equipment maintenance reflects the cost of parts and consumables for fleet maintenance and is inclusive of tyres. These costs equate to 7% of related mobile crane hire revenue. Fuel and oil costs, equate to and are forecast to run at 5% of associated revenue.

Other expenditure includes administration, communications, consultancy, general insurance and property leases.

Head office costs, which include senior executives, non-executive directors, public company secretarial and compliance costs, are estimated to be $1.7 million for both statutory and pro-forma FY04.

FINANCIAL INFORMATION

Annual accounting depreciation rates vary between 5% for heavy lift and tower cranes to 10% for light cranes and 20% for motor vehicles and ancillary plant and equipment. Depreciation is forecast to total $3.8 million for statutory FY04 and $4.3 million for pro-forma FY04.

Net interest expense has been calculated based on anticipated cash flows, current borrowings and proposed financing arrangements expected to be in place after the completion of the Offer and is forecast to total $2.1 million on a FY04 statutory basis and $2.3 million on a FY04 pro-forma basis.

BOOM's debt funding consists of the following current and anticipated arrangements:

- Finance contracts (hire purchase agreements) forecast to total $33.3 million with principal and interest payments occurring monthly.
- A $1.7 million commercial bill facility existing at 30 June 2003, which is scheduled to be repaid by the end of December 2003.
- An overdraft facility that is in place until the end of December 2003.

Further details are provided in Section 7.12.

7.6 Forecast Best Estimate Assumptions

The following sets out the Directors' best estimate assumptions on which the forecast financial performance and forecast cash flow summary are prepared.

7.6.1 General Assumptions

The Directors' statutory financial forecast for FY04 includes the forecast financial performance of the Company for the three months ended 30 September 2003, and the forecast results of the Company including the Contracted Acquisitions for the 9 month period to 30 June 2004.

As the Contracted Acquisitions take place part way through FY04, the Directors have also prepared a pro-forma financial forecast for the full year FY04. The pro-forma forecast assumes all the Contracted Acquisitions to be acquired during FY04 are acquired on 1 July 2003.

This forecast assumes a move to a full head office function in a listed public company structure from 1 October 2003. All forecasts assume minimal benefit from the centralisation of operating functions, such as material procurement and pricing negotiations, during FY04.

The financial forecasts for FY04 have been prepared based on the Directors' best estimates. The forecasts generally also assume:

- The Offer is fully subscribed and proceeds are received on 1 October 2003.
- A continuation of the present operating environment for crane hire services businesses in Australia.
- There are no material acquisitions or disposals other than the Contracted Acquisitions during the forecast period. BOOM does intend to actively pursue opportunities for synergistic acquisitions throughout the period but these cannot reliably be modelled in advance.
- There are no material industrial relations disturbances.
- BOOM will not be a party to material litigation or be exposed to any environmental issues.

FINANCIAL INFORMATION

7.6.2 Specific Assumptions

The Directors' specific assumptions relating to forecasts for FY04 as compared to FY03 and earlier periods are set out below.

The forecasts for FY04 have been prepared based on historical results for FY03 as well as adjustments relating to the specific assumptions set out below.

- Forecast revenue from tower crane hire for FY04 has been prepared on the basis that there will only be a small decline in historical revenue from FY03 given the continuing level of demand for tower crane services from the commercial and high rise market sectors.
- Forecast revenue from mobile crane hire for FY04 has been prepared on the basis of historical revenue in FY03 plus additional revenue generated from the expected levels of demand from existing customers, better utilisation of spare capacity and flow on demand post the Contracted Acquisitions.
- Lower margin revenue from cross hire is forecast to be lower in FY04 as the expanded fleet will allow the Company to reduce the reliance on third party operators. This revenue will instead be earned by Company owned equipment at better operating margins.
- Rates charged by the Company remain at FY03 levels.

- Direct operating costs are consistent with historical margins achieved by equipment type, project type and customer.
- Overhead costs are based on historical levels adjusted for the forecast level of activity and corporate overheads are based upon historical levels, adjusted for future events, including the establishment of a public company head office function.
- Depreciation and amortisation rates are consistent with prior years.

- Nominal levels of additional capital equipment are forecast for FY04 given the relative age of our fleet and following the acquisition of the Contracted Acquisitions.
- BOOM continues to operate on its historical terms of trade with respect to working capital requirements.

7.6.3 Reliability Statement of Prospective Financial Information

The forecast information contained in this Section 7 contains prospective financial information which is:

- Predictive in character.
- May be affected by inaccurate assumptions or by known or unknown risks and uncertainties.
- May differ materially from results ultimately achieved.

FINANCIAL INFORMATION

7.7 Sensitivity Analysis

The forecast financial information has been based on certain economic and business assumptions about future events. A summary of the Directors' best estimate assumptions underlying the forecast financial information is set out in Section 7.6 above.

The Company's forecast NPAT is considered to be sensitive to movements in a number of the Directors' best estimate assumptions. A summary of the likely impact of movements in certain of the Directors' best estimate assumptions on the Company's forecast EBIT and NPAT for FY04 is set out below. The changes in the key assumptions set out below are not intended to be indicative of the complete range of variations that may occur.

Earnings are influenced by movements in a number of key variables and business drivers, including:

- Sales revenue (utilisation rates and hire charge rates).
- Operating costs (direct salaries and on costs).
- Overhead costs (corporate and management costs).

Care should be taken in interpreting this information. This analysis treats each movement in an assumption in isolation from possible movements in other assumptions, which may not be the case. Movements in one assumption may have offsetting or compounding effects on other variables, the effects of which are not reflected in the following analysis.

In addition, it is possible that more than one assumption may move at any point in time, giving rise to cumulative effects, which are also not reflected in this analysis.

FINANCIAL INFORMATION

Typically, the Company's management would respond to any material adverse change in conditions by taking appropriate action to minimise, to the extent possible, any adverse effects on profits and dividends. The effect of any such mitigating action has also been excluded from the following analysis:

Sensitivity	FY04 Statutory Forecast	FY04 Pro-forma Forecast
Base Earnings		
EBIT ($ million)	14.8	17.9
NPAT ($ million)	8.9	10.9
Sales Revenue (+/– 10%) ($ million)	7.3	8.7
EBIT Impact ($ million) +/–	1.9	2.2
EBIT Impact (%) +/–	12.8%	12.3%
NPAT ($ million) +/–	1.3	1.6
NPAT (%) +/–	14.6%	14.7%
Operating Costs (+/– 10%) ($ million)	4.4	5.2
EBIT Impact ($ million) +/–	4.4	5.2
EBIT Impact (%) +/–	29.7%	29.1%
NPAT ($ million) +/–	3.1	3.7
NPAT (%) +/–	34.8%	33.9%
Overhead Costs (+/– 10%) ($ million)	1.0	1.2
EBIT Impact ($ million) +/–	1.0	1.2
EBIT Impact (%) +/–	6.8%	6.7%
NPAT ($ million) +/–	0.7	0.8
NPAT (%) +/–	7.9%	7.3%

FINANCIAL INFORMATION

7.8 Pro-forma Consolidated Statement of Financial Position

The Pro-forma Consolidated Statement of Financial Position for BOOM as at 30 June 2003 has been prepared as if the Offer and the acquisitions of the various businesses and companies had occurred as at that date. Details of the Pro-forma Consolidated Statement of Financial Position are included in the Independent Accountant's Report in Section 9 and are summarised below.

Pro-forma Consolidated Statement of Financial Position 30 June 2003

	Pro-forma 30 June 2003 $
Cash assets	5,632,544
Receivables	9,185,605
Inventories	63,110
Other assets	518,311
TOTAL CURRENT ASSETS	15,399,570
Property, plant and equipment	76,885,940
Intangible assets	5,193,660
Deferred tax assets	314,002
TOTAL NON-CURRENT ASSETS	82,393,602
TOTAL ASSETS	97,793,172
Payables	9,807,935
Interest bearing liabilities	7,161,388
Provisions	2,545,128
Tax liabilities	505,278
Other liabilities	850,318
TOTAL CURRENT LIABILITIES	20,870,047
Interest bearing liabilities	27,800,009
Deferred tax liabilities	788,090
Payables	4,174,624
TOTAL NON-CURRENT LIABILITIES	32,762,723
TOTAL LIABILITIES	53,632,770
NET ASSETS	44,160,402
Contributed equity	42,293,432
Retained earnings	1,866,970
TOTAL EQUITY	44,160,402

FINANCIAL INFORMATION

7.9 Basis of Preparation of Pro-forma Consolidated Statement of Financial Position

The Pro-forma Consolidated Statement of Financial Position of BOOM as at 30 June 2003 has been prepared on the following basis:

- Combining the assets and liabilities of BOOM with those companies and businesses to be acquired, being:
  - The assets of Conmor Cranes, Port Kembla Cranes and Purcell Cranes.
  - The shares of Heavy Lift Cranes and Holts.
  - The assets of Brambles Goldfields Cranes which were acquired on 1 July 2003.
- Determining the fair value of the net assets to be acquired for each purchase based on independent valuations performed.
- Adopting BOOM's accounting policies for all companies and businesses both acquired and to be acquired.
- Adding additional debt to be taken on by BOOM upon the various acquisitions.
- Excluding any synergies that may arise from the combination of the various businesses.

and as if the following proposed transactions had taken place as at 30 June 2003:

- The Offer as outlined in this Prospectus. In accordance with the Offer, BOOM will issue 26,250,000 New Shares at $0.80 each to raise $21 million.
- The issue of Shares and cash for the Contracted Acquisitions as detailed in Section 7.14 and the acquisition of the assets of Brambles Goldfields Cranes which was acquired on 1 July 2003.
- The payment of stamp duty and other acquisition costs of $690,000.
- Additional debt of $3.6 million taken out to fund the Contracted Acquisitions split between current liabilities of $609,984 and non-current liabilities of $2,990,016.
- Deferred capital raising costs of $916,172 are offset against share proceeds received and business acquisition costs of $500,000 are capitalised as property, plant and equipment.
- The issue of 1,658,571 Shares to the CEO and 490,000 Shares to employees.
- The issue of 1,255,000 Options to Reefside Enterprises Pty Ltd at a 60 cent exercise price relating to a performance fee on the negotiations and completion of Heavy Lift Cranes and Conmor Cranes. This is in addition to the 760,000 Options issued at an exercise price of 50 cents in the previous financial year.
- Expenses associated with the Offer, estimated to be approximately $1.7 million have been charged against equity and reflected in the Pro-forma Statement of Financial Position.

FINANCIAL INFORMATION

7.10 Forecast Cash flow Summary for FY04

	FY04 Statutory Forecast $m
Cash flows from Operating Activities	
Cash receipts in the course of operations	69.9
Cash payments in the course of operations	(56.0)
Net interest paid	(2.1)
GST Paid	(3.8)
Dividend paid	(1.1)
Income taxes paid	(0.5)
Net Cash Provided by Operating Activities	6.4
Cash flows from Investing Activities	
Payment for plant and equipment	(1.1)
Payment for business acquisitions	(30.8)
Proceeds from sale of plant and equipment	–
Net Cash Provided by Investing Activities	(31.9)
Cash flows from Financing Activities	
Repayments to banks and finance companies	(5.5)
Proceeds from borrowing	13.1
New equity funds raised	21.0
Expenses of the Offer	(1.7)
Net Cash Provided by Financing Activities	26.9
Net Increase in Cash Held	1.4
Cash at the Beginning of the Financial Year	0.8
Cash at the end of the Financial Year	2.2

FINANCIAL INFORMATION

7.11 Dividend Policy and Forecast Distribution

The ongoing dividend policy of BOOM is as follows:

- It is the intention of Directors to make regular, half-yearly distributions of dividends to shareholders, subject to available profits, working capital and the level of borrowings by the Company.
- Dividends will be franked if franking credits are available.

However, the payment of dividends by the Company in the future, including any dividends for FY04, will be at the complete discretion of the Directors. It will depend upon the availability of distributable earnings and the Company's franking credit position, operating results, available cash flow, financial condition, taxation position, and future capital requirements, as well as general business and financial conditions and any other factors the Directors may consider relevant.

Dividends, if any, will be paid twice yearly with an interim dividend payable in April and a final dividend payable in October of each calendar year. It is intended that the Company will maintain a fully franked dividend payout ratio of approximately 50% of each year's net profit after tax. The Directors may review this dividend policy from time to time and, subject to prevailing circumstances, may change its terms.

Subject to the forecasts being achieved and the considerations outlined above, an interim dividend which equates to approximately 25% of the proposed full year dividend, is expected to be paid for the six-month period ending 31 December 2003 followed by a final dividend forecast to be paid in respect of FY04. Total dividends to be paid are forecast to be approximately 4.8 cents per Share.

The Company expects that the dividends for FY04 will be fully franked to the extent possible given available franking credits. The Directors can give no assurance regarding the payment of dividends, the level of franking of such dividends or the extent of payout ratios for FY04 or for any future period.

7.12 Financing Facilities

Under a letter dated 26 February 2003 from National Australia Bank Limited ("NAB") to BOOM, NAB agreed to provide BOOM with the following facilities ("facilities") for additional financial accommodation:

- Overdraft facility of $500,000. The balance of this facility at 30 June 2003 was nil.
- Bills accepted/discounted bills facilities with a limit of $2 million. The balance of this facility at 30 June 2003 was $1.7 million.

The overdraft facility and the bills accepted/discounted bills facilities will expire on 31 December 2003.

BOOM also has the following existing facilities from NAB:

- Lease facilities consisting of 15 individual financing contracts with a cumulative balance at 30 June 2003 of $11,192,286.
- Facility of $50,000 for a rental guarantee to a landlord.

The above facilities are secured by fixed and floating charges over the assets of the Company. NAB will have the right to review the pricing and terms of commercial bill facility and overdraft facility from time to time. Hire purchase agreements are fixed for a period of 60 months.

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Challenge Bank has provided the Company with the following facility under:

- 8 hire purchase agreements totalling $211,225 dated 7 February 2002. The balance of this facility at 30 June 2003 was $149,945.

BankWest has provided the Company with the following facility under:

- A hire purchase agreement of $1.5 million dated 6 February 2002. The balance of this facility at 30 June 2003 was $1,259,764.

Esanda Finance has provided the Company with the following facilities under:

- A hire purchase agreement of $3,021,171 dated 31 January 2002.
- A hire purchase agreement of $99,547 dated 6 February 2002.
- 3 hire purchase agreements totalling $92,263 dated 3 May 2002.
- 2 hire purchase agreements totalling $80,057 dated 10 May 2002.

The cumulative balance of these facilities at 30 June 2003 was $2,785,440.

CBFC Limited has provided the Company with the following facility:

- A hire purchase agreement of $4 million dated 28 February 2003. The balance of this facility at 30 June 2003 was $3,800,651.

GE Commercial Pty Ltd has provided the Company with the following facility:

- A hire purchase agreement of $285,216 dated 1 August 2002. The balance of this facility at 30 June 2003 was $240,958.

Additional facilities following Contracted Acquisitions will be available as follows:

- Heavy Lift Cranes has facilities totalling $2,475,262 of which $1,953,423 was outstanding at 30 June 2003.
- Holts has a bank overdraft facility of $400,000.
- Holts has a leasing/hire purchase facility (based on original value of the leases/hire purchases) of $14.4 million of which $8,278,929 was outstanding at 30 June 2003.
- The Company is planning to raise a further $3.6 million via a hire purchase facility.

Further details of the Facility Agreements are discussed in Section 10.4.2.

FINANCIAL INFORMATION

7.13 Forecast Income Tax Reconciliation

The income tax expense for FY04 will differ from the prima facie tax expense assuming a tax rate of 30%.

The differences are reconciled as follows:

- Prima facie tax effect is 30% of net operating profit prior to tax.
- Permanent differences represent the difference in both years as a result of the following permanent differences:
    - Amortisation of goodwill for which the Company will not receive a taxation deduction.
    - The costs of the Offer estimated at approximately $2.6 million comprising approximately $1.7 million in relation to the Offer and the balance attributable to other capital raising costs will be offset against the issued capital amount in the Statement of Financial Position but will be available for a tax deduction over a five year period to the Company.

7.14 Acquisition Costs

Details of the acquisition costs for the Contracted Acquisitions are set out below:

Funding	Cash[1] $million	Deferred Settlement[2] $million	Share Issues to Vendors $million	Purchase Price $million
– Heavy Lift Cranes	1.20	–	2.75	3.95
– Conmor Cranes	2.38	0.50	3.51	6.39
– Holts	6.50	1.50	8.00	16.00
– Purcell Cranes	6.00	–	0.75	6.75
– Port Kembla Cranes	2.30	3.40	–	5.70
	18.38	5.40	15.01	38.79

1. For Conmor Cranes, Purcell Cranes and Port Kembla Cranes, cash payment is calculated after estimated employee entitlements of $997,340 assumed by BOOM.
2. Payments to be made within the next 12 months are $4.25 million (with $1.15 million payable in greater than 12 months).

SECTION 8 – RISK FACTORS

RISK FACTORS

This Section identifies the areas that are believed to be the major risks associated with an investment in BOOM.

BOOM's business is subject to risk factors, both specific to its business activities and of a general nature. Individually, or in combination, these might affect the future operating performance of BOOM and the value of an investment in the Company. There can be no guarantee that BOOM will achieve its stated objectives or that any forward looking statements or forecasts will eventuate. An investment in the Company should be considered in light of all risks, both general and specific. Each of the risks set out below could, if they eventuate, have a material adverse impact on BOOM's operating and financial performance.

Before deciding to invest in the Company, investors should read the entire Prospectus and, in particular, in considering the prospects for BOOM, should consider the assumptions underlying the prospective financial information and the risk factors that could affect the financial performance of BOOM.

Investors should specifically consider the factors contained within this Section in order to fully appreciate the risks associated with an investment in the Company. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your stockbroker, accountant or independent financial adviser before deciding whether to invest.

8.1 General Risks

8.1.1 Stock market fluctuations

Stock market fluctuations in Australia and other stock markets around the world may negatively affect the value of the Shares. Factors that may influence the investment climate in stocks, which may not relate to actual performance of BOOM, include general economic outlook, movements in commodity prices, exchange rate movements, interest rates, inflation and political developments.

8.1.2 General economic conditions

Both Australian and world economic conditions may negatively affect BOOM's performance. Any protracted slow down in economic conditions or factors such as the level of production in the relevant economy, inflation, currency fluctuation, interest rates, supply and demand and industrial disruption may have a negative impact on BOOM's costs and revenue. These changes could adversely affect BOOM's operations and earnings.

8.2 Risks Specific to BOOM

In addition to the general market and economic risks noted in Section 8.1, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

8.2.1 Entry of New National Competitor

The entry of a new national competitor in the crane industry could result in reduced operating margins, price reductions, under utilisation of assets and loss of market share. Any of these occurrences could adversely affect the Company's operating and financial performance. Despite BOOM's demonstrated ability to compete effectively in the markets in which it operates, the competitive nature of the services industry necessarily implies that there can be no assurance that [illegible]

RISK FACTORS

8.2.2 Crane Industry Downturn

BOOM's financial performance is sensitive to the level of activity within the construction and maintenance industries. The level of activity in the construction industry can be cyclical and sensitive to a number of factors beyond the control of the Company. In addition, BOOM is not able to predict the timing, extent or duration of the activity cycles in the markets in which it operates.

8.2.3 Industrial Action

The Company operates within a highly unionised industry. While the Company maintains good ongoing relationships with relevant unions, its financial performance would suffer from a protracted industrial dispute. There is no assurance that the Company will not experience some type of industrial action in the future.

8.2.4 Industrial Accidents

The provision of lifting solutions can be a high risk activity. While the Company has implemented a number of systems to guard against accidents, a serious accident could have long term financial implications for the Company. There is no assurance that the Company will not experience some kind of industrial accident in the future.

8.2.5 Growth Management

The Company has experienced rapid growth through the acquisition and amalgamation of a number of businesses and intends following the Offer to acquire the Contracted Acquisitions. While the Company has successfully amalgamated and operated the businesses acquired to date, the Company's continued financial success is dependent upon the successful integration of each new business into the Company. To manage this growth effectively, the Company will need to maintain efficient control and supervision of its operating and financial systems and continue to expand, train and manage its employees.

8.2.6 Liability Risk

A provision of services by BOOM carries with it a risk of liability for losses arising from defective work including indirect or consequential losses suffered by third parties. The Company is able to decrease its exposure to liability contractually and maintains adequate levels of professional indemnity insurance. However, BOOM's insurance and contractual arrangements may not adequately protect it against liability for all losses, including environmental losses, property damage or losses arising from business interruption. BOOM may also be unable to maintain insurance at levels of risk coverage or with deductibles that it considers appropriate or guarantee that every contract contains and has properly incorporated adequate limitations on liability. BOOM has identified some underinsured risk and proposes to take steps to manage these risks within acceptable parameters. Any losses falling outside the scope of insurance or contractual limits may adversely affect BOOM's earnings and cash flows.

8.2.7 Operational Risk

If a large number of cranes in the Company's fleet were unable to operate at any one time, there would be a significant financial impact on the Company.

RISK FACTORS

8.2.8 Key Relationship Breakdown

The Company relies upon personal relationships with a number of clients within the construction and industrial maintenance industries in order to maintain and grow its market share. The deterioration of a number of key relationships could result in significant financial implications for the Company.

8.2.9 Reversal of Outsourcing Trend

The crane industry has experienced significant growth due to the trend by construction companies to outsource crane hire. If this trend was reversed and construction companies took these services in-house, BOOM may suffer a downturn in revenue.

8.2.10 Current and Additional Capital Requirements

The Offer is underwritten by the Underwriters. Subject to the Offer proceeding and BOOM being listed on the ASX, the Company will receive $21 million in new capital to fund the Contracted Acquisitions and to provide working capital. However, BOOM's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds. There is no assurance that additional funding over and above that secured by the Offer will be available to BOOM in the future or be secured on acceptable terms. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities, develop new ideas or otherwise respond to competitive pressures.

8.2.11 Profitability

Future operating results depend to a large extent on management's ability to successfully manage the performance enhancement program of the Company and the expansion and project opportunities identified in this Prospectus, including the management of corporate overhead costs according to budget. However, future operating results are also dependent on a number of factors outside of the Company's control. There is no assurance that the historical performance of the Company is indicative of the future.

8.2.12 Investment Returns

The Shares offered pursuant to this Prospectus carry no guarantee with respect to return on capital or the price at which the Shares will trade on the ASX and there can also be no assurance that an active trading market will develop for the Shares. It is important to note that prior to the Offer, there has been no public market for BOOM Shares. If you are in any doubt whether you should invest in BOOM, you should seek advice from your stockbroker, accountant or independent financial adviser.

8.2.13 Personnel Risk

Whilst every effort is made to retain key employees and contractors and to recruit new personnel as the need arises, loss of a number of key personnel may adversely affect the Company's earnings or growth prospects.

8.2.14 Environmental Risk

BOOM's operations are subject to State and Commonwealth environmental legislation. While BOOM monitors environmental issues and has environmental management procedures in place, there is no assurance that the Company's operations will not be affected by an environmental incident or subject to environmental liabilities.

8.2.15 Additional Risks

BOOM's actual results may be different from those contained in the forecast financial information included in this Prospectus.

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INDEPENDENT ACCOUNTANT'S REPORT

26 August 2003

The Directors
BOOM Logistics Limited
167 Dohertys Road
NORTH LAVERTON VIC 3026

Dear Directors

INDEPENDENT ACCOUNTANT'S REPORT

Introduction

The Directors of BOOM Logistics Limited ("BOOM" or "the Company") have requested PKF Chartered Accountants ("PKF") to prepare an Independent Accountant's Report ("Report") on the following:

- The Historical Aggregated Pro-forma Statements of Earnings Before Interest, Income Tax, Depreciation and Amortisation ("Historical Pro-forma EBITDA") of BOOM for the financial years ended 30 June 2002 and 30 June 2003; and
- The Audited Statement of Financial Position and the Pro-forma Consolidated Statement of Financial Position of BOOM as at 30 June 2003.

This Report has been prepared at the request of the Directors of BOOM for inclusion in a prospectus to be dated on or about 27 August 2003 ("the Prospectus") relating to the offer of 26,250,000 fully paid New Shares at $0.80 each to raise $21,000,000 and the sell down by existing shareholders of 7,500,000 fully paid ordinary shares at $0.80 each ("the Capital Raising").

In accordance with the terms of our engagement, this report does not address the future prospects or forecasts of BOOM, nor the risks associated with an investment in BOOM.

All the terms used in this Report have the same meaning as the terms used and defined in the Prospectus.

Background

BOOM was incorporated in Western Australia on 22 December 2000 as The Australian Crane Company to act as the corporate vehicle to integrate well-established and successful private crane hire companies located throughout Australia. The Australian Crane Company later changed its name to BOOM Logistics following the acquisition of the business assets of Alpha Crane Pty Ltd, Midland Cranes, Uniway Pty Ltd, General Contractors Pty Ltd, Sutville Pty Ltd and Brambles Perth Cranes, which had occupied prominent positions within the Australian crane industry. As a result of this amalgamation, BOOM currently has operations in Victoria and Western Australia. BOOM acquired the assets of Goldfields Cranes ("Goldfields") on 1 July 2003.

A Western Australian Partnership

Quality System
Quality Endorsed Company

INDEPENDENT ACCOUNTANT'S REPORT

BOOM has contracted the following acquisitions through the proposed Capital Raising to which this Prospectus relates:

- The assets of Conmor Cranes Pty Ltd ("Conmor").
- The shares of Heavy Lift Cranes Australia Pty Ltd ("Heavy Lift").
- The shares of Holt Industries Pty Ltd ("Holt").
- The assets of Port Kembla Cranes ("Pt Kembla").
- The assets of Purcell Cranes ("Purcell").

The acquisition of the assets of Conmor, Pt Kembla and Purcell and shares in Heavy Lift and Holt, respectively are conditional on the successful completion of the Capital Raising and the Australian Stock Exchange Limited confirming the shares will be admitted to quotation.

Although the entities and businesses under the proposed acquisitions were not controlled by BOOM for the periods under review, the historical information of BOOM for the financial years ended 30 June 2002 and 30 June 2003 has, where possible, been prepared on an aggregated basis in order to provide prospective investors with a historical perspective of the entities and businesses that will comprise BOOM going forward.

Basis of Preparation

The Historical EBITDA has been presented in a manner which is considered to be the most relevant to prospective investors and accordingly, this Report includes, where possible, the results of all the entities and businesses expected to be controlled by BOOM at the completion of this Capital Raising.

The Historical EBITDA of BOOM for the financial years ended 30 June 2002 and 30 June 2003 to which this Report refers is set out in Section 1.3 and Section 7.4 of the Prospectus.

The financial information of BOOM provided in the Appendix to this Report comprises:

- The Audited Statement of Financial Position of BOOM as at 30 June 2003.
- The Reviewed Pro-forma Consolidated Statement of Financial Position of BOOM as at 30 June 2003.
- Notes to the Audited and Reviewed Pro-forma Statement of Financial Position.

The financial information has been prepared in accordance with the accounting policies set out in the Appendix to this Report.

Historical information for BOOM and the entities, assets and businesses that are to be acquired have been used as the basis for preparation of the Historical EBITDA. This information has been compiled from the audited financial statements of BOOM and the unaudited financial statements of those entities and businesses by way of aggregation of such information.

The companies and businesses to be acquired by BOOM operated under substantially different corporate structures with different gearing, treasury, accounting policies, tax profiles and asset values. Accordingly, taxation and interest expense have not been included in the adjusted financial information as it was not possible to calculate these items in a meaningful manner. The Historical EBITDA does not include any costs in relation to running a head office function or operating as a publicly listed company. The Historical EBITDA also does not include any synergies that may result from the acquisitions.

The Pro-forma Consolidated Statement of Financial Position reflects the Audited Statement of Financial Position together with the transactions outlined in Note 2 of the Appendix to this Report, as if they had taken place as at 30 June 2003.

INDEPENDENT ACCOUNTANT'S REPORT

The Pro-forma transactions are based on information provided by the Directors of BOOM. The Directors believe the Pro-forma Consolidated Statement of Financial Position is an accurate reflection of BOOM, assuming the successful Capital Raising and the transactions as outlined in Note 2 of the Appendix had taken place as at 30 June 2003.

Scope of our Report

PKF has been requested by the Directors of BOOM to prepare an Independent Accountant's Report dealing with the following financial information:

- The Historical EBITDA for the financial years ended 30 June 2002 and 30 June 2003.
- The Audited Statement of Financial Position of BOOM as at 30 June 2003.
- The Pro-forma Consolidated Statement of Financial Position of BOOM as at 30 June 2003 assuming the completion of the Capital Raising and the transactions contemplated to occur as a result.
- Notes to the Audited and Reviewed Pro-forma Statement of Financial Position.

For the purpose of this report we have conducted the following in relation to the above financial information:

- A review of the Historical EBITDA for the financial years ended 30 June 2002 and 30 June 2003.
- An audit of BOOM for the year ended 30 June 2003.
- A review of the Pro-forma Consolidated Statement of Financial Position as at 30 June 2003, assuming the transactions as outlined in Note 2 of the Appendix had taken place as at 30 June 2003,

in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that:

- The Historical EBITDA does not present fairly in accordance with the measurement requirements, but not the disclosure requirement, the financial position of the Company for the financial year ended 30 June 2002 and 30 June 2003.
- The audited Statement of Financial Position is not presented fairly in accordance with the measurement requirements, but not the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- The Pro-forma Consolidated Statement of Financial Position is not presented fairly in accordance with the measurement requirements, but not the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, assuming the transactions set out in Note 2 of the Appendix had taken place as at 30 June 2003.

The reviews have been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". The reviews were limited to inquiries, review of accounting records, work papers and other documents, discussions with the Directors and management of BOOM, analytical procedures applied to the financial data, the performance of limited verification procedures, and comparison for consistency in application of accounting standards and policies.

These review procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit on the Historical EBITDA and the Pro-forma Consolidated Statement of Financial Position and accordingly, we do not express an audit opinion on the Historical EBITDA and the Pro-forma Consolidated Statement of Financial Position.

INDEPENDENT ACCOUNTANT'S REPORT

Statements

Historical EBITDA

Based on the scope of our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical EBITDA as set out in Section 1.3 and Section 7.4 of the Prospectus does not present fairly in accordance with the measurement requirements, but not the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial performance of the Company for the financial years ended 30 June 2002 and 30 June 2003, on the basis and assumption that the transactions set out in Note 2 of the Appendix to this Report had taken place from 1 July 2001.

Audited Statement of Financial Position

Nothing has come to our attention that causes us to believe that the Audited Statement of Financial Position does not present fairly in accordance with the measurement requirements, but not the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Company as at 30 June 2003.

Pro-forma Consolidated Statement of Financial Position

Based on the scope of our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro-forma Consolidated Statement of Financial Position does not present fairly in accordance with the measurement requirements, but not the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Company as at 30 June 2003, on the basis that the assumptions in Note 2 of the Appendix to this Report had taken place as at 30 June 2003.

Subsequent Events

To the best of our knowledge and belief, and based on the work we have performed in relation to the scope of work set out in this Report, there have been no material transactions or events subsequent to 30 June 2003, other than those included in our Report, which would require a comment on or adjustment to, the information referred to in our Report or that would cause the information included in this Report to be misleading.

We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

Yours sincerely

PKF

PKF Chartered Accountants
(Western Australian Partnership)

INDEPENDENT ACCOUNTANT'S REPORT

APPENDIX

STATEMENT OF FINANCIAL POSITION

Set out below is the Audited Statement of Financial Position and the Reviewed Pro-forma Consolidated Statement of Financial Position of BOOM as at 30 June 2003. The Reviewed Pro-forma Consolidated Statement of Financial Position has been prepared assuming that the assumptions in Note 2 had taken place as at 30 June 2003.

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Cash assets	3	883,362	5,632,544
Receivables	4	5,914,711	9,185,605
Inventories	5	21,110	63,110
Other assets	6	1,770,346	518,311
TOTAL CURRENT ASSETS		8,589,529	15,399,570
Property, plant and equipment	7	28,707,940	76,885,940
Intangible assets	8	66,856	5,193,660
Deferred tax assets	9	269,604	314,002
TOTAL NON-CURRENT ASSETS		29,044,400	82,393,602
TOTAL ASSETS		37,633,929	97,793,172
Payables	10	3,201,163	9,807,935
Interest bearing liabilities	11	4,365,360	7,161,388
Provisions	12	649,062	2,545,128
Tax liabilities	9	255,640	505,278
Other liabilities	13	850,318	850,318
TOTAL CURRENT LIABILITIES		9,321,543	20,870,047
Interest bearing liabilities	11	16,763,685	27,800,009
Deferred tax liabilities	9	788,090	788,090
Payables	10	–	4,174,624
TOTAL NON-CURRENT LIABILITIES		17,551,775	32,762,723
TOTAL LIABILITIES		26,873,318	53,632,770
NET ASSETS		10,760,611	44,160,402
Contributed equity	14	8,893,641	42,293,432
Retained earnings	15	1,866,970	1,866,970
TOTAL EQUITY		10,760,611	44,160,402

The above statements of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

Note 1. Statement of Significant Accounting Policies

The Statements of Financial Position have been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the Corporations Act 2001.

a) **Basis of Accounting**

The Statements of Financial Position have been prepared on the historical cost basis except where stated.

The Statements of Financial Position have also been prepared on a going concern basis.

b) **Recoverable Amounts**

The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets. The expected net cash inflows included in determining the recoverable amounts have not been discounted to their present values.

c) **Income Tax**

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expenses are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

d) **Receivables**

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

e) **Property, Plant and Equipment**

All items of plant and equipment are stated at cost.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation is calculated on a straight-line basis to write-off the net cost or revalued amount of each item of plant and equipment over its expected useful life.

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

The useful life for each class of depreciable asset is:

Class of Fixed Asset	Useful Life
Mobile Cranes	10 – 20 Years
Tower Cranes	20 Years
Tower Sections/Frames	20 Years
Ancillary Equipment	10 Years
Stiff-leg Derricks	20 Years
Vehicles	5 Years
Office Equipment	10 Years
Computer Equipment	3 Years
Workshop Equipment	10 Years
Leasehold Improvements	10 Years

On disposal of an item of plant and equipment the difference between the sales proceeds and the carrying amount of the asset at the time of the disposal is recognised as income or an expense.

f) Intangibles

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at the date of acquisition. Purchased goodwill is amortised on a straight-line basis over the period of 20 years. The balance is reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, are written off.

g) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

h) Borrowings

Borrowings are recognised in the Statement of Financial Position on the basis of the nominal amounts outstanding at the balance date plus accrued interest.

i) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale.

j) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property, without transferring the legal ownership, and operating leases under which the lessor effectively retains substantially all the risks and benefits.

Operating lease payments are charged to expenses on a basis which is representative of the pattern of benefits derived from the leased property.

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated over their estimated useful lives, where it is likely that the Company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

k) Employee Entitlements

The following liabilities arising in respect of employee entitlements are measured at their nominal amounts:

i) Wages and salaries and annual leave regardless whether they are expected to be settled within twelve months of balance date.

ii) Other employee entitlements which are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to the balance date. Liabilities are determined after taking into consideration the estimated future increase in wages and salaries and past experience regarding staff departures.

l) Deferred Business Acquisition and Capital Raising Costs

The deferred business acquisition and capital raising costs represent costs incurred on the proposed acquisitions and capital raising to 30 June 2003.

m) Principles of Consolidation

The Pro-forma Consolidated Statement of Financial Position incorporates the assets and liabilities of all entities controlled by BOOM as at 30 June 2003, assuming the acquisition of Holt and Heavy Lift occurred at 30 June 2003. The effects of all transactions between entities in the consolidated entity are eliminated in full.

n) Acquisitions of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless the notional price at which they could be placed in the market is a better indicator of fair value.

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

Note 2. Basis of Preparation of Pro-forma Consolidated Statement of Financial Position

The Pro-forma Consolidated Statement of Financial Position of BOOM as at 30 June 2003 has been prepared on the following basis:

- Combining the assets and liabilities of BOOM with those companies and businesses to be acquired, being:
  - The assets of Conmor, Pt Kembla and Purcell.
  - The shares of Heavy Lift and Holt.
  - The assets of Goldfields, which were acquired by BOOM on 1 July 2003.
- Determining the fair value of the net assets to be acquired for each purchase based on independent valuations performed.
- Adopting BOOM's accounting policies for all companies and businesses both acquired and to be acquired.
- Adding additional debt to be taken on by BOOM upon the various acquisitions.
- Excluding any synergies that may arise from the combination of the various businesses.

and as if the following proposed transactions had taken place as at 30 June 2003:

(a) The offer of shares under the proposed Capital Raising as outlined in the Prospectus.

In accordance with the offer of shares under the proposed Capital Raising as outlined in the Prospectus, BOOM will issue 26,250,000 New Shares at $0.80 each to raise $21,000,000.

(b) The issue of shares and cash for the acquisition of the following companies and businesses.

Company/Business	**Value of Shares ($000's)**	**Cash Payment ($000's)**	**Deferred Payment ($000's)**	**TOTAL ($000's)***
Conmor – Business	3,516	2,377	500	6,393
Pt Kembla – Business	–	2,300	3,400	5,700
Purcell – Business	750	6,000	–	6,750
Goldfields – Business	–	132	300	432
Holt – Company	8,000	6,500	1,500	16,000
Heavy Lift – Company	2,750	1,200	–	3,950
TOTAL	15,016	18,509	5,700	39,225

* The total consideration shown above for the business acquisitions is net of employee entitlements of $1,064,728 assumed by BOOM.

(c) The payment of stamp duty and other acquisition costs of $690,000.

(d) Additional debt of $3.6m taken out to fund the acquisitions split between current liabilities of $609,984 and non-current liabilities of $2,990,016.

(e) Deferred capital raising costs of $916,172 are offset against share proceeds received and business acquisition costs of $500,000 are capitalised as property, plant and equipment.

(f) The issue of 1,658,571 shares to the Chief Executive Officer and 490,000 shares to employees.

(g) The issue of 1,255,000 options to Reefside Enterprises Pty Ltd at a 60 cent exercise price relating to a performance fee on the negotiations and completion of Heavy Lift and Conmor.

(h) Expenses associated with the Capital Raising are estimated to be approximately $1.7 million and have been charged against equity and reflected in the Pro-forma Statement of Financial Position.

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Note 3. Cash Assets			
Opening cash balance		883,362	883,362
Funds raised from the issue of 26,250,000 shares at 80 cents per share	2(a)	–	21,000,000
Cash payment in settlement of acquisitions	2(b)	–	(18,509,309)
Capital raising costs	2(h)	–	(1,700,000)
Stamp duty/acquisition costs	2(c)	–	(690,000)
Loan taken out	2(d)	–	3,600,000
Consolidation of Heavy Lift		–	(11,098)
Consolidation of Holt		–	1,059,589
		883,362	5,632,544
Note 4. Receivables (Current)			
Trade accounts receivable		5,931,191	5,931,191
Provision for doubtful debts		(16,480)	(16,480)
Consolidation of Heavy Lift		–	959,844
Consolidation of Holt		–	2,311,050
		5,914,711	9,185,605
Note 5. Inventories			
Fuel		21,110	21,110
Consolidation of Holt		–	42,000
		21,110	63,110
Note 6. Other Current Assets			
Prepayments		354,174	354,174
Deferred business acquisition and capital raising costs	2(e)	1,416,172	–
Consolidation of Heavy Lift		–	164,137
		1,770,346	518,311

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Note 7. Property, Plant & Equipment			
Plant and equipment at cost		30,778,619	30,778,619
Accumulated depreciation at cost		(2,106,870)	(2,106,870)
Net carrying amount of plant and equipment		28,671,749	28,671,749
Leasehold improvements at cost		36,600	36,600
Accumulated depreciation at cost		(409)	(409)
Net carrying amount of leasehold improvements		36,191	36,191
Acquisition of assets of Conmor		–	6,800,000
Acquisition of assets of Pt Kembla		–	6,240,000
Acquisition of assets of Purcell		–	6,800,000
Acquisition of assets of Goldfields		–	500,000
Related acquisition costs	2(c)&(e)		1,190,000
Consolidation of Heavy Lift – based on fair value		–	5,138,000
Consolidation of Holt – based on fair value		–	21,510,000
		28,707,940	76,885,940
Note 8. Intangibles (Non-Current)			
Formation expenses		66,856	66,856
Consolidation of Heavy Lift – purchased goodwill		–	506,925
Consolidation of Holt – purchased goodwill and patents		–	609,716
Consolidation of Heavy Lift – goodwill on consolidation		–	1,075,710
Consolidation of Holt – goodwill on consolidation		–	2,934,453
Total net intangible assets		66,856	5,193,660
Note 9. Income Tax			
Future income tax benefit		269,604	269,604
Consolidation of Heavy Lift		–	44,398
		269,604	314,002
Provision for deferred income tax		788,090	788,090
Tax liabilities		255,640	255,640
Consolidation of Holt		–	9,531
Consolidation of Heavy Lift		–	240,107
		255,640	505,278

NOTES TO THE STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Note 10. Payables			
Current			
Trade accounts payable		3,039,271	3,039,271
Accrued liabilities		161,892	161,892
Consolidation of Heavy Lift		–	707,290
Consolidation of Holt		–	1,349,482
Amount owing for acquisition of:			
Conmor	2(b)	–	500,000
Pt Kembla	2(b)	–	2,250,000
Goldfields	2(b)	–	300,000
Holt	2(b)	–	1,500,000
		3,201,163	9,807,935
Non-Current			
Consolidation of Holt		–	2,124,667
Consolidation of Heavy Lift		–	899,957
Amount owing from acquisition of Pt Kembla	2(b)	–	1,150,000
		–	4,174,624

Note 11. Interest Bearing Liabilities

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Current Secured			
Commercial bill[1]		1,700,000	1,700,000
Chattels mortgage[1]		371,810	371,810
Hire purchase liability[1]		3,507,159	3,507,159
Less: unexpired charges		(1,213,609)	(1,213,609)
Consolidation of Heavy Lift		–	374,129
Consolidation of Holt		–	1,811,915
Additional debt acquired	2(d)	–	609,984
Total current interest bearing liabilities		4,365,360	7,161,388
Non-Current Secured			
Chattels mortgage[1]		2,275,636	2,275,636
Hire purchase liability[1]		16,824,448	16,824,448
Less: unexpired charges[1]		(2,336,399)	(2,336,399)
Consolidation of Heavy Lift		–	1,579,294
Consolidation of Holt		–	6,467,014
Additional debt acquired	2(d)	–	2,990,016
Total non-current interest bearing liabilities		16,763,685	27,800,009

1 The hire purchase, commercial bill and chattels mortgage liabilities are secured by a first registered mortgage over the whole of the assets and undertakings of the company and a guarantee and indemnity for $7 million. A full and unlimited indemnity is provided by [illegible] limited to their respective shareholdings. These guarantees are released upon Listing.

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Note 12. Provisions			
Current			
Employee entitlements		615,686	615,686
Other provisions		33,376	33,376
Employee entitlements and other provisions from the acquisitions	2(b)	–	1,064,728
Consolidation of Heavy Lift		–	127,139
Consolidation of Holt		–	704,199
		649,062	2,545,128
Note 13. Other Liabilities			
Unsecured Current			
Wages clearing		18,570	18,570
Accrued charges		434,003	434,003
GST liability		168,055	168,055
Provision for PAYG Withholding		229,690	229,690
		850,318	850,318
Note 14. Contributed Equity			
a) Ordinary shares fully paid		8,893,641	42,293,432

b) Movements in ordinary shares are as follows:

Date	Details	Note	Number	Issue of Shares	$ Price
30 June 2003	Closing Balance		43,735,706	–	8,893,641
Pro-forma transaction	Share issue pursuant to Prospectus	2(a)	26,250,000	0.80	21,000,000
Pro-forma transaction	Issue of shares to vendors for the acquisition of Conmor assets	2(b)	5,859,938	0.60	3,515,963
Pro-forma transaction	Issue of shares to vendors for the acquisition of Purcell assets	2(b)	937,500	0.80	750,000
Pro-forma transaction	Issue of shares to vendors for the acquisition of Heavy Lift shares	2(b)	3,437,500	0.80	2,750,000
Pro-forma transaction	Issue of shares to vendors for the acquisition of Holt shares	2(b)	10,000,000	0.80	8,000,000
Pro-forma transaction	Issue of shares to Chief Executive Officer	2(f)	1,658,571	–	–
Pro-forma transaction	Issue of employee shares	2(f)	490,000	–	–
Pro-forma transaction	Capital raising costs	2(e)+(h)	–	–	(2,616,172)
Pro-forma 30 June 2003	Pro-forma Closing Balance		92,369,215		42,293,432

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

	Notes	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $

Note 14. Contributed Equity (continued)

c) Options

Date	Details		Number of Options		Exercise Price
30 June 2003	Closing Balance		760,000	1	$0.50
Pro-forma transaction	Issue of options to Reefside Enterprises Pty Ltd	2(g)	1,255,000	1	$0.60
30 June 2003	Pro-forma Closing Balance		2,015,000		

1. Option Terms

The Options will expire on the last business day of the period commencing on the date of:

(a) a full trade sale of the Company and ending 24 months after that date.

(b) the Company's shares being quoted on the official list of the ASX and ending 24 months after that date; or

(c) issue of the Options and ending 36 months after that date,

whichever period ends first.

Note 15. Retained Profits

	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Retained profits/(losses) at the beginning of the financial year	(710,021)	(710,021)
Net profit/(loss) attributable to members of the company	2,576,991	2,576,991
Retained profits at the end of financial year	1,866,970	1,866,970

Note 16. Operating Leases

Minimum lease payments under non-cancellable operating leases according to the time expected to elapse to the expected date of payment.

	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Not later than one year	515,750	1,773,795
Later than one year but not later than 5 years	1,532,000	4,028,073
Later than 5 years	1,102,500	1,102,500
	3,150,250	6,904,368

Note 17. Commitments for Expenditure

Hire Purchase/Lease Liabilities

The company has various cranes on hire purchase and lease liability arrangements. All hire purchase and lease contracts are for a period of 36 to 60 months.

	Audited 30 June 2003 $	Reviewed Pro-forma 30 June 2003 $
Not later than one year	3,507,159	7,236,628
Later than one year but not later than 5 years	16,824,448	29,392,016
Less: Unexpired charges	(3,550,008)	(6,014,693)
	16,781,599	30,613,951

NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2003

Note 18. Related Party Transactions

Reefside Enterprises Pty Ltd as trustee for the Toman Trust, of which T Hebiton holds a beneficial interest, provided consulting services on normal commercial terms to the value of $363,941 during the year.

Reefside Enterprises Pty Ltd were issued 760,000 options at a 50 cent exercise price as a performance fee on the negotiation and completion of the Brambles Perth Cranes acquisition. T Hebiton is a director of Reefside Enterprises Pty Ltd.

Reefside Enterprises Pty Ltd provided consultancy services during the year on normal commercial terms for $137,286. The amount outstanding as at 30 June 2003 was $16,500.

D Williams is a landlord of one of the premises leased by the Victorian branch on normal commercial terms for $165,000 during the year. The amount outstanding as at 30 June 2003 is $56,561.

D Williams, through Sutville Pty Ltd, is the owner of a crane hired to BOOM during the year on normal commercial terms for $165,240. The amount outstanding as at 30 June 2003 is $73,378.

During the year, the company repaid a loan of $313,737 provided by D Williams through Sutville Pty Ltd.

Other related party transactions are included in Section 10.7 and 10.8 of the Prospectus.

Note 19. Segment Reporting

Industry Segments

The Company operates in the crane hire industry.

Geographical Segments

The Company operates in Australia only.

Note 20. Events Subsequent to Reporting Date

On 1 July 2003, the Company acquired the business of Goldfields for the consideration of $432,612, the financial effect of which has been recognised in the Pro-forma Statement of Financial Position.

PKF
CORPORATE FINANCE

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INDEPENDENT REVIEW OF DIRECTORS' FINANCIAL FORECASTS

26 August 2003

The Directors
BOOM Logistics Limited
167 Dohertys Road
NORTH LAVERTON VIC 3026

Dear Directors

REVIEW OF DIRECTORS' FINANCIAL FORECASTS

1. Introduction

The Directors of BOOM Logistics Limited ("BOOM" or "the Company") have requested PKF Corporate Advisory Services (WA) Pty Ltd ("PKF Corporate Advisory") to prepare a report on our independent review of the Directors' forecast financial information ("Directors' Forecasts" or "Forecasts") of BOOM ("Report") included in the Prospectus in Section 7 and relating to the following periods:

- 12 months ended 30 June 2004, which represents a full financial year forecast for BOOM incorporating the timing of various acquisitions ("FY04 Statutory Forecast").
- 12 months ended 30 June 2004, which comprises the pro-forma results of BOOM as if the various acquisitions had occurred on 1 July 2003 ("FY04 Pro-forma Forecast").

This Report has been prepared at the request of the Directors of BOOM for inclusion in a prospectus to be dated on or about 27 August 2003 ("the Prospectus") relating to the offer of 26,250,000 fully paid New Shares at \$0.80 each to raise \$21 million and the sell down by existing shareholders of 7,500,000 fully paid ordinary shares at \$0.80 each to the amount of \$6 million ("the Capital Raising").

The BOOM Directors are solely responsible for the preparation and presentation of the forecast financial information, including the assumptions on which the forecasts are based.

All the terms used in this Report have the same meaning as the terms used and defined in the Prospectus.

2. Background

BOOM was incorporated in Western Australia on 22 December 2000 as The Australian Crane Company to act as the corporate vehicle to integrate well-established and successful private crane hire companies located throughout Australia. The Australian Crane Company later changed its name to BOOM Logistics following the acquisition of the business assets of Alpha Crane Pty Ltd, Midland Cranes, Uniway Pty Ltd, General Contractors Pty Ltd and Sutville Pty Ltd, which had occupied prominent positions within the Australian crane industry. BOOM's operations as an amalgamated fully operational crane hire company commenced on 7 February 2002. As a result of this amalgamation, BOOM currently has operations in Victoria and Western Australia.

Wholly owned by PKF WA

INDEPENDENT REVIEW OF DIRECTORS' FINANCIAL FORECASTS

As part of its continued expansion and growth strategy, BOOM has recently purchased the assets of Brambles Perth Metropolitan Area Cranes as well as Brambles Goldfields ("Brambles Goldfields") and has contracted the following acquisitions through the proposed Capital Raising to which this Prospectus relates:

- The assets of Conmor Cranes Pty Ltd ("Conmor").
- The shares of Heavy Lift Cranes Australia Pty Ltd ("Heavy Lift").
- The assets of Port Kembla Cranes ("Port Kembla").
- The shares of Holt Industries Pty Ltd ("Holt").
- The assets of Purcell Cranes ("Purcell").

The above acquisitions are conditional on the successful completion of the Capital Raising and the Australian Stock Exchange Limited confirming the shares will be admitted to quotation.

3. Basis of Preparation

The FY04 Statutory Forecasts have been prepared based on a full financial year forecast for BOOM incorporating the timing of the various acquisitions, which will be attributable to the shareholders of BOOM. These Forecasts are set out in Section 7 of the Prospectus.

Although most of the acquisitions will be carried out on or about the settlement date of the Capital Raising, for the purposes of the FY04 Pro-forma Forecast the following acquisitions will be deemed to have been in effect from 1 July 2003:

- Brambles Goldfields.
- Conmor.
- Heavy Lift.
- Port Kembla.
- Holt.
- Purcell.

The Forecasts have been prepared by the Directors in order to provide prospective investors with some guide to the future profitability of BOOM during the period of the Forecasts.

The Forecasts have been prepared using only best estimate assumptions, which reflect the Directors' judgement based on present circumstances as to both the most likely set of operating and economic conditions and the course of action BOOM is most likely to take.

4. Scope of our Review

PKF Corporate Advisory has conducted a review of the Directors' Forecasts included in Section 7 of the Prospectus in order to give a statement on the Forecasts to the Directors of BOOM. The assumptions on which the Directors' Forecasts have been prepared are also set out in Section 7.6 of this Prospectus. The Directors are responsible for the preparation and presentation of the Forecasts and for the information contained therein, including the assumptions on which the Forecasts are based.

INDEPENDENT REVIEW OF DIRECTORS' FINANCIAL FORECASTS

PKF Corporate Advisory has performed an independent review of the Directors' Forecasts in order to state whether:

i) On the basis of the procedures described, anything has come to our attention which causes us to believe that the Directors' best estimate assumptions set out in Section 7.6 of the Prospectus do not provide a reasonable basis for the preparation of the Forecasts.

ii) In all material respects, the Forecasts are properly prepared on the basis of the assumptions used and are presented on a basis consistent with the accounting policies disclosed in this Report, and with those to be adopted by BOOM, and are in accordance with the bases and methods prescribed by applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

iii) In addition to meeting professional standards for reporting requirements, anything has come to our attention which causes us to believe that the information itself is unreasonable.

iv) If any hypothetical assumptions have been used, to clearly identify and state whether they have any significant impact upon the projected outcome.

This review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and is substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. This review was limited to inquiries as to the process used in preparing the Forecasts, consideration and discussion with the Directors and management of the factors considered in determining the assumptions and the underlying data supporting the assumptions. Our procedures also included examination, on a test basis, of evidence supporting the assumptions and the application of both the assumptions and accounting policies in the Forecasts. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit.

We have not performed an audit and, accordingly, we do not express an audit opinion on either the forecasts and the supporting assumptions or an opinion as to whether the forecasts and the supporting assumptions will be achieved.

5. Statements

Based on our review of the Directors' Forecasts, which is not an audit:

Nothing has come to our attention which causes us to believe that the Directors' best estimate assumptions set out in Section 7.6 of the Prospectus do not provide a reasonable basis for the preparation of the Directors' Forecasts.

i) The Directors' Forecasts are in all material respects properly prepared on the basis of the underlying assumptions set out in Section 7.6 of the Prospectus.

ii) The Directors' Forecasts are presented on a basis consistent with the accounting policies disclosed in this Report and with those to be adopted by BOOM and are in accordance with the bases and methods prescribed by applicable Accounting Standards and other mandatory professional reporting requirements in Australia. It is in the nature of forecasts that it is not feasible to present all the disclosures, which would be required by applicable Accounting Standards.

iii) In addition to meeting professional standards for reporting requirements, nothing has come to our attention which causes us to have any reason to believe that the information itself is unreasonable.

iv) Nothing has come to our attention that hypothetical assumptions have been used, which should have any significant impact upon the projected outcome.

INDEPENDENT REVIEW OF DIRECTORS' FINANCIAL FORECASTS

The Forecasts are based on a number of assumptions and actual outcomes may be outside the control of the Directors of BOOM. While evidence may be available to support the assumptions on which the prospective information is based, such evidence is generally future orientated and therefore speculative in nature. Accordingly, actual results during the forecast period may vary materially from the Forecasts, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated. In addition, even if the events or circumstances do occur, the actual results may vary from those forecasted.

Accordingly, PKF Corporate Advisory is not in a position to, and do not, express an opinion as to whether the actual results of BOOM for the forecast period will approximate those forecasts because assumptions regarding future events by their nature are not capable of independent substantiation.

The Forecasts have been prepared for inclusion in the Prospectus relating to BOOM's Capital Raising. PKF Corporate Advisory disclaims any assumption of responsibility for any reliance placed on this Report, or on the Forecasts to which it relates, for any purpose other than that for which it has been prepared.

6. Prospective financial information

The sensitivity analysis set out in Section 7 of the Prospectus demonstrates the impact on the Forecasts as a result of changes in key assumptions. The prospective financial information is therefore only indicative of the results, which may be achievable.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in BOOM, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information.

7. Other

PKF Corporate Advisory Services (WA) Pty Ltd is responsible for this Report and PKF Corporate Advisory Services (WA) Pty Ltd is a member of the PKF Western Australian accounting practice. This Report is strictly limited to the matters contained herein and is not to be read as extending by implication or otherwise, to any other matter.

PKF Corporate Advisory Services (WA) Pty Ltd does not have any interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to this matter. Except for fees relating to this Report, which are based on normal commercial terms, PKF Corporate Advisory Services (WA) Pty Ltd does not have any interest in BOOM nor in the outcome of the Capital Raising.

PKF is the appointed auditor of BOOM and will receive a professional fee for the preparation of the Independent Accountant's Report on historical financial information.

PKF Corporate Advisory Services (WA) Pty Ltd has not made, and will not make, any recommendation through the issue of the Report to potential investors of the Company as to the merits of the investment.

PKF Corporate Advisory Services (WA) Pty Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

Yours sincerely

PKF Corporate Advisory Services (WA) Pty Ltd

IAN P OLSON
Director
Authorised Representative under Proper Authority

ADDITIONAL INFORMATION

10.1 Registration

BOOM was registered in Western Australia on 22 December 2000.

10.2 Rights Attaching to Shares

The rights attaching to Shares are detailed in the Constitution of BOOM which may be inspected during normal business hours at the Registered Office of the Company. The following is a summary of the material provisions of the Constitution and the privileges and restrictions attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Voting

Subject to any restriction on voting imposed by the ASX Listing Rules or any escrow agreement entered into between BOOM and a Shareholder, every Shareholder present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands and one vote on a poll for every Share held. A poll may be demanded by the chair of the meeting, any 5 Shareholders (or their proxy, attorney or representative) entitled to vote on the resolution, a Shareholder or Shareholders who together hold at least 5 percent of the votes that may be cast on the resolution on a poll, or who together hold voting shares paid up to a value of not less than 5 percent of the total sum paid up on all voting shares.

General Meetings

Each Shareholder is entitled to receive at least 28 days notice of and to attend general meetings of BOOM and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

Dividends

Dividends are payable out of BOOM's profits and are declared by the Directors or by BOOM in general meeting but only if the Directors have recommended a dividend. Dividends declared will (subject to any special rights or restrictions attaching to a class of shares created under any arrangement as to dividend) be payable on Shares in accordance with the Corporations Act.

Transfer of Shares

A Shareholder may transfer Shares by a proper transfer effected in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors. The Directors may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the Constitution, and the ASX Listing Rules and the SCH Business Rules.

Issue of Shares

The Directors may (subject to the restrictions on the issue of Shares imposed by the Constitution of BOOM, the ASX Listing Rules and the Corporations Act) issue, grant options in respect of, or otherwise dispose of further Shares as the Directors see fit.

ADDITIONAL INFORMATION

Winding Up

Subject to any special or preferential rights attaching to any class or classes of Shares, on a winding up of BOOM a liquidator may, with the authority of a special resolution of the Shareholders, divide among the Shareholders in kind the whole or any part of the property of BOOM in proportion to the Shares held by them respectively. The liquidator may for that purpose set the value he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator may, with the sanction of a special resolution of the Shareholders, vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

Shareholder Liability

Shares are not subject to any call for money by the Directors and will therefore not become liable for forfeiture.

Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the Shareholders present and voting at a general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

On admission to the Official List, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution by the ASX Listing Rules the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

Directors

The number of Directors of BOOM is to be not less than three but no more than nine. BOOM in general meeting may by resolution increase or reduce the number of Directors but the number must not be reduced below three.

The Directors are entitled to be remunerated for their services as Directors and the total amount or value of the remuneration must not exceed the amount per annum determined by the Company at general meeting from time to time (which amount is currently fixed at $250,000 per annum). This amount does not include the remuneration payable to the CEO or any executive Director.

The Company may remunerate a Director in addition to the above amount (as determined by the Directors) if the Director performs additional or special duties for the Company at the request of the Directors.

A share qualification for Directors may be fixed by the Company in general meeting. Unless and until so fixed a Director is not required to hold any Share in the Company.

Directors' Indemnity

To the extent permitted by law, each Director and officer of BOOM is entitled to be indemnified out of the property of BOOM for every liability incurred by the person in that capacity and all legal costs incurred in connection with proceedings in which the person becomes involved because of that capacity.

ADDITIONAL INFORMATION

10.3 Options on Issue

Pursuant to an agreement between the Company and Reefside Enterprises Pty Ltd ("Reefside Agreement") (a company associated with Mr Colin Hebiton and Mr Jack Hebiton (a Director)), the Company has issued to Reefside Enterprises Pty Ltd 760,000 Options to acquire Shares in the Company and has agreed to issue Reefside Enterprises Pty Ltd a further 1,255,000 Options, subject to completion of the Conmor Cranes and Heavy Lift Cranes acquisitions. The 760,000 Options already issued related to the purchase by the Company of Brambles Perth Cranes.

Those Options were (or are to be) issued as part of a performance-based fee under the Reefside Agreement. The performance based fee is 2.5% of the value of any acquisitions made by the Company as a result of the provision of the consultancy services set out in the Reefside Agreement. The fee is satisfied by the issue of 1 Option in the Company for every $10.00 of the value of a business acquisition, on the following terms:

- Each Option shall entitle the holder to acquire one fully paid ordinary Share in the capital of the Company upon payment of $0.50 (with respect to the 760,000 options) and $0.60 (with respect to the 1,255,000 options) to the Company ("the Exercise Price").
- The Options will expire on the last business day of the period commencing on the date the Company is admitted to the Official List and ending 24 months after that date ("Expiry Date").
- The Options may be exercised by notice in writing and payment of the Exercise Price to the Company received at any time from the date of issue to the Expiry Date ("Exercise Period").
- There are no participating rights or entitlements inherent in an Option to participate in any new issue of securities which may be offered to shareholders of the Company from time to time prior to the Expiry Date. The Company will ensure that, at least 15 business days before the record date to determine entitlements to any such new issue, the Company will notify the optionholder of the proposed new issue. This will afford the optionholder an opportunity to exercise all or some of the Options prior to the closing date of any such new issue.
- A statement of holding will be issued for the Options. The terms and conditions of the Options will be forwarded to the optionholder together with a notice that is to be completed when exercising an Option.
- No application for the quotation of these Options on the Official List will be made.
- The Options do not confer a right to a change in the Exercise Price or the number of Shares over which the options can be exercised other than in the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, in which case, all rights of an optionholder shall be reconstructed in accordance with the ASX Listing Rules.

10.4 Summary of Material Contracts

Various contracts entered into by BOOM may be material to the Offer or the operation of the business of BOOM.

The Directors of BOOM consider the material contracts summarised below are significant or material to the Company ("Material Contracts").

The main provisions of the Material Contracts are summarised in this Section 10.4. Each Material Contract appears in summary form only and is not fully described. Some items may be defined in the Material Contracts but not defined in this Prospectus.

ADDITIONAL INFORMATION

10.4.1 Underwriting Agreement

Pursuant to an Underwriting Agreement dated 27 August 2003 ("Underwriting Agreement") between the Company, Bell Potter Securities Limited ABN 25 006 390 772 ("Bell Potter") and Wilson HTM Corporate Finance Limited ABN 65 057 547 323 ("Wilson") (together, "Underwriters"), the Underwriters have agreed to underwrite the subscription of 33,750,000 Shares ("Underwritten Securities") pursuant to this Prospectus.

In terms of the appointment, the Underwriters have agreed to jointly and exclusively manage the Offer, underwrite the subscription of the Underwritten Securities and procure valid applications from such number of Applicants as is necessary to satisfy the ASX Listing Rules requirements for spread of shareholders. The Underwriters may procure any person to sub-underwrite any portion of the Issue as they think fit.

The Underwriting Agreement is conditional upon the satisfaction of the following conditions precedent:

- The Underwriters being satisfied with the terms, including the terms for completion of the agreements for the Contracted Acquisitions.
- The Underwriters being satisfied with the form of the Prospectus (in their absolute discretion) and have given their consent to be named in the Prospectus by the lodgement date.
- The Prospectus being lodged with ASIC prior to 5pm on the lodgement date.

The Company must pay to the Underwriters an underwriting fee of 4% of the amount being underwritten. The Company must pay to the Underwriters a management fee of 1.5% of the amount being underwritten.

The Company must also pay a retainer fee of $50,000 per month retrospectively from 14 June 2003 until the Offer closes, the date upon which the Company may lawfully access sufficient amounts raised from the Offer, or the date upon which the Underwriting Agreement is terminated by the Underwriters (whichever occurs first). This retainer will be fully offset against the management fee.

In addition to the fees specified above, the Company must pay and will indemnify the Underwriters against, and in relation to, all costs and expenses of the Offer.

The Company makes certain representations, warranties and undertakings to the best of its knowledge, information and belief to the Underwriters including (without being exhaustive):

- No breach of material agreements.
- Legal compliance of the Prospectus.
- Compliance with the Corporations Act, any legally binding requirement of ASIC or ASX in all material respects and compliance with the ASX Listing Rules.
- Correctness and completeness of information provided.

The Underwriters make a number of representations, warranties and undertakings to the Company to the best of their knowledge, information and belief:

- They are both companies registered under the Corporations Act.
- They have the power to enter into and comply with all of the terms and conditions of the Underwriting Agreement.
- They have obtained all approvals and authorities that may be required to permit the Underwriters to enter into the Underwriting Agreement.
- The obligations of the Underwriters are valid and binding.

ADDITIONAL INFORMATION

The Company also, for 6 months from the date of the admission of the Company to the Official List, commits to a number of restraints affecting its capital and operating base including, without being exhaustive, it must not issue or authorise the issue of any securities, alter its capital structure, amend its constitution or dispose or agree to dispose of the whole or a substantial part of its business or property.

The Company agrees to indemnify the Underwriters and their officers, employees, agents and advisers in a range of circumstances associated with the issue and the Prospectus.

The Underwriting Agreement gives the Underwriters the right to terminate the Underwriting Agreement without cost or liability to themselves if certain specified events occur. The specified events include:

- Any of the All Ordinaries Index as published by ASX or Dow Jones Industrial Index is at any time after the date of this Underwriting Agreement 10% or more below its level as at the close of business on the date of this Underwriting Agreement.
- The Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Offer is withdrawn by the Company.
- The Company fails to deliver to the Underwriters sufficient copies of the Prospectus and this is not remedied within 7 days.
- Official quotation has not been granted by the dates the Underwriters must deliver any shortfall, or having been granted, is subsequently withdrawn, withheld or qualified.
- The Underwriters form the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such timeframe as the Underwriters may reasonably require or the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriters.

In addition, if one or more of the following events either separately or together have a material adverse effect (where the expression "material adverse effect" includes events that have or are likely to have a materially adverse effect on the outcome of the Offer, the trading financial position, performance, business or operations of the Company, or could give rise to more onerous obligations of the Underwriters), the Underwriters may also terminate the Underwriting Agreement:

- Default by the Company under the Underwriting Agreement.
- Any representation, warranty or undertaking given by the Company is or becomes untrue or incorrect.
- A contravention by the Company of any provision of its Constitution, the Corporations Act or any other applicable legislation or any requirement of ASIC or ASX.
- The Company is prevented from allotting the offer Shares within the time required by the Corporations Act, the ASX Listing Rules, any statute regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.
- Any adverse change or any development, including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or is unlikely to be met in the projected time.

ADDITIONAL INFORMATION

- It transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company.
  - (b) the rights and liabilities attaching to the offer Shares.
- It transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 710, 711 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive.
- It transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them.
- Any person (other than the Underwriters) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent.
- An application is made by ASIC for an order under Section 1324B of the Corporations Act in relation to the Prospectus and that application has not been dismissed or withdrawn.
- ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act.
- A "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor.
- Without the prior approval of the Underwriters, a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus.
- Any information supplied at any time by the Company or any person on its behalf to the Underwriters in respect of any aspect of the Offer or the Issue or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive.
- There is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq.
- The official quotation is qualified or conditional in certain respects.
- There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing monetary, taxation, exchange or fiscal policy.
- There occurs any fundamental change in Australian economic or political conditions.
- A Prescribed Occurrence (within the meaning of the Corporations Act) occurs, other than as disclosed in the Prospectus.
- The Company suspends payment of its debts generally.
- An event of insolvency occurs in respect of the Company.
- A judgment in an amount exceeding $25,000 is obtained against the Company and is not set aside or satisfied within 7 days.

ADDITIONAL INFORMATION

- Litigation, arbitration, administrative or industrial proceedings are after the date of this Underwriting Agreement commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus.
- There is a change in the composition of the board or a change in the senior management of the Company without the prior written consent of the Underwriters.
- Any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriters.
- A force majeure affecting the Company's business lasting in excess of 7 days occurs.
- A Director of the Company is charged with an indictable offence.
- The Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriters.
- The Company alters its capital structure in any manner not contemplated by the Prospectus.

The Underwriting Agreement contains many usual contractual provisions that would be expected to be found in an underwriting agreement in like circumstances.

10.4.2 Facility Agreements

Under a letter dated 26 February 2003 from National Australia Bank Limited ("NAB") to BOOM, NAB agreed to provide BOOM with the following facilities for additional financial accommodation:

- Overdraft facility of $500,000.
- Bills accepted/discounted bills facilities with a limit of $2 million.

The overdraft facility and the bills accepted/discounted bills facilities will expire on 31 December 2003.

BOOM also has the following existing facilities from NAB:

- Lease facility consisting of 15 individual financing contracts.
- Facility of $50,000 for a rental guarantee to a landlord.

The facilities are secured by the following:

- A first registered fixed and floating charge over all of the assets and undertakings of BOOM.
- Joint and several guarantee and indemnity for $7 million plus interest and costs given by the following:
    - Mr Colin Hebiton.
    - Mr Jack Hebiton.
    - Mr Frank Legena.
    - Mr Iain Hassell.
- Joint and several guarantee and indemnity limited to the guarantors' shareholding in BOOM as follows:
    - Mr Doug Williams (42% shareholding, guarantee limit to be $2,940,000 plus interest and costs.
    - Mr William Healy (5% shareholding, guarantee limit to be $350,000 plus interest and costs).
    - Mr Graeme Morgan (5% shareholding, guarantee limit to be $350,000 plus interest and costs);

ADDITIONAL INFORMATION

NAB has unconditionally agreed to release all of the personal guarantees supporting the facilities provided to BOOM by NAB subject to:

- BOOM receiving the capital injection proposed under this Prospectus.
- The release of the funds raised under this Prospectus to assist in the funding of the Contracted Acquisitions.
- The completion of the Contracted Acquisitions.

The Directors believe that the terms and conditions of the facilities are standard commercial terms for facilities of such nature.

As to the amounts due under the facilities as at 30 June 2003, please refer to Section 7.12.

In addition to the above facilities, BOOM is planning to procure an additional $3.6 million in hire purchase finance. These funds will form part of the settlement proceeds for completion of the Contracted Acquisitions. As at the date of this Prospectus, the terms and conditions of this facility have not been determined, but it is expected these will be consistent with other similar facilities BOOM currently has in place.

10.4.3 Registered Charges and Financing Contracts

NAB has a first registered fixed and floating charge created on 4 January 2002 over the undertaking and all other present and future property and assets of BOOM. BOOM has entered into 15 financing contracts with the NAB in relation to various mobile cranes, tower cranes and stiff-leg derricks.

Esanda Finance Corporation Limited ("Esanda") has a fixed charge created on 31 January 2002. The property charged is 15 mobile cranes and tower cranes which are set out in financing contracts between BOOM and Esanda. This charge is for a maximum prospective liability of $3,856,671.60.

Esanda has a second fixed charge which was created on 1 February 2002. The property charged is 4 motor vehicles which are set out in a financing contract between BOOM and Esanda. This charge is for a maximum prospective liability of $99,547.14.

CBFC Limited ("CBFC") has a fixed charge created on 28 February 2003. The property charged is 26 cranes which are set out in a financing contract between BOOM and CBFC. This charge is for a liability of $4 million plus interest together with all costs, charges and expenses which CBFC pays, incurs or sustains together with all interest as described in the charge.

The Directors of BOOM consider that the 4 registered charges are on reasonable and commercial terms.

BOOM has numerous financing contracts in relation to its mobile cranes, tower cranes and stiff-leg derricks with NAB, CBFC and Esanda which are secured by the registered charges referred to above. In addition, BOOM also has other financing contracts with BankWest, Challenge Bank and GE Commercial Pty Ltd. The financing contracts contain financial covenants, events of default and other terms and conditions usually found in financing arrangements of this kind. In regard to the balance of these contracts as at 30 June, please refer to Section 7.12.

ADDITIONAL INFORMATION

10.4.4 Key Employment Contracts

BOOM has the following key employees:

- Mr Harmon – Chief Executive Officer.
- Mr Lawrence – Chief Financial Officer.
- Mr Legena – National Manager Quality, Safety and Risk.
- Mr Praetz – General Manager WA Division.
- Mr Baker – General Manager Tower Crane Division.

BOOM has employment contracts with each of the key employees which the Directors consider to be on reasonable and commercial terms. The employment contracts are in the form of letters of engagement rather than formal contracts. The key employees (excluding Mr Harmon):

- Are entitled to annual bonus payments linked to achieving and exceeding preset performance targets set by the Board of the Company at the beginning of each financial year.
- Are not employed for fixed terms and either BOOM or the employee may terminate the employment by providing the appropriate notice period.
- Receive total remuneration (including salary and superannuation contributions but excluding bonus) of $150,000 to $190,750.
- Are, subject to Listing and obtaining shareholder approval (if required) entitled to participate in a share option plan that is yet to be put in place by the Company.
- Except for Mr Legena, are subject to Listing and obtaining shareholder approval (if required) entitled to an issue of 100,000 fully paid ordinary shares each.
- Except for Mr Legena, are not subject to restrictive covenants.

Mr Legena is subject to a restrictive covenant during his employment and for a period of 3 years following termination of his employment.

The termination provisions are standard across these employment contracts, being 8 weeks plus an extra week if the employee is over 45 and has more than 2 years service. Rights of summary dismissal are preserved. Additional severance payments are provided for and calculated on years of service if termination occurs on the grounds of redundancy.

Mr Harmon:

- Receives a salary of $250,000 per annum reviewed annually, plus a car allowance of $30,000 per annum.
- Receives a contribution to superannuation of $22,500, equivalent to 9% of salary.
- Is entitled to participate in a performance based bonus plan. The targets are set annually by the Board. For the Financial Year 2003/2004 Mr Harmon is entitled to a bonus of 10% of salary on achieving the Board approved budget Earnings Per Share ("EPS"), EBITDA and safety performance. For each 1% increase in EBITDA margin above budget, Mr Harmon receives a bonus increase of 15% of salary.
- On successful completion of the Offer and Listing during the 2003/2004 financial year, Mr Harmon's salary will increase to $275,000 and the superannuation contribution will increase to $24,750. The bonus entitlement will increase to 15% of salary on achieving the Board approved budget EPS, EBITDA and safety performance and continue to increase in 15% increments for each 1% increase in EBITDA above budget.

ADDITIONAL INFORMATION

- Is entitled to terminate the employment contract on 8 weeks notice. Mr Harmon is entitled to 26 weeks notice from BOOM if his employment contract is terminated prior to 28 March 2004 and after that date is entitled to 8 weeks notice and an additional week's notice if he is over 45 years of age and has completed 2 years continuous service. BOOM may provide pay in lieu of notice.
- May be entitled to receive severance pay up to 26 weeks (calculated on length of service) if his employment is terminated by BOOM on the grounds of redundancy.
- Is subject to a restrictive covenant which applies during his employment and for 1 year after termination of his employment.

Mr Harmon is entitled to participate in a Long Term Incentive Plan. The Board has resolved Mr Harmon's sole entitlement under this plan is the issue of 1,658,571 Shares to Mr Harmon on Listing.

10.4.5 Consultancy Agreement

BOOM and Reefside Enterprises Pty Ltd entered into a consultancy agreement under which Mr Jack Hebiton provides services as the Business Development Manager to BOOM.

The consultancy agreement expires on 31 October 2003 and provides for a monthly retainer of $15,000 plus expenses.

10.4.6 Australian Workplace Agreements

BOOM has an Australian Workplace Agreement ("AWA") for administration staff. The AWA is in the form of a standard document for administration staff and is designed to be approved under the Workplace Relations Act 1996 (Cth) ("WR Act") and wholly displace any award or industrial agreement that might be applicable to employees engaged in the businesses subject to the AWA. Once approved, it has a nominal expiry date of 2 years after signing.

The AWA contains no unusual terms.

10.4.7 Certified Agreements

The following Certified Agreements are applicable to BOOM:

- Section 170LJ Certified Agreement between BOOM – WA Crane Hire Division and the CFMEU certified on 6 March 2002 with a nominal expiry date of 6 March 2004.
- Section 170LJ Certified Agreement between Brambles Australia Ltd and the CFMEU certified on 6 December 2000 with a nominal expiry date of 1 August 2003.
- Section 170LK Certified Agreement between BOOM – Geraldton Branch Crane Operators certified on 4 February 2003 with a nominal expiry date of 3 February 2005. This is a non-union agreement.
- Section 170LJ Certified Agreement between BOOM and the CFMEU certified on 27 May 2003 with a nominal expiry date of 31 October 2005.

The Certified Agreements are collective written agreements certified under Section 170LT of the WR Act. They either operate to the exclusion of, or in conjunction with, the underpinning industrial awards in providing for the terms and conditions of employment for employees engaged in the businesses subject to those Certified Agreements.

ADDITIONAL INFORMATION

On completion of the Contracted Acquisitions, the number of employees employed by BOOM, Heavy Lift Cranes and Holts (which will then be subsidiaries of BOOM) will increase from 140 to up to 360. The actual number will depend on which employees accept offers of employment with BOOM. In addition, BOOM will be bound by certified agreements that apply to employees retained as a consequence of the Contracted Acquisitions, as well as various awards that apply to some of those employees. Heavy Lift Cranes Pty Ltd is also negotiating a new certified agreement with the CFMEU, but this has not been certified at the date of this Prospectus.

10.4.8 Leases

BOOM does not own any real estate. BOOM has leasehold interests in the following 4 properties prior to the Contracted Acquisitions:

(1) 167 Dohertys Road, North Laverton, Victoria

Lease between Mr Williams (a director) and Jean Williams ("Lessors") and Sutville Pty Ltd for the premises at 167 Dohertys Road, North Laverton, Victoria. The lease commenced on 1 July 2001 and has a term of 5 years (it expires on 30 June 2006).

Under the lease:

- The commencing rent was $150,000 plus GST per annum. The rent is reviewed annually in accordance with movements in the Consumer Price Index.
- There is an option to renew for 5 years (so that it expires on 30 June 2011).

The lease has been assigned to BOOM on usual terms.

(2) 1 Ashley Street, Tottenham, Victoria

The Victorian Railway Commissioners ("Lessor") and Chicago Bridge Australia Pty Ltd (now known as CBI Constructors Pty Ltd) ("CBI") entered into a lease on 6 March 1970 for the premises at 1 Ashley Street, Tottenham, Victoria. The lease commenced on 1 October 1968 and had an initial term of 33 years.

There is an option to renew the lease for 1 further term of 10 years (so that it expires on 30 September 2011). The Lessor may end the lease upon 4 years' notice during the further term if the premises are acquired for any railway purpose.

Pursuant to a sub-lease between CBI, Sutville Pty Ltd and Mr Williams and James Douglas Williams ("Guarantors"), CBI sub-leased the premises to Sutville Pty Ltd. The sub-lease commenced on 4 June 1996 and, subject to renewal, has a term of 3 years.

Under the sub-lease:

- The commencing rent is $57,000 per annum, and is reviewed annually to the greater of the rent payable prior to review or movements in the Consumer Price Index.
- There is an option to renew for 2 further terms of 3 and 4 years respectively (expiring 3 June 2002 and 3 June 2006).
- CBI may end the sub-lease by 1 month's notice if the head lease is ended for any reason.

The sub-lease was assigned to the Company on 1 September 2001, but the Company is currently under a monthly sub-lease in respect to this premises.

ADDITIONAL INFORMATION

(3) 22–23 Macedonia Street, Naval Base, Western Australia

Lease between Dorset Nominees Pty Ltd and Uniway Pty Ltd dated 20 October 1995 for the premises at 22–23 Macedonia Street, Naval Base, Western Australia. The lease commenced on 1 October 1995 for an initial term of 5 years, which was extended by way of an extension and variation of lease dated August 2000 for a further 5 year term commencing 10 October 2000.

The rent is $52,000 per annum during each year of the extended term.

The lease was assigned to the Company pursuant to an option and purchase agreement dated 24 August 2001.

(4) 96 Poole Street, Welshpool, Western Australia

Lease between SGJ Investments Pty Ltd and the Company for premises at 96 Poole Street, Welshpool, Western Australia. The lease commenced on 1 January 2002 and is for a term of 10 years.

The commencing rent is $145,000 per annum. There is a rent review every 30 months during the term of the lease. The rent is to be reviewed to the greater of the rent payable prior to review or the rate of rent determined by movements in the Consumer Price Index or the current market rent for the premises as determined by 2 licensed valuers.

10.4.9 Contracted Acquisitions

(1) Purchase Agreement – Conmor Cranes

A Purchase Agreement was entered into by the Company, Conmor Cranes Pty Ltd ABN 31 004 324 403 ("Conmor"), TW Morris & Son Pty Ltd ABN 99 004 296 860 and Mobile Cranes (Gippsland) Pty Ltd ABN 21 053 622 365 ("Vendors") and Hugh Anthony Morris on 20 October 2002. This agreement has been varied by letters of variation dated 21 October 2002 and 25 June 2003.

The agreement (as varied) governs the purchase of the crane business of the Vendors in Victoria ("the Vendors") as a going concern for the purposes of GST. In consideration for the transfer of business, the Company must:

- Pay $2,376,697 on the date BOOM receives all funds under the proposed capital raising under this Prospectus (or such other date as the parties agree in writing).
- Deliver share certificates for Shares in BOOM to the value of $3,515,963, at an issue price calculated at a 25% discount to the issue price offered under this Prospectus. These Shares are subject to escrow as referred to in Section 10.16.
- Pay $250,000 on or before 1 December 2003.
- Pay $250,000 on or before 1 March 2004.

The purchase price will be adjusted on completion under the agreement so that the purchase price equals $6.8 million less annual leave, long service leave and 50% of the contingent redundancy entitlements in relation to employees of Conmor who accept employment with BOOM, less tax of 30% payable on those entitlements.

The purchase price will comprise of 45% cash and 55% shares in BOOM.

ADDITIONAL INFORMATION

Completion is conditional upon certain conditions precedent being satisfied, including:

- The discharge by the Vendors of all charges over the assets of Conmor.
- The discharge by the Vendors of all encumbrances, securities or third party interests over any of the assets.
- The execution by Mr Morris of an employment contract with BOOM.
- BOOM raising private equity capital of $17.1 million (or such other amount as BOOM may notify the Vendors) or undertaking an initial public offering on or before 15 October 2003.
- BOOM obtaining all necessary shareholder and regulatory approvals required for completion to occur.
- Completion occurring under the Option and Share Purchase Agreement entered into by BOOM and the shareholders of Heavy Lift Cranes (this agreement is referred to below).
- BOOM obtaining all necessary governmental and other consents, approval and authorisations that are required for the purchase of the Assets and transfer of the customer information.
- The execution of lease agreements for Conmor's premises situated at Lot 15 Mills Road, Braeside ("Braeside Premises").
- The execution of an assignment of lease for Conmor's premises situated at 24 McDonald Road, Brooklyn ("Brooklyn Premises").
- Consent being obtained by the mortgagees for the lessors of the Brooklyn Premises and the Braeside Premises.
- Execution of an agreement between Conmor and Heavy Lift Cranes in relation to the use and housing of the Neller payroll software.
- The written consent by Transfield Pty Ltd (ACN 000 854 688) and Mobil Refining Australia Pty Ltd (ACN 004 300 163) to the transfer of Conmor's contract in relation to the provision of crane hiring services at Altona ("Transfield Contract").
- BOOM being satisfied in its absolute discretion with the results of its due diligence enquiries.

If all conditions precedent are not fulfilled or waived by the party for whose benefit they are included by 15 October 2003, then that party may rescind the agreement.

Conmor is under the usual obligations in relation to conducting the business prior to completion.

Each party has provided the usual commercial warranties for a transaction of this nature. There is no maximum aggregate liability of a party as a result of all breaches of warranties provided by them. The Vendors have provided restraints of trade to a maximum of 3 years and a minimum of 6 months, depending on enforceability.

The agreement also provides for the transfer of employees of Conmor willing to be employed by BOOM on terms and conditions no less favourable than their existing terms of employment.

ADDITIONAL INFORMATION

Amongst other things, BOOM may terminate the agreement before completion if a material breach of the warranties comes to the attention of BOOM, the Vendors breach a term or condition of the agreement or anything occurs which has or is likely to have a material adverse effect on the business or the Braeside Premises or the Brooklyn Premises.

Mr Morris is to be employed as the General Manager Victoria Division, for 1 year. A restraint of trade for a maximum period of 2 years applies after employment, depending on enforceability.

The lease for the Brooklyn Premises is dated 27 July 1999 with Knights Properties Pty Ltd as lessor and Conmor Plant Hire Pty Ltd as lessee. The term of the lease is for 3 years commencing 1 June 1999 with one further term of 3 years. The initial rent was $50,000 per annum reviewed to market each second year.

The lease for the Braeside Premises is to be between Conmor Cranes Pty Ltd and TW Morris & Son Pty Ltd as lessor and the Company as lessee. It is to be for a period of 5 years at an initial rent of $170,000 net of GST. The rent is to be reviewed annually to the Consumer Price Index with a minimum increase of 2% and a maximum of 4%. A further term of 5 years applies.

If the Transfield Contract and other work contracts referred to in the agreement are not able to be assigned or novated, the Vendors must hold them on trust for the Company and pay or transfer all benefits arising from them to the Company.

(2) Option and Share Purchase Agreement – Heavy Lift Cranes

An Option and Share Purchase Agreement was entered into by the Company, Mr Hugh Anthony Morris as trustee for the HA & AR Morris Family Trust and Mr Brenton Craig Salleh as trustee for The BC & R Salleh Family Trust ("Vendors") on 21 October 2002 for the purchase of all shares in Heavy Lift Cranes. The agreement has been varied by letters of variation dated 21 October 2002 and 25 June 2003.

BOOM has exercised its option to purchase. In consideration for the transfer of shares to BOOM, BOOM must:

- Pay the sum of $1.2 million to the Vendors.
- Issue $2.75 million of fully paid ordinary shares in BOOM to the Vendors at an issue price equivalent to either $1 per Share or the issue price per share offered under this Prospectus. These Shares will be issued at $0.80 per share and are subject to escrow as reflected in Section 10.16.

Completion is conditional upon certain conditions precedent being satisfied, including:

- Completion occurring under the Purchase Agreement dated 21 October 2002 entered into by BOOM and Conmor Cranes Pty Ltd, T W Morris & Son Pty Ltd, Mobile Cranes (Gippsland) Pty Ltd and Mr Hugh Anthony Morris (this agreement is referred to in Section 10.4.9 (1) above).
- BOOM raising equity capital of $17.1 million (or such other amount as BOOM may notify the Vendors) or undertaking an initial public offering on or before 15 October 2003.
- The Company obtaining all necessary governmental and other consents, approval and authorisations that may be required for the purchase of the Shares.

ADDITIONAL INFORMATION

- The third parties to each contract, agreement or arrangement binding Heavy Lift Cranes, giving a binding acknowledgment or consent that the change in control of Heavy Lift Cranes will not be taken to affect the rights and duties of the parties under those agreements.
- The Company entering into a written contract with Loy Yang Power Management Pty Ltd (ACN 077 985 758) on terms acceptable to BOOM.
- Mr Brenton Salleh entering into an employment contract with BOOM.
- Mr Hugh Morris and Heavy Lift Cranes mutually agreeing to release each other from any consultancy arrangement between them.
- The delivery to BOOM of the assignment of lease and a licence to occupy the premises known as Transport Workshops, Allotment 4E, Section A Parish of Hazelwood being part of the land situated at Corner Miners Way & Southern Circuit, Morwell, Victoria.
- BOOM being satisfied in its absolute discretion with the result of its due diligence enquiries in relation to Heavy Lift Cranes.

If all of the conditions precedent are not fulfilled or waived by the party for whose benefit they are included by 15 October 2003 or such later date as is agreed by the Vendors and BOOM, then that party may rescind the agreement. Additionally, if completion has not occurred by 15 October 2003 the Vendors have the absolute right to rescind the agreement.

The Vendors are under the usual obligations in relation to Heavy Lift Cranes conducting the business of Heavy Lift Cranes prior to completion. Each party has provided the usual commercial warranties and covenants for a transaction of this nature. There is no maximum aggregate liability of a party as a result of all breaches of warranties provided by them.

The Vendors have provided restraints of trade for a period as long as 3 years and as short as 8 months, depending on enforceability.

Amongst other things, BOOM may rescind the agreement if a material breach of a warranty comes to the attention of BOOM, the Vendors materially breach an obligation under the agreement, a material adverse event occurs to the business of Heavy Lift Cranes, an action, suit or investigation is instituted or threatened against Heavy Lift Cranes, or a public authority proposes or enacts a statute or regulation which would materially restrict this transaction or the operations of Heavy Lift Cranes.

In addition to the payment of the cash consideration and issue of the BOOM Shares as referred to above, BOOM must make a provision to the Vendors for after tax retained profits for the year ending 30 June 2002 and net profits for the year ending 30 June 2003.

Mr Salleh is to be employed by BOOM as Manager, La Trobe Valley, for an unspecified term which either party may terminate on 8 weeks' notice.

(3) Business Sale and Purchase Agreement – Purcell Cranes

On 22 August 2003, BOOM, Purcell Nominees Pty Ltd (as trustee of The Purcell Family Trust) ("Purcell"), Mr John Purcell and Ms Karen Purcell entered into a Business Sale and Purchase Agreement for the purchase of the crane hire business carried on from Purcell's Port Hedland depot under the trading name 'Purcell Crane Hire' ("Port Hedland Business and Assets"). BOOM will purchase the Port Hedland Business and Assets as a going concern for the purposes of GST.

ADDITIONAL INFORMATION

The purchase price for the Port Hedland Business and Assets is $6.8 million consisting of:

- $6,050,000 in cash.
- $750,000 worth of Shares (based on the value per Share as provided for in this Prospectus). These Shares are subject to escrow as set out in Section 10.16.

Allowances made by Purcell to BOOM for accrued employee entitlements of employees transferring to BOOM are to be deducted from the cash component.

Completion is conditional on the satisfaction of the following conditions precedent:

- On or before 15 October 2003, BOOM carrying out a public capital raising of not less than $20 million or such other amount as set out in this Prospectus.
- On or before 15 August 2003, BOOM notifying Purcell in writing that, after investigation, it is satisfied with the results of its due diligence enquiries in respect of the Port Hedland Business and Assets. This condition precedent has been satisfied.
- On or before 15 August 2003, BOOM and Purcell executing a property lease in relation to the Port Hedland Depot at Wilson Street, Port Hedland. This condition precedent has been satisfied.
- On or before 15 August 2003, Mr David Power and Mr Garry Kielenstyn entering into employment agreements with BOOM on terms no less favourable than those under which they are employed by Purcell. Those terms include fixed term employment for 1 year and restraints of trade after employment of up to 2 years, depending on enforceability. This condition precedent has been satisfied.

If any of the conditions precedent are not fulfilled or waived by BOOM by the date stated in the condition precedent, BOOM or Purcell may terminate the agreement.

Purcell is under the usual obligations with respect to the Port Hedland Business and Assets before completion. Purcell has provided the usual warranties and covenants for a transaction of this type. There is no maximum aggregate liability as a result of breach of the warranties.

The agreement also provides for the transfer of employees of Purcell willing to be employed by BOOM on terms and conditions no less favourable then their existing terms of employment.

The agreement provides that BOOM may rescind the document by giving notice in writing to Purcell if before completion (among other things):

- Any material breach of the warranties provided by Purcell in relation to the Port Headland Business and Assets occurs.
- Anything occurs (except something arising from an act or omission of BOOM) which has, or would be likely to have after completion, a material adverse effect on the Port Hedland Business and Assets.

Purcell, Mr John Purcell and Ms Karen Purcell each provide restraint of trade covenants for a period of up to 3 years from completion, depending on enforceability.

The agreement provides for all contracts in respect to the plant and equipment being purchased by BOOM to be assigned or transferred to it at BOOM's discretion from 5.00pm on the date completion occurs. If they cannot be assigned or transferred, Purcell must hold them on trust for BOOM and pay all benefits arising from them to BOOM.

ADDITIONAL INFORMATION

(4) Share Sale and Purchase Agreement – Holts

On 5 August 2003 Mr Leslie Raymond Holt and Ms Patricia Gail Holt ("the Holts"), Holt Logistics Pty Ltd ACN 100 531 904 as trustee for The Hendra Family Trust, Holt Asset Management Pty Ltd ACN 100 527 571 as trustee for The Ham Trust and BOOM entered into a Share Sale and Purchase Agreement in relation to all of the issued capital ("Holt Shares") in Holt Industries Pty Ltd (ABN 38 010 588 682) ("Holts"), under which BOOM will buy the Holt Shares from the Holts.

Holts operates a mobile crane hire and logistics business from a number of depots in and around Brisbane. The consideration payable by BOOM is $15,896,000, payable as follows:

- $7,896,000 payable in cash by way of 2 instalments namely, $6,396,000 on completion and $1.5 million on 15 January 2004.
- $8 million in issued shares in BOOM (based on 80 cents per share as provided for in this Prospectus) and with escrow conditions as referred to in Section 10.16.

All third party finance to Holts (other than finance by a related party of Holts) will remain in place at Completion.

Completion is conditional upon certain outstanding conditions precedent being satisfied, including:

- BOOM raising equity capital of $20 million or such other amount as provided for in this Prospectus.
- BOOM obtaining any consents and approvals from any financiers to Holts or its subsidiary, Hilyte Australia Pty Ltd required to implement the transaction.

These conditions must be satisfied or waived by BOOM by 15 October 2003 or any such later date agreed by the Holts and BOOM.

Completion must take place on or before 15 October 2003 (or such other date as the parties agree in writing). If all of the conditions precedent are not fulfilled or waived by BOOM by 15 October 2003 or any other date agreed on, then BOOM may terminate the Share Sale and Purchase Agreement. In addition, under the terms of a Confidentiality Agreement dated 17 July 2003, if the acquisition does not proceed BOOM may be required to pay $75,000 to the Holts.

Prior to completion, the Holts will procure Holts to declare a dividend in favour of the Holts for $2,124,667, adjusted for certain accrued employee entitlements and deductions. This is payable quarterly commencing on 1 September 2004. BOOM guarantees the payment of this dividend.

The Holts are under the usual obligations in relation to conducting Holts' business prior to completion.

The Holts have provided the usual commercial warranties for a transaction of this nature. The maximum aggregate liability of the Holts for all breaches of warranties is $3 million. The Holts will not be liable for a breach of warranty causing loss of less than $50,000 to BOOM and unless the aggregate amount payable in respect of all claims is more than $200,000. This limitation does not apply in certain circumstances and there are certain time limitations imposed on making a claim. A taxation indemnity has been given by the Holts in favour of BOOM.

ADDITIONAL INFORMATION

Amongst other things, BOOM may terminate the agreement if a material breach of a warranty or an obligation under the agreement comes to the attention of BOOM. The Holts may terminate the agreement if BOOM breaches an obligation under the agreement or the Holts or BOOM become aware of an event not contemplated by the parties which occurs between the date of this Prospectus and completion which has or would be likely to have a material adverse affect on the prospects of BOOM or the value of shares in BOOM issued to the Holts.

Additionally, Mr Leslie Holt, Holt Asset Management Pty Ltd and Holt Logistics Pty Ltd have provided restraints applying to there different parties for periods of up to 3 years as a maximum and 6 months as a minimum, depending on enforceability.

The Share Sale and Purchase Agreement contemplates that a number of additional agreements will be entered into prior to completion. These are:

- Leases to the Company of 3 depots from which Holts currently operates its business. The leases are on the usual commercial terms.
- Employment contracts between BOOM and each of Mr Leslie Holt, Mr Leigh Holt and Ms Kellie Holt. Mr Leslie Holt is to be the General Manager, Queensland Division and his appointment is for 3 years. A restraint of trade will apply for 2 years after he ceases to be employed.
- Holt Asset Management Pty Ltd (as trustee of The Ham Trust) ("Seller"), BOOM and the Holts entering into the Ham Trust Sale Agreement, under which Holt Asset Management will agree to sell to the Company its interest in certain crane and haulage equipment (some of which is encumbered under hire purchase arrangements), and to assign to the Company its rights under certain asset leasing arrangements. If it is not possible to assign or novate these arrangements, the Seller must hold these arrangements on trust for BOOM. The purchase price for the above sales and assignments will be $96,000 plus GST, payable in full at completion under the Ham Trust Sale Agreement (which is to occur immediately prior to completion under the Share Sale and Purchase Agreement). This Agreement has been executed.
- Holt Logistics Pty Ltd ("Seller") (as trustee of The Hendra Family Trust), BOOM and the Holts entering into the HF Trust Sale Agreement, under which the Seller will agree to sell to Holts its transport and heavy haulage business and certain assets used in relation to the business. Holts is required to offer employment to all of the employees currently employed by the business, on terms no less favourable than their existing terms of employment. The purchase price for the sale will be $8,000 plus GST, payable in full at completion under the HF Trust Sale Agreement (which is to occur immediately prior to completion under the Share Sale and Purchase Agreement). However, this amount is to be reduced by the amount of the accrued employee liabilities assumed by Holts (net of tax). This will result in a net amount being owed to Holts by the Seller at completion but the Seller is only obliged to pay a maximum of 70% of these entitlements. This agreement has been executed.

ADDITIONAL INFORMATION

(5) Port Kembla Cranes

On 1 August 2003 BOOM entered into contracts to acquire the business and assets of a Division of Brambles Australia Limited ("Vendor") and constituting the Port Kembla Crane Hire Operations as a going concern for the purposes of GST.

That business currently provides mobile crane hire services for shut down, industrial maintenance and constructions applications in the Illawarra, Shoalhaven and Southern Highlands regions of New South Wales.

The total consideration payable by BOOM on successful completion of the contract is $6,170,000, less adjustments for employee entitlements of transferring employees of $2,770,000 which is payable at the time possession is taken (which is on completion) and the balance by way of instalments ending on 1 July 2004.

Completion under the contract is conditional on BOOM raising at least $20 million or such other amount as is specified in this Prospectus by no later than 15 October 2003.

BOOM has agreed to grant a first ranking charge over certain assets acquired.

Consistent with BOOM's prior acquisitions from the Vendor, the Vendor has provided limited warranties in relation to business and assets acquired by BOOM. Usual covenants are given by the parties for the period to completion.

BOOM will offer employment to the wage employees of the Vendor on terms and conditions in accordance with existing enterprise bargaining agreements and awards. Designated staff and supervisory employees will be offered employment on terms which are no less favourable than their current terms and conditions.

The Vendor has provided restraints of trade for a maximum of 3 years and a minimum of 1 year, depending on enforceability.

ADDITIONAL INFORMATION

10.5 Sell Down by Existing Shareholders

Certain Existing Shareholders (including Directors and their associates) have undertaken to sell their Existing Shares pursuant to this Offer. These Existing Shares are set out below.

Existing Shareholder	Number of Existing Shares Subject to Offer
Sutville Pty Ltd	50,637
Cadilla Pty Ltd	1,211,049
Enerview Pty Ltd	1,313,327
Alpha Cranes Pty Ltd (as trustee of the Alpha J Trust)	458,214
Uniway Pty Ltd	539,474
D Williams	1,000,000
J Williams	1,000,000
Oldmack Pty Ltd (as trustee for the Healy Family Trust)	677,023
Mogador Pty Ltd	1,000,000
I Hassell	162,292
General Contractors Services Pty Ltd	87,981
W Healy	1
TA (Jack) Hebiton	1
C Hebiton	1
Total	**7,500,000**

Any stamp duty payable for the transfer of Existing Shares will be paid pro-rata by the Existing Shareholders.

10.6 Legal Matters

10.6.1 Material Proceedings

To the knowledge of the Directors, BOOM is not involved in any litigation that is material to the Offer or the operations of the Company. The Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

10.6.2 Intellectual Property

BOOM has applied for registration of a stylised version of the words "BOOM Logistics" under trademark legislation in Australia. The Company believes registration will be granted in due course. BOOM is the registered owner of the business name "BOOM Logistics" in Western Australia and Victoria.

BOOM is also the registered owner of the domain name "boomlogistics.com.au".

ADDITIONAL INFORMATION

10.7 Directors' Interests

At the date of this Prospectus, the relevant interest held by each of the Directors (including companies and trusts associated with the Directors) in BOOM is as follows:

Director	Name of Holder	Shares	Options	Existing Shares Sold in the Offer
Roderick Glynn Harmon[5]		1,658,571	–	–
Rodney John Robinson		–	–	–
Huw G Davies		–	–	–
Fiona Bennett		–	–	–
Terrance Alexander (Jack) Hebiton	Terrance Alexander (Jack) Hebiton	1	–	1
	Colin Geoffrey Lang Hebiton and	1,867,106	–	–
	Terrance Alexander (Jack) Hebiton[1]	–	–	–
	Alpha Cranes Pty Ltd (as trustee of the Alpha J Trust)[2]	798,830	–	458,214
	Reefside Enterprises Pty Ltd[3]	–	2,015,000	–
Douglas Edwin Williams[4]	Douglas Edwin Williams	3,000,000	–	1,000,000
	Sutville Pty Ltd	9,748,890	–	50,637
	General Contractors Pty Ltd	511,883	–	87,981
	Mogador Pty Ltd	2,000,000	–	1,000,000
Total		**19,585,281**	**2,015,000**	**2,596,833**

Notes:

1 Mr TA (Jack) Hebiton holds 1,867,106 Shares jointly with Mr Colin Hebiton.

2 Mr TA (Jack) Hebiton is a beneficiary of the Alpha J Trust.

3 Mr TA (Jack) Hebiton is a director and shareholder of Reefside Enterprises Pty Ltd.

4 Mr Doug Williams is a director and shareholder of Sutville, General Contractors Pty Ltd and Mogador Pty Ltd.

5 Pursuant to his employment contract, Mr Harmon will receive 1,658,571 Shares on the terms set out in Section 10.4.4 for services provided to the Company.

Nothing in this Prospectus will be taken to preclude Directors, officers or employees of BOOM, or the Underwriters or other advisers, from applying for Shares on the same terms and conditions as offered pursuant to this Prospectus.

ADDITIONAL INFORMATION

10.8 Directors' Remuneration

The Constitution provides that the Directors' remuneration must not exceed the maximum aggregate sum determined by the Company in general meeting. At present, that sum is fixed at a maximum of $250,000, in aggregate per annum. This maximum sum cannot be increased without members' approval by ordinary resolution at a general meeting.

10.8.1 Payment of Expenses

In addition to remuneration, Directors are entitled to receive travelling and other expenses reimbursement that they properly incur in attending Directors' meetings, attending any general meetings of the Company or in connection with the Company's business.

10.8.2 Payment for Extra Services

Any Director called upon to perform extra services or undertake any executive or other work for the Company beyond his or her general duties, may be remunerated either by a fixed sum or a salary as determined by the Directors. This may be in addition to, or in substitution of, the Director's share in the usual remuneration provided.

10.8.3 Effect of Cessation of Office

The Company does not pay any special fees or otherwise make any provision for Directors upon their retirement from the Board.

10.8.4 Payment of Superannuation Contributions

The Company shall pay the Directors' superannuation contributions of an amount necessary to meet the minimum level of superannuation contributions required under any applicable legislation to avoid any penalty, charge, tax or impost.

10.8.5 Financial Benefit

A Director must ensure that the requirements of the Corporations Act are complied with in relation to any financial benefit given by the Company to the Director or to any other related party of the Director.

The Company must not make loans to Directors or provide guarantees or security for obligations undertaken by Directors except as may be permitted by the Corporations Act.

Annual Director's fees to be paid by BOOM upon admission to the Official List are as follows:

Director	
Mr Robinson	$80,000
Mr TA (Jack) Hebiton	$35,000
Dr Davies	$35,000
Ms Bennett	$35,000

Mr Harmon and Mr Williams are not paid Directors' fees in addition to their existing salaries.

Mr TA (Jack) Hebiton is paid for services rendered under a Consultancy Agreement as described in Section 10.4.5.

ADDITIONAL INFORMATION

10.9 Deeds of Access and Indemnity

The Company has executed deeds of access and indemnity in favour of each Director. The indemnity is subject to the restrictions prescribed in the Corporations Act. The deeds also give each Director a right of access to Board papers and require the Company to maintain insurance cover for the Directors. Such insurance is in place.

10.10 Interests of Directors

Other than as set out above (including but not limited to Section 10.4 and 10.7 of this Prospectus), or elsewhere in this Prospectus, no Director has, or had within two years before lodgment of this Prospectus with the ASIC, any interest in:

- the promotion or formation of BOOM.
- property acquired or proposed to be acquired in connection with its promotion or formation or the Offer under this Prospectus.
- the Offer of Shares under this Prospectus.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- to induce him to become, or to qualify him as, a Director.
- for services rendered by him in connection with the formation or promotion of BOOM of the Offer of Shares under this Prospectus.

10.11 Interests of Advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- Has any interest, or has had any interest during the last two years, in the formation or promotion of BOOM, or in property acquired or proposed to be acquired by BOOM in connection with its formation or promotion, or the Offer.
- No amount has been paid, or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of BOOM or the Offer.

Deacons has acted as the Australian legal adviser to BOOM in connection with the Offer and is entitled to receive approximately $270,000 (exclusive of GST) for these services. Deacons has also provided legal services to the Company in the two years prior to the date of this Prospectus and has been paid approximately $395,000 for these services.

Wilson HTM Corporate Finance Limited and Bell Potter Securities Limited have agreed to act as joint lead managers in relation to the Offer and Underwriter. BOOM and the Existing Shareholders have agreed to pay a fee of up to 1.5% of the gross proceeds of the Offer being a management fee of up to $405,000. Wilson HTM Corporate Finance Limited and Bell Potter Securities Limited have agreed to act as Underwriters to the Offer. In respect of this work, they will be entitled to a fee of 4.0% of the gross proceeds from the issue or sale of Shares under the Offer being a fee of $1.08 million.

PKF Chartered Accountants has acted as the Independent Accountant and has prepared the Independent Accountant's Report and has also performed work in relation to due diligence enquiries. BOOM has paid or agreed to pay, approximately $130,000 for the above services.

PKF acts as auditor of BOOM. BOOM has paid, or agreed to pay approximately $27,000 in respect of audit services for the fiscal year [illegible]

ADDITIONAL INFORMATION

PKF Corporate Advisory Services (WA) Pty Ltd has acted as the Independent Accountant and prepared the Independent Review of Directors Financial Forecasts included in this Prospectus. BOOM has paid, or agreed to pay, approximately $40,000 for the above services. PKF Corporate Advisory Services (WA) Pty Ltd has also provided general corporate advisory services to BOOM in the two years prior to the date of this Prospectus and has been paid $275,000 for these services.

Gresham Advisory Partners Limited has acted as corporate adviser to BOOM in connection to the Offer and other matters and has been paid or is entitled to receive approximately $290,000 (exclusive of GST) for these services.

BIS Shrapnel Pty Ltd has provided the Crane Industry in Australia Report as set out in Section 5 of this Prospectus. BOOM has paid, or agreed to pay, approximately $15,000 for this report.

10.12 Directors' Consents

Each Director of BOOM has given, and not withdrawn as at the date of this Prospectus, their consent to the lodgement of this Prospectus.

10.13 Consents to be Named

The following persons or firms have consented to being named in this Prospectus in the manner detailed below and have not withdrawn their consent as at the date of this Prospectus:

- Deacons has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to Deacons included in this Prospectus, in the form and context in which these are included.
- Gresham Advisory Partners Limited has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to Gresham Advisory Partners Limited included in this Prospectus, in the form and context in which these are included.
- PKF has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to PKF included in this Prospectus, in the form and context in which these are included.
- PKF Corporate Advisory Services (WA) Pty Ltd has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to PKF Corporate Advisory Services (WA) Pty Ltd included in this Prospectus, in the form and context in which these are included.
- BIS Shrapnel Pty Ltd has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the BIS Shrapnel Report and the inclusions to references to BIS Shrapnel Pty Ltd included in this Prospectus, in the form and context in which these are included.
- Computershare Investor Services Pty Limited has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to Computershare Investor Services Pty Limited included in this Prospectus in the form and context in which these are included.
- Bell Potter Securities Limited has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to Bell Potter Securities Limited included in this Prospectus, in the form and context in which these are included.
- Wilson HTM Corporate Finance Limited has given its consent (which has not been withdrawn as at the date of this Prospectus) to the issue of this Prospectus with the inclusions to references to Wilson HTM Corporate Finance Limited included in this Prospectus, in the form and context in which these are included.

ADDITIONAL INFORMATION

10.14 Disclaimer of Responsibility

Each of the persons named in Section 10.13:

- Has not authorised or caused the issue of this Prospectus.
- Does not make, or purport to make, any statement in this Prospectus other than, in the case of a person referred to under the heading "Consents to be Named", a statement or a report included in this Prospectus with the consent of the party.
- To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than reference to its name and, in the case of a person referred to under the heading "Consents to be Named", any statement or a report which has been included in this Prospectus with the consent of that party.

10.15 Expenses of the Offer

It is estimated that approximately $1.7 million will be payable by BOOM in respect of underwriting, legal, accounting, corporate advisory, expert's fees, printing, ASIC and ASX fees and other costs arising from this Prospectus and the Offer.

10.16 Voluntary Escrow

The parties specified below, other than Rod Harmon, have each entered into or agreed to enter into a Voluntary Escrow Deed with the Company whereby they have voluntarily agreed not to sell, transfer or otherwise dispose of their interests in the securities referred to below ("Escrowed Securities") during the period from the date of execution of the Voluntary Escrow Date until 1 September 2004 ("Escrow Period"), except under either:

- an offer under a takeover bid (as defined in the Corporations Act) in respect of the Escrowed Securities; or
- a merger by way of scheme of arrangement under the Corporations Act.

Mr Harmon's Voluntary Escrow Deed is identical to the other Voluntary Escrow Deeds above other than for his escrow period as follows:

- From the date of execution of his Voluntary Escrow Deed to 1 September 2004 for 100% of his Escrowed Securities.
- From 2 September 2004 to 1 September 2005 for 50% of his Escrowed Securities.
- From 2 September 2005 to 1 September 2006 for 25% of his Escrowed Securities.

The Escrow Deeds provide that the Company must apply holding locks in respect of the CHESS holdings of the Escrowed Securities for the duration of the Escrow Period in order to prevent the disposal of the Escrowed Securities.

ADDITIONAL INFORMATION

Escrowed Security Holder	Fully Paid Shares in Escrow	Options in Escrow
Sutville Pty Ltd	9,698,253	–
Cadilla Pty Ltd	5,834,949	–
Enerview Pty Ltd	3,661,797	–
Alpha Cranes Pty Ltd (as trustee of Alpha B Trust)	1,597,661	
Alpha Cranes Pty Ltd (as trustee of Alpha G Trust)	798,830	
Alpha Cranes Pty Ltd (as trustee of Alpha J Trust)	340,616	
Uniway Pty Ltd	2,599,234	–
D Williams	2,000,000	–
J Williams	2,000,000	–
Mogador Pty Ltd	1,000,000	–
Oldmack Pty Ltd (as trustee for the Healy Family Trust)	1,664,314	–
G Morgan	1,867,107	–
C & T Hebiton	1,867,106	–
I Hassell	781,937	–
General Contractors Services Pty Ltd	423,902	
M & K Thomas	100,000	–
Reefside Enterprises Pty Ltd	–	2,015,000
Conmor Cranes Pty Ltd, T W Morris & Son Pty Ltd, Mobile Cranes (Gippsland) Pty Ltd (or nominee)	5,859,938	–
H A Morris as trustee for H A & A R Morris Family Trust, B C Salleh as trustee for the B C & R Salleh Family Trust	3,437,500	–
L & P Holt	10,000,000	
Purcell Nominees Pty Ltd as trustee of the Purcell Family Trust	937,500	
R Harmon	1,658,571	–
Shares issued to employees	350,000	
Total	**58,479,215**	**2,015,000**

10.17 ASX Admission and Quotation

BOOM will apply to ASX for admission to the Official List and quotation of the Shares on the ASX within seven days of the date of this Prospectus.

10.18 Documents Available for Inspection

Copies of the following documents are available for inspection during normal office hours free of charge at the registered office of BOOM at 167 Dohertys Road, North Laverton, Victoria for a period of not less than twelve months from the date of this Prospectus:

- Directors' consents for the lodgement of this Prospectus.
- The Constitution.
- Consents referred to in Section 10.13.

ADDITIONAL INFORMATION

10.19 Directors' Statement

The Directors' report that, in their opinion, after having made due inquiry:

- except as disclosed in this Prospectus, they are not aware of any circumstances that have materially affected or will materially affect the assets and liabilities, the financial position, the profits and losses, or prospects of BOOM or any of the businesses to be acquired by the Company on completion of the Offer.
- they have reasonable grounds to and do believe that this Prospectus contains no statements that are false or misleading and that there are no material omissions from the Prospectus.

This Prospectus was signed on behalf of the directors of BOOM Logistics Limited by Mr Robinson, Chairman.

Mr John Robinson
Chairman

BOOM Logistics Limited

SECTION 11 – GLOSSARY OF TERMS

GLOSSARY OF TERMS

$A or A$ or $	Australian dollars
Alpha Crane Hire	The business carried on by Alpha Cranes Pty Ltd ABN 47 088 099 281 on the date of acquisition
Applicant	A person who applies for Shares in accordance with this Prospectus
Application	A valid application for Shares offered under this Prospectus
Application Form	An application form attached to this Prospectus
Application Money or Monies	Money received from an Applicant in respect of an Application
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited
ASX Listing Rules	The official listing rules of the ASX
Basic EPS	NPAT divided by weighted average Shares on issue
BIS Shrapnel	BIS Shrapnel Pty Ltd
BIS Shrapnel Report	The Crane Industry Report in Australia prepared by BIS Shrapnel contained in Section 5 of this Prospectus
Board	The board of Directors of BOOM
BOOM	BOOM Logistics Limited ABN 28 095 466 961 and any of its subsidiaries, as the case requires
Brambles Goldfields Cranes	The business carried on by Brambles Australia Limited known as "Brambles Cranes" in the Kalgoorlie Goldfields on the date of acquisition
Brambles Perth Cranes	The business carried on by Brambles Australia Limited known as "Brambles Cranes" in Perth on the date of acquisition
CEO	Chief Executive Officer of the Company
CHESS	Clearing House Electronic Subregister System
Closing Date	Closing date of the Offer unless otherwise varied by the Company and the Underwriters
Company	BOOM and any of its subsidiaries, as the case requires
Company Secretary	The Company Secretary of the Company
Conmor Cranes	The business carried on by Conmor Cranes Pty Ltd ABN 31 004 324 403 on the date of acquisition
Constitution	The constitution of the Company adopted by Shareholders in general meeting on 15 November 2002
Contracted Acquisitions	The acquisitions of Conmor Cranes, Heavy Lift Cranes, Purcell Cranes, Holts and Port Kembla Cranes in accordance with the contracts described in Section 10.4.9.

GLOSSARY OF TERMS

Corporations Act	Corporations Act 2001(Cth)
Diluted EPS	NPAT divided by weighted average total Shares and Options on issue
Directors	Directors of BOOM
Dry Hire	Crane supplied without crane driver and fuel
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EST	Eastern Standard Time
Existing Shares	7,500,000 Shares offered by the Existing Shareholders pursuant to this Prospectus
Existing Shareholders	Shareholders of the Company who received Shares prior to this Offer
Exposure Period	The period during which the Company cannot process applications as described in Section 727(3) of the Corporations Act
FY	The financial year to 30 June in any year. For example, FY03 means the financial year ended 30 June 2003
Gearing	The sum of all interest bearing debts less cash at bank and liquid securities divided by shareholders' equity
General Contractors	The business carried on by General Contractors Services Pty Ltd ABN 33 059 013 268 on the date of acquisition
Glossary of Terms	This glossary of terms
Heavy Lift Cranes	The business carried on by Heavy Lift Cranes Australia Pty Ltd ACN 097 108 408 on the date of acquisition
Holding Statements	Holding Statements for Shares under CHESS
Holts	The business carried on by Holt Industries Pty Ltd ABN 38 010 588 682, the HAM Trust and Hendra Family Trust on the date of acquisition
Interest Cover	Earnings before interest and tax divided by net interest expense
Issue or Offer	The offer of 33,750,000 Shares pursuant to this Prospectus
Listing	The quotation of the Company's Shares on the Official List
LSA	Long standing arrangements between BOOM and long term customers to supply lifting requirements
Midland Crane Hire	The business carried on by Cadilla Pty Ltd trading as Midland Crane Hire on the date of acquisition
New Shares	26,250,000 Shares issued pursuant to this Prospectus at $0.80
NPAT	Net profit after tax
Offer or Issue	The offer of 33,750,000 Shares pursuant to this Prospectus

GLOSSARY OF TERMS

Offer Period	The period between the Opening Date and the Closing Date
Offer Price	$0.80 per Share
Official List	The official list of the ASX
Opening Date	The commencement date of the Offer
Option	The option to acquire by way of issue a Share
Option holder	The registered holder of an option
Port Kembla Cranes	The business carried on by Brambles Australia Limited ABN 79 000 164 938 known as Port Kembla Cranes in the Port Kembla region on the date of acquisition
PSA	Letters of arrangements for a period of 12 months specifying the terms on which BOOM will provide lifting services to customers
Prospectus	This prospectus and any supplementary or replacement prospectuses
Purcell Cranes	The business carried on by Purcell Nominees Pty Ltd ACN 008 801 456 as trustee for the Purcell Family Trust on the date of acquisition
Section	Section of this Prospectus
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
Shareholder	A holder of a Share
Shares	Fully paid ordinary shares in the capital of BOOM
Sutville	The business carried on by Sutville Pty Ltd at the date of acquisition by the Company
Underwriters	Bell Potter Securities Limited ABN 25 006 390 772 and Wilson HTM Corporate Finance Limited ABN 65 057 547 323
Underwriting Agreement	Agreement dated 27 August 2003 between BOOM and the Underwriters, the provisions of which are summarised in Section 10 of this Prospectus
Uniway	The business carried on by Uniway Pty Ltd ABN 48 009 367 631 at the date of acquisition by the Company
Vendor Selldown	The sale of Existing Shares by Existing Shareholders pursuant to this Prospectus
Voluntary Escrow Deed	A deed entered into between the Company and each of the parties specified in Section 10.16 making securities held by them subject to voluntary escrow
Wet Hire	Provision of crane with crane driver and fuel

CORPORATE DIRECTORY

Joint Underwriters to the Issue
Wilson HTM Corporate Finance Limited
Level 18
385 Bourke Street
MELBOURNE VIC 3000

Tel: (03) 9640 3832
Fax (03) 9640 3848

Bell Potter Securities Limited
Exchange Plaza
Level 37
2 The Esplanade
PERTH WA 6000

Tel: (08) 9326 7666
Fax: (08) 9326 7676

Corporate adviser
Gresham Advisory Partners Limited
Level 10
1 Collins Street,
MELBOURNE VIC 3000

Tel: (03) 9664 0300
Fax: (03) 9650 7722

Directors
Mr John Robinson
Ms Fiona Bennett
Dr Huw Davies
Mr Rod Harmon
Mr Terrance (Jack) Hebiton
Mr Douglas Williams

Chief Executive Officer
Mr Rod Harmon
BOOM Logistics Limited
167 Dohertys Road
NORTH LAVERTON VIC 3026

Tel: (03) 9369 1222
Fax: (03) 9369 5015

Chief Financial Officer
Mr Mark Lawrence
BOOM Logistics Limited
167 Dohertys Road
NORTH LAVERTON VIC 3026

Tel: (03) 9369 1222
Fax: (03) 9369 5015

Company Secretary
Mr Mark Lawrence
BOOM Logistics Limited
167 Dohertys Road
NORTH LAVERTON VIC 3026

Registered Office and Head Office
BOOM Logistics Limited
167 Dohertys Road
NORTH LAVERTON VIC 3026

Auditors
PKF
Level 7, BGC Centre
28 The Esplanade
PERTH WA 6000

Independent Accountant
PKF Corporate Advisory Services (WA) Pty Ltd
Level 7
BGC Centre
28 The Esplanade
PERTH WA 6000

Tax Advisors
PKF
Level 11
485 La Trobe Street
MELBOURNE VIC 3000

Solicitors to the Offer
Deacons
Level 31, BankWest Tower
108 St Georges Terrace
PERTH WA 6000

Share Registry
Computershare Investor Services Pty Limited
Level 12
565 Bourke Street
MELBOURNE VIC 3000

Tel: (03) 9615 5970 or 1300 850 505
Fax: (03) 9611 5710

SECTION 13 – APPLICATION FORMS

APPLICATION FORMS

Privacy Disclosure Statement

By completing the Application Form accompanying this Prospectus, investors will be providing personal information to BOOM (directly or via the Share Registry). The Privacy Act 1988 governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The personal information BOOM collects from investors on the Application Form is used to evaluate applications for Shares in BOOM and, for successful applications, to provide services and appropriate administration for investors. If BOOM is obliged to do so by law, investor's personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for our records, BOOM will destroy or de-identify it.

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Underwriter, Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a security holder, the Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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PIN CHEQUES HERE
DO NOT STAPLE

BOOM LOGISTICS APPLICATION
ENQUIRY LINE
1300 850 505

Share Registrars use only

Broker Reference – Stamp Only

Broker Code Advisor Code

BOOM LOGISTICS LIMITED
ABN 28 095 466 961

PUBLIC SHARE OFFER APPLICATION FORM

To meet the requirements of the Corporations Act, this Application Form must not be handed on unless attached to the Prospectus.

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

I/We apply for

A Shares in BOOM Logistics Limited **at A$0.80 per share**
(Minimum 2,500 Shares, multiples of 500 Shares)
or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge full Application Monies
B $. 0 0

Full name (PLEASE PRINT)
Title, Given Name(s) & Surname or Company Name
C

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)
Street Number Street
D

Suburb/Town State Post Code

E Contact Name

Telephone Number – Business Hours

Telephone Number – After Hours

CHESS HIN (where applicable)
F

Cheque Details

G

Drawer	Bank	Branch	BSB (eg.063-000)	Amount of Cheque
				$
				$

H I/We declare that this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to bound by the Constitution of BOOM Logistics Limited.

Returning the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company.

NO SIGNATURE IS REQUIRED

You should read the Prospectus carefully before completing this Application Form.

HOW TO COMPLETE THE APPLICATION FORM
NOTES

Please complete all relevant sections of the Application Form using BLOCK LETTERS

A) Enter the **NUMBER OF SHARES** you wish to apply for.
Applications must be for the minimum of 2,500 shares as set out in Section 2.8 of the Prospectus and thereafter in multiples of 500 shares.

B) Enter the **TOTAL AMOUNT** of Application Money payable.
To calculate the amount multiply the number of Shares applied for by the amount per Share.

C) Enter the **FULL NAME(S)** and **TITLE(S)** of all legal entities that are to be recorded as the registered holder(s).
Refer to the **Name Standards** below for guidance on valid registration.

D) Enter the **POSTAL ADDRESS** for all communications from the Company. Only one address can be recorded.

E) Enter telephone numbers and a contact person the registry can speak to if they have any queries regarding this application.

F) If you are sponsored in CHESS by a stockbroker or other CHESS participant enter your Holder Identification Number (HIN).
Otherwise, leave the boxes marked 'CHESS HIN' blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you.

G) Payment must be made in **Australian Currency** and cheques must be drawn on an **Australian Bank**.
Cheques or bank drafts must be **payable to "BOOM Logistics Limited – FLOAT ACCOUNT"** and crossed **Not Negotiable**.
Cheques not properly drawn will be rejected.
Cheques will generally be deposited on the day of receipt. If cheques are dishonoured the Application may be rejected.

H) Before completing the Application Form the Applicant(s) must read the Prospectus. The Applicant(s) agree(s) that this Application is for Shares in BOOM Logistics Limited upon and subject to the terms of the Prospectus, agree(s) to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Forward your completed application together with the Application Monies to:

BOOM Logistics Limited – Share Offer
C/– Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 8060

OR

BOOM Logistics Limited – Share Offer
C/– Computershare Investor Services Pty Limited
Level 12
565 Bourke Street
MELBOURNE VIC 3000

OR

Bell Potter Securities Limited
Level 37
Exchange Plaza
2 The Esplanade
PERTH WA 6000

OR

Wilson HTM
Corporate Finance Limited
Level 18
385 Bourke Street
MELBOURNE VIC 3000

Applications must be received by no later than 5:00pm EST on Wednesday, 1 October 2003 (unless the Offer is extended)

Name Standards

- Only legal entities may be registered as the holders of securities.
- The full and correct name of each entity must be shown.
- Salutations such as MR, MRS & MS should be included.
- Securities cannot be registered in the name of a trust and no trust can be implied.
- Securities should not be registered in the name of a minor or a deceased person.
- An account designation can be included. If shown, it must be contained within one line and within the "< >" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor		Correct Form of Registration	Incorrect Form of Registration
Individual	Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company	Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names		Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).		Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).		Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.		Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.		Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.		Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)		Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.		Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

PIN CHEQUES HERE
DO NOT STAPLE

BOOM LOGISTICS APPLICATION ENQUIRY LINE

1300 850 505

Share Registrars use only

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C/– Computershare Investor Services Pty Limited
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MELBOURNE VIC 8060

OR

BOOM Logistics Limited – Share Offer
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MELBOURNE VIC 3000

OR

Bell Potter Securities Limited
Level 37
Exchange Plaza
2 The Esplanade
PERTH WA 6000

OR

Wilson HTM
Corporate Finance Limited
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Individual	Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company	Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names		Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).		Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).		Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.		Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.		Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.		Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).		Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.		Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund