

Boom Logistic Limited

095 466 961

(Company)

Notice of annual general meeting

NOTICE is given that the annual general meeting of Boom Logistics Limited ACN 095 466 961 (**Company**) will be held at 10.00am, The Royce Hotel, 379 St Kilda Road, Melbourne, Victoria on Friday 20th October 2006 for the following purposes.

Ordinary business

Item 1: Financial Statements and Reports

To receive and consider the accounts of the Company, the annual financial report, directors report and auditors report prepared in accordance with the requirements of the Corporations Act 2001 (Cth) for the financial year of the Company ending on 30 June 2006.

Item 2: Remuneration Report

To consider and, if thought fit, pass the following resolution:

"That the remuneration report included within the directors' report of the Company for the financial year of the Company ending on 30 June 2006 be adopted."

Item 3: Election of directors

To consider and if thought fit pass the following resolutions as separate resolutions:

"That R. John Robinson be re-elected as a director of the Company."

"That Dr. Huw Davies be re-elected as a director of the Company."

"That Mark Lawrence be elected as a director of the Company."

Item 4: Appointment of new auditor of the Company

To consider and, if thought fit, pass the following resolution:

"That for the purpose of section 327B of the Corporations Act and for all other purposes, PKF Chartered Accountants (Victorian Partnership) having been nominated and consented, be appointed as auditors of the Company with effect from the end of this meeting."

Special business

Item 5: Ratification of previous issues of shares

To consider and, if thought fit, pass the following resolutions as separate resolutions:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the members ratify the issue and allotment of:

- (a) 1,253,618 fully paid ordinary shares in the Company to Camilleri Trading Pty Ltd as trustee for the CIA Unit Trust (**Camilleri Industries Australia**)

as part consideration for the acquisition of the Business and Assets from Camilleri Industries Australia under a Business Sale and Purchase Agreement."

- (b) 16,091,954 fully paid ordinary shares in the Company to sophisticated or professional investors as part of a \$70 million institutional placement, as set out in the Explanatory Notes which accompany this Notice of meeting."
- (c) 1, 279,070 fully paid ordinary shares in the Company to Finook Pty Ltd and 116,279 fully paid ordinary shares in the Company to Concept Accounting Pty Ltd as trustee of the J + M Studd Super Fund as part consideration for the acquisition of the Business and Assets of the James Group under a Business Sale and Purchase Agreement."

Voting Exclusion Statement

The Company will disregard any votes cast in relation to the resolutions under Item 5 by the persons participating in the issue of securities, as specified in the Explanatory Notes which accompany this Notice of Meeting, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Item 6: Issue of shares to Mark Lawrence under the Employee Share Trust

To consider and, if thought fit, pass the following resolution:

"That the members approve the issue of fully paid ordinary shares for the benefit of Mark Lawrence under the Boom Logistics Limited Employee Share Trust on the terms of the Explanatory Notes which accompany this Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast in relation to the resolution under Item 6 by Mark Lawrence and any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Item 7: Proportional takeover resolution

To consider and, if thought fit, pass the following as a special resolution:

"That the Company's Constitution be altered by inserting a new Articles 163.1 to 163.9 (inclusive) relating to partial takeovers on the same terms as Articles 163.1 to 163.9 (inclusive) of the Constitution which ceased to apply from 15 November 2005."

By order of the Board



Company Secretary

Appointment of proxy

A proxy form is enclosed for your use if required. Please note the following in relation to the appointment of a proxy:

- A member who is entitled to attend and vote at this meeting may appoint any person as his or her proxy to attend and vote for the member at the meeting.
- If a member entitled to cast two or more votes at the meeting, the member may appoint two proxies to attend on the same occasion. If two proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the member's votes.
- The appointment of the proxy may specify the proportion or number of votes that the proxy may exercise.
- A proxy need not be a member of the Company.
- If a proxy is given by a corporation, a form of proxy must be executed in writing under the common seal of the corporation or otherwise in accordance with section 127 of the Corporations Act 2001(Cth) or signed by an attorney.
- If a proxy is given by a natural person, a form of proxy must be executed under the hand of that person or that person's attorney.
- For a proxy appointment to be effective, the Company must receive the following documents no later than 48 hours before the scheduled time for the meeting, that is by 10.00am on 18 October 2006.
 - The proxy's appointment
 - If the appointment is signed by the appointor's attorney – the authority under which the appointment was signed or a certified copy of the authority.
- The documents will be received by the Company when it is received at any of the following:
 - The Company's registered office at Level 12, 390 St Kilda Road, Melbourne, 3004
 - The fax number at the Company's registered office: 03 9864 0222

Persons entitled to vote

Under regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 10.00am on 18 October 2006.

Corporate Representatives

A body corporate, which is a member, may appoint an individual (by certificate executed in accordance with section 127 of the Corporations Act 2001 (Cth) or in another manner

satisfactory to the chair) as a representative to exercise all or any of the powers the body corporate may exercise at the meeting. The appointment may be a standing one.

Necessary information

Information relevant to each resolution is set out in the attached Explanatory Note which forms part of this notice to members.

Information specific to each resolution

Shareholder approval of resolutions is required for the purposes of the Corporations Act 2001(Cth). The following information has been prepared to provide you with material information to enable you to make an informed decision in relation to the business to be conducted at the annual general meeting of the Company.

Ordinary business

Item 1: Financial Statements and Reports

This item gives shareholders an opportunity to raise questions on the annual reports and on the performance of the company generally.

Item 2: Remuneration Report

As part of the annual report provided to all shareholders in the Company, a remuneration report is required to be included which set out details of the remuneration received by the directors, the five highest paid Company executives and the five highest paid executives in the consolidated group in addition to describing Board policy in respect of remuneration and the satisfaction of performance conditions.

The Company is seeking shareholders approval of the adoption of the remuneration report by the Company. The outcome of this resolution is not binding on the Company or the Board.

Item 3: Election of directors

ASX Listing Rule 14.4 provides that a director (other than the Managing Director) must retire and offer himself or herself for re-election at the third annual general meeting following their election. Further, Clause 5.1 of the Company's Constitution provides that at each annual general meeting, one third of directors, or if their number is not a multiple of three then the number nearest to but not exceeding one third, retire from office and may submit themselves for re-election.

Mr. R. John Robinson and Dr. Huw Davies are required to retire at this annual general meeting, and seek re-election.

In accordance with the Corporations Act 2001 (Cth) and Clause 8.2 of the Constitution, directors appointed by other directors under Clause 8.1 of the Constitution, to fill a casual vacancy or as an addition to the existing directors, must have their appointment as a director confirmed by resolution of the shareholders at the next annual general meeting.

As previously announced to the market on 3 July 2006, Mark Lawrence was appointed to the position of Executive Finance Director, effective from 1 July 2006, under Clause 8.1 of the Constitution and is required to stand for election at the Annual General Meeting and has offered himself for election.

Further information in relation to the directors is as follows:

R. John Robinson

Age: 62

BSc, MG Sc, F Aus IMM

Mr Robinson was formerly Managing Director and CEO of Ashton Mining Limited. He is currently Chairman of Global Mining Investments Limited and a Non-Executive Director of Perseverance Corporation Limited and PSI Limited.

He is also Chairman of Prince Henry's Institute for Medical Research and Monash Health Research Precinct Limited.

During the past three years Mr. Robinson has not held any ASX listed public company directorships other than Global Mining Investments Limited (appointed 9 December 2005) and Perseverance Corporation Limited (appointed 12 February 2001).

Dr. Huw Davies

Age: 65

BSc (Hons), PhD (Geology)

Dr. Davies was a Group Chief Executive and Director of BTR Nylex until his retirement in 1994 and was responsible for the polymer, textile, resources and commercial activities of the organisation.

Since that time he has been extensively involved in the electricity and gas industries and has undertaken distribution/ trading project assignments in Asia. He has been a director of a number of listed public and private companies. He is currently the Administrator of the SECV and Chair of its Executive Committee.

During the past three years he also held a directorship with Gale Pacific Ltd.

Mark Lawrence

Age: 41

B.Bus (Acc), ACA

Mr. Lawrence has been the Chief Financial Officer of Boom Logistics Limited since 11 November 2002.

Mr. Lawrence was previously employed by Bovis Lend Lease for a period of six years. He held a number of finance roles including Global Finance Manager. Mr Lawrence, originally from Deloitte Touche Tohmatsu, has been a Chartered Accountant for over 15 years.

Mark Lawrence has been a strong contributor to the Company's growth in the capacity as Chief Financial Officer. The appointment of Mr Lawrence as Executive Finance Director will enable him to broaden his role in developing future opportunities for the Company.

Item 4: Appointment of new auditor of the Company

PKF Chartered Accountants and Business Advisors (Western Australian Partnership) has, by notice in writing to the Company, resigned as auditor of the Company which, with the consent of the Australian Securities & Investments Commission, will come into effect from the end of this meeting.

Paul Duske as a member of the Company, has nominated the firm PKF Chartered Accountants and Business Advisors (Victorian Partnership) of Level 11, 45 Latrobe Street, Melbourne, Victoria, 3000 to act as auditors of the Company and its controlled entities with effect from the end of this meeting. Attached to this Notice of Meeting is a nomination form, signed by Paul Duske, in accordance with section 328B of the Corporations Act 2001 (Cth). PKF Chartered Accountants and Business Advisors (Victorian Partnership) have consented to act as the Company's auditors.

The resolution in Item 4 is an ordinary resolution requiring it to be passed by a simple majority of the votes cast by shareholders entitled to vote on it. The Directors recommend that you vote in favour of this resolution.

Special business

Item 5: Ratification of previous issue of securities under ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue securities without obtaining prior shareholder approval if the result is that the amount of capital issued within the previous 12 months is greater than 15% of the total issued securities of the Company. Under ASX Listing Rule 7.4, an issue of securities will be treated as having been made with prior shareholder approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. exceed the 15% limit referred to in ASX Listing Rule 7.1) and holders of ordinary securities subsequently approve it.

The three resolutions in Item 5 seek shareholder approval under ASX Listing Rule 7.4 to ratify the issue and allotment of securities detailed below. The Board recommends that members vote in favour of the three resolutions in Item 5 so as to enable the Company any time during the next 12 months to issue up to the full 15% limit referred to in ASX Listing Rule 7.1 without further reference to shareholders and without the securities described below counting towards the calculation.

To enable the members to ratify the previous issue and allotment of securities within the previous 12 months, the Directors provide the following information in accordance with ASX Listing Rule 7.5:

Ratification of shares issued and allotted to Camilleri Industries Australia

As previously announced to the market on 14 March 2006, the Company entered into a Business Sale and Purchase Agreement with Camilleri Industries Australia to purchase its business as a going concern, including its fleet of 50 cranes and 90 forklifts located in the Mackay and Bowen Basin regions of Queensland.

The acquisition price of \$27.5 million consisted of a \$5.5 million equity issue to Camilleri Industries Australia with the balance being paid in cash after adjustments. Pursuant to the Business Sale and Purchase Agreement, 1,253,618 fully paid ordinary shares were issued to Camilleri Industries Australia on 31 March 2006 at an issue price of \$4.3873 per share as part consideration for the acquisition of the Business and Assets from Camilleri Industries Australia.

These fully paid ordinary shares in the Company rank pari passu and form one class with all other ordinary shares of the Company.

Ratification of shares issued and allotted under a \$70 million placement

As previously announced to the market on 14 March 2006, the Company undertook an equity raising of \$70 million consisting of an institutional placement of 16,091,954 fully paid ordinary shares at an issue price of \$4.35 per share. The placement of new shares to institutional investors was via a book-build and ABN AMRO Rothschild, Wilson HTM Corporate Finance Limited and Deutsche Bank AG were lead managers to the placement.

The funds raised were used to part fund the Camilleri Industries Australia acquisition, fund organic growth and working capital and provide the Company with additional flexibility and financial capacity to pursue further strategic acquisitions.

These fully paid ordinary shares in the Company rank pari passu and form one class with all other ordinary shares of the Company.

Ratification of shares issued and allotted to Camilleri Industries Australia

As previously announced to the market on 28 July 2006, the Company entered into Business Sale and Purchase Agreements for the acquisition of the dry hire and crane sales business of the James Group. The James Group was an established business that commenced operations in 1954. Annual turnover for the

James Group for the year to 30 June 2006 was \$44 million. The Business comprises a dry hire fleet of 70 mobile cranes and operates nationally from bases in Victoria, Western Australia and Queensland.

The acquisition price of \$60 million consisted of a \$6 million equity issue with the balance being paid in cash after adjustments. As part consideration for the acquisition of the Business and Assets from the James Group, the following shares were issued on 1 August 2006, at an issue price of \$4.30 per share:

- 1, 279,070 fully paid ordinary shares in the Company to Finook Pty Ltd.
- 116,279 fully paid ordinary shares in the Company to Concept Accounting Pty Ltd as trustee of the J + M Studd Super Fund.

These fully paid ordinary shares in the Company rank pari passu and form one class with all other ordinary shares of the Company.

Item 6: Issue of Shares to Mr Mark Lawrence under the Employee Share Trust ('EST')

Details of Employee Share Trust

ASX Listing Rule 10.14 prevents the Company from issuing shares to directors and their associates under the Boom Logistics Limited Employee Share Trust ('EST') unless approved by the members of the Company. To enable the members to approve the resolution in Item 6, the following information is provided in compliance with ASX Listing Rule 10.15A:

The EST provides the Long Term Incentive component of "at risk" remuneration for senior executives of the Company and is subject to an assessment of continuous performance over a rolling three year period. To enable the members to approve the resolution in Item 6, the terms of the Boom Logistics Limited Employee Share Trust are summarised below.

- The Company has established the Boom Logistics Limited Employee Share Trust. The Trustee is Boom Logistics Employee Share Plan Pty Ltd. The beneficial interest in the Trust Fund is divided into Share Units.
- The Company makes contributions of shares or advances money in lieu of shares to the Trust. Application moneys received and accepted by the Trustee must be used to exclusively acquire shares in the company and allocate those to Share Units in the Trust.
- The Company has discretion to determine which employees are invited to apply to the Trustee for Share Units ('Eligible Employee'). Employees who may be invited to participate in the EST are those who are in permanent employment with the Company or Associated Company and includes any director holding salaried employment. The Company has absolute discretion to determine the number of Share Units to be issued to an Eligible Employee.
- The number of Share Unit Holders under the Trust must never exceed 20.
- In the case of an offer of Share Units with respect to unissued shares in the Company, the number of shares when aggregated with the number of shares in the same class issued during the previous 5 years pursuant to the EST or any other employee share plan of the Company must not exceed 5% of the total number of issued shares in that class of the Company as at the time of the offer.
- If members approve the resolution in item 6, the Company will issue ordinary shares to the Trustee of the EST for the benefit of Mr Lawrence in accordance with the following determination.

Each financial year while he is employed by the Company, an amount equivalent to 30% of his base salary will be paid to the Trustee of the EST. It will apply the proceeds to subscribe for ordinary shares in the Company at an issue price equal to the five day VWAP two weeks after the announcement of the Company's annual financial results to the ASX.

For the purposes of the current financial year, an amount of \$82,500 will be paid to the trustee of the EST if shareholders pass this resolution. The issue price per share will be \$4.13 each and the number of shares issued will be 19,976.

- All shares will rank pari passu in all respects with the other ordinary shares of the Company from the date of issue.
- The vesting of Share Units granted under the terms of the EST occur at the end of each rolling three year period, subject to the Company achieving a minimum Total Shareholder Return (TSR) of 9% per annum averaged over the three years. TSR comprises a combination of dividends and capital growth as reflected in share price movement.

More specifically, it is calculated using the following formula: (Share price at end of the financial year less the share price at the beginning of the financial year) + dividends / Share price at the beginning of the financial year =TSR. Dividends include not only dividends declared but also any other cash payment to shareholders such as under share buybacks.

- Vesting also requires that the grantee remains in full time employment with the Company over the three year period.
- At the time Participating Employees wish to redeem or encash their holding, Bonus Share Units are issued by the Trustee to enable full share value to be received including any growth over the holding period. The Company's contribution is limited to the annual issue of ordinary Boom Logistics shares.
- The Share Units provide to Unitholders substantially the same rights in respect of the shares which are allocated to the Share Units as if the Unitholders were the legal owners of the shares, including the rights to:
 - direct the Trustee how the voting rights attached to the shares shall be exercised; and
 - receive the income derived from the shares including dividends declared in respect of the shares.

It is expected that the Trustee will subscribe for the first tranche of shares for the benefit of Mr Lawrence within 30 days of obtaining member approval of the resolution in Item 6. In any event, any tranches of ordinary shares issued with the benefit of this approval will be issued before 20 October 2009.

At an Annual General Meeting of the Company held on 15 October 2004, the members approved the issue of 47,337 fully paid ordinary shares at an issue price of \$1.69 per share to Rod Harmon under the Company's Employee Share Trust.

As at the date of this Notice, Mr Lawrence and Rod Harmon are the only people referred to in ASX Listing Rule 10.14 entitled to participate in the EST.

Details of any securities issued under the EST will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the EST after the resolution is approved and who are not named in this Notice of Annual General Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Item 7: Proportional takeover resolution

Reasons for proposing the resolution

Part 6.5 Division 5 of the Corporations Act permits a company to include proportional takeover approval provisions in its constitution. A proportional takeover bid is a bid to buy a specified portion of each shareholder's shares.

The partial takeover provisions contained in Articles 163.1 to 163.9 (inclusive) of the Constitution (**Proportional Takeover Provisions**), which were adopted on 15 November 2002, provide that a transfer of shares resulting from a proportional takeover bid made for shares in the Company cannot be registered unless and until the takeover scheme is approved by shareholders entitled to vote on the resolution at a general meeting of the Company. Therefore, the Proportional Takeover Provisions give shareholders the opportunity to decide whether a proportional takeover bid should proceed.

Under the Corporations Act 2001 (Cth) (**Corporations Act**) and Article 163.9 of the Constitution, the Proportional Takeover Provisions must be renewed by shareholders every three years or otherwise they lapse and cease to apply. The Proportional Takeover Provisions ceased to apply from 15 November 2005.

To reinstate these provisions, it is necessary to formally amend the Constitution at this Annual general Meeting. The Corporations Act provides that the constitution, or a provision of a constitution, of a company may only be modified or repealed by a special resolution passed by members of the company. A special resolution will be passed if at least 75% of the votes cast by members at this Annual general Meeting are cast in favour of the resolution under Item 7.

Effect of the Proportional Takeover Provisions

If the Proportional Takeover Provisions are adopted and a proportional takeover bid is made for a class of shares in the Company, the Directors will be required to convene a general meeting of shareholders in that class to vote on a resolution to approve the proportional takeover bid. An approving resolution will be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than $\frac{1}{2}$. The resolution must be voted on at least 14 days before the bid closes. The bidder and any associates will be excluded from voting.

If the resolution is rejected by shareholders, then the bid will be deemed to be withdrawn and a person who has accepted an offer under the proportional takeover bid will be entitled to rescind the contract (if any) resulting from that acceptance.

If the resolution is approved, transfer of shares to the bidder will be registered provided they comply with the other provisions of the Constitution.

If no resolution is voted on at least 14 days before the bid closes, then a resolution to approve the bid will be taken to have been passed in accordance with these provisions.

In accordance with section 648G of the Corporations Act, if adopted, the Proportional Takeover Provisions will expire 3 years from the date of the Annual General Meeting, unless they are previously renewed by shareholders by special resolution.

Present acquisition proposals

At the date of this Notice of Annual general Meeting, none of the Directors are aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages

The Proportional Takeover Provisions are considered advantageous to shareholders as they will provide a mechanism for shareholders to decide whether any proportional takeover bid should proceed or not.

The Proportional Takeover Provisions will ensure that all shareholders have the opportunity to consider a proportional takeover bid and vote on whether it should be permitted to proceed. This should ensure that any future proportional takeover bid is structured to be attractive to a majority of independent shareholders. Without the Proportional Takeover Provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without shareholders having the opportunity to sell all their shares.

However, it may be argued the Proportional Takeover Provisions make a proportional takeover more difficult to achieve and therefore proportional bids will be discouraged. This in turn, may reduce opportunities that shareholders may have to sell shares in the Company at an attractive price to persons seeking control of the Company and may therefore eliminate any element of takeover speculation from the Company's share price.

It may also be argued that the Proportional Takeover Provisions constitute an additional restriction on the ability of shareholders to deal freely with their shares.

There is no specific advantage or disadvantage for directors (in their capacity as directors of the Company) of the Proportional Takeover Provisions, with the exception that they will enable the directors to ascertain the views of shareholders on any proportional takeover bid.

Directors' recommendation

The Directors consider insertion of the Proportional Takeover Provisions to be in the best interests of the shareholders and accordingly recommend that they vote in favour of this special resolution.

Shareholders may obtain a copy of the Constitution containing the Proportional Takeover Provisions by contacting the Company Secretary.

This page has been left intentionally blank