

16 August 2010

Mr Dean Litis
ASX Compliance Pty Limited
Level 45, Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Mr Litis

Boom Logistics Limited (the “Company”)

I refer to your e-mail correspondence of 16 August 2010. I note your questions (set out below) and Boom Logistics Limited’s responses to each question are provided in italics below.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

No.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not applicable.

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

Boom believes the Company’s annual result releases, which were lodged with the ASX at 2.44pm on Wednesday, 11 August 2010, may have contributed to the recent trading volumes and the associated increase in share price.

The Company’s annual results

The following positive elements of Boom’s annual result releases may have impacted the share trading and share price:

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- **Boom noted that it saw strong signs of recovery in 4Q10 which resulted in increased utilisation, revenue per day and margins. Boom advised the market in its release that it is seeing a continuation of these improvements into FY11;**
- **Boom recognised that its good result in 4Q10 was due to improving business conditions for Boom's existing business and was enhanced by operational improvement and cost reduction initiatives, several new contracts and the commissioning of a number of high capacity cranes;**
- **the strong recovery in crane wet hire utilisation from 64% in 1Q10, to 67% in 2Q10, to 70% in 3Q10 and to 81% in 4Q10 was highlighted;**
- **it was noted that the positive financial impacts of the major contract wins in project development support and industrial services maintenance and higher margin fleet investment were evidenced in 4Q10 with further benefits expected;**
- **Boom highlighted that its commitment to implementing its strategic turnaround throughout the downturn is now delivering results. This is evidenced by recent contract wins with major blue chip customers in both the project development and industrial services maintenance segments of the resources, energy and utilities industries. These industries are Boom's core markets where Boom's value proposition is strongest. Approximately \$50 billion worth of construction work in these industries is under way with significant further growth anticipated over the next five years;**
- **Boom announced further restructuring had taken place at Port Kembla in June with assets being redeployed to the Hunter Valley and the Pilbara. Boom announced further restructuring has been undertaken in Brisbane in July and selected assets were redeployed to the Bowen Basin and the Pilbara. Hunter Valley, the Pilbara and Bowen Basin are the key markets in which Boom expects high growth;**
- **with reference to outlook, Boom noted that:**
 - **it is seeing a continuation of the recovery experienced in 4Q10 going into FY11;**
 - **improved utilisation of the existing asset base is expected to deliver margin improvement given the fixed cost leverage in the business;**
 - **its recent contracts wins will drive further growth in the business;**
 - **its pipeline is currently strong and Boom continues to achieve a win rate of over 50%; and**
 - **it is in the final stages of negotiations with a number of existing and new customers regarding further significant contracts and that it will update the market as these opportunities crystallise.**

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yes.

Yours sincerely
Boom Logistics Limited

A handwritten signature in blue ink, reading "Iona Macpherson". The signature is fluid and cursive, with a large loop at the end of the last name.

Iona Macpherson
Chief Financial Officer and Company Secretary