



Boom Logistics Limited
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ASX Announcement

9 September 2004

BOOM Logistics Limited (BOOM) advise that the ASX trading halt in relation to its securities has been lifted following the successful raising of \$19.5million (13million new ordinary shares at \$1.50) from an institutional placement. This placement has been jointly underwritten by Wilson HTM Corporate Finance Limited and Bell Potter Securities Limited.

BOOM has now executed a Business Sale and Purchase Agreement to acquire the operations of Bower's Heavy Haulage & Crane Service (Bower's) for \$16.3 million. The proposed acquisition price of \$16.3 million, consists of an equity issue to the vendor of \$4.0 million (2.4million new ordinary shares at \$1.64) and a net cash payment of approximately \$10.1 million after adjustments.

The acquisition had annualised sales of approximately \$17.3 million and annualised EBITDA of approximately \$4.5 million in the 2004 financial year. Whilst this transaction is expected to be earnings per share neutral in the 2005 financial year, the equity raising will provide surplus funds of \$7.7 million after acquisition costs and working capital requirements to reset the company's gearing level at 31%. This will enable BOOM to pursue other identified earnings per share positive acquisition opportunities.

The issue of shares to the institutional investors and the vendor will be subject to shareholder approval at the company's AGM on October 15, 2004. On approval of this share issue, existing BOOM shareholders as at 7 September 2004, will also have the opportunity to acquire up to \$5,000 of new shares (to a maximum of 1.0 million shares raising \$1.5 million) under a Share Purchase Plan at the institutional placement price.

Bower's provides a complete lifting and haulage solution to customers involved in mining industrial, maintenance and civil engineering projects. As a leading service provider within its geographic market it will significantly increase BOOM's presence in Hunter Valley and add support to its existing operations at Port Kembla in Southern NSW.

For further information contact:

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