

27 November 2009

Dear Shareholder

**BOOM ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS**

On 18 November 2009, Boom Logistics Limited (**BOOM**), announced that it was conducting an accelerated, non-renounceable pro-rata entitlement offer to eligible shareholders to subscribe for 1 new BOOM share (**New Share**) for every 1 existing BOOM ordinary share (**Existing Share**) held as at the Record Date (as defined below) at an issue price of A\$0.30 per New Share (the **Entitlement Offer**).

The Entitlement Offer comprises an accelerated institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate at the same 1 for 1 offer ratio and Offer Price (**Retail Entitlement Offer**). The Entitlement Offer is being made by BOOM in accordance with section 708AA of the *Corporations Act 2001* (Cth) as modified by ASIC Class Order 08/35. As announced on 20 November 2009, the Institutional Entitlement Offer raised approximately \$19 million, and the Retail Entitlement Offer will raise approximately \$33 million.

In conjunction with the Entitlement Offer, BOOM has also successfully raised approximately \$15 million via a placement to institutional investors (**Institutional Placement**) (together with the Entitlement Offer, the **Equity Raising**). The Equity Raising is fully underwritten.

Following completion of the Equity Raising, BOOM will have issued an additional approximately 223 million shares resulting in total shares on issue of approximately 394 million.

Documents relating to the Retail Entitlement Offer were lodged with the ASX today and are being mailed to Eligible Retail Shareholders.

This letter is to inform you that you are not an Eligible Retail Shareholder (as defined below) for the purposes of the Retail Entitlement Offer.

In addition, BOOM has announced a non-underwritten share purchase plan, which will provide Eligible Retail Shareholders the opportunity to subscribe for up to \$15,000 worth of New Shares, subject to a cap of \$20 million (**SPP**). Documentation relating to the SPP will be dispatched to Eligible Retail Shareholders in January 2010 following the completion of the Retail Entitlement Offer.

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### **Why is BOOM undertaking the Equity Raising?**

The net proceeds of the Equity Raising will be used to reduce debt, which will significantly strengthen BOOM's balance sheet and position it for the upcoming project pipeline and future growth opportunities.

### **Details of the Retail Entitlement Offer**

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below), on the basis of 1 New Share for every 1 Existing Share held at 7pm (AEDT) Monday 23<sup>rd</sup> November 2009 (**Record Date**).

### **Who is eligible to participate in the Retail Entitlement Offer?**

The Retail Entitlement Offer is being made to retail shareholders of BOOM whose registered address is in Australia or New Zealand and who are registered as holders of BOOM shares as at the Record Date (**Eligible Retail Shareholders**).

Institutional shareholders and shareholders whose registered address is outside Australia or New Zealand as at the Record Date will not be eligible to participate in the Retail Entitlement Offer (**Ineligible Shareholders**). Shareholders who are in the United States, or are "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**), and those acting for the account or benefit of U.S. Persons, are not eligible to participate in the Retail Entitlement Offer.

Unfortunately, as you do not satisfy the eligibility criteria stated above, you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

BOOM would have liked to have extended the Retail Entitlement Offer to retail shareholders in countries other than Australia and New Zealand. However, after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside Australia and New Zealand compared with the small number of Ineligible Shareholders (and the number and value of New Shares to which they would be entitled), BOOM has determined, pursuant to ASX Listing Rule 7.7.1(a), to restrict the retail shareholders who are eligible to participate in the Retail Entitlement Offer to those who satisfy the eligibility criteria above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), BOOM wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the Retail Entitlement Offer Booklet relating to the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible to participate in the Retail Entitlement Offer.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. As an Ineligible Shareholder, you are not required to do anything in response to this letter.

### **Questions?**

If you have any questions in relation to this letter, please call the BOOM Shareholder Information Line on 1300 513 412 (within Australia) or +61 3 9415 4369 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Entitlement Offer period.

For other questions, you should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

I recognise that you are unable to participate in the Retail Entitlement Offer. On behalf of the Board and management of BOOM, I thank you for your continued support of BOOM. For further information about BOOM, please log onto our website [www.boomlogistics.com.au](http://www.boomlogistics.com.au).

Yours sincerely,



John Robinson  
Chairman

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"). No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia, New Zealand and certain other jurisdictions. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are U.S Persons or are acting for the account or benefit of U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

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