

Thursday, 20 May 2010

Ms. Julia Kagan
ASX Limited
Level 45, Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Ms Kagan

Boom Logistics Limited (the "Company")

I refer to your e-mail correspondence of 20 May 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 reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the year ending 30 June 2010 would vary from the previous guidance to the market by more than 15%? If so, please provide details as to the extent of the likely variation.

The most recent guidance to the market was that the Company expected to achieve a Net Profit after Tax ("NPAT") outcome for the year ending 30 June 2010 of \$2 million - \$5 million.

The Company reconfirms this NPAT guidance and notes that due to the impacts of certain one off items, the result is likely to be towards the upper end of this guidance.

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The Company continued to experience a subdued economic environment in quarter 3 which only demonstrated some limited signs of increasing activity and there continued to be some price degradation in casual hire markets. March was also impacted by the cyclone in Queensland and by additional maintenance spend across the business to position the fleet for the anticipated upturn in activity based on the converted sales pipeline. A conversion of SANY crawler crane sales has not eventuated at this time. April, however, has shown a material improvement and early indications suggest that the improvement will continue through May and June. The impacts of quarter 3 mean that the underlying operating result of the Company will be below expectations, however, the Company reiterates its reconfirmation of the NPAT guidance of \$2 million - \$5 million.

The Company notes that the asset backing per share was \$0.51 as at 30 April 2010.

Looking to the future, Boom has recently announced several significant new business contract wins and expects to release further contract announcements in the coming weeks. Boom continues to convert its sales pipeline at a success rate of greater than 50%.

Further supporting the sustainability of Boom's future revenue stream is the renewal of the contract to supply cranes and associated services to BHP Billiton Iron Ore Operations in the North West. This contract covers the BHP Billiton Iron Ore operations at Nelson Point and Finucane Island, Port Hedland and has a three year term with two further two year options to extend. Revenue of approximately \$35 million will be generated from this contract over the next three years and extends the long term business partnership between BHP Billion Iron Ore and Boom.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the year ending 30 June 2010? Is so, please provide details.

Whilst the regular impairment review will be conducted by the Company in June, at this time it is not expected that this will result in any material impairment adjustments.

There will be certain one off tax adjustments in respect of the announced tax refunds and the capital investment allowance scheme.

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

The Company notes the recent announcement of the proposed Resource Super Profits Tax tabled for introduction from 1 July 2012. This has been followed by a variety of statements from resource companies as to the potential impacts of this tax on future growth in the resources sector. As a substantial portion of the Company's revenue is derived from the servicing of the resources sector, shareholders may be responding to these announcements.

The Company notes that its involvement in the resources sector is with the more mature mining companies where considerable investment has already taken place and where volumes are expected to continue to grow.

6. 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



Iona Macpherson
Company Secretary