

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available.
Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003

Name of entity

NATIONAL HIRE GROUP LIMITED

ABN

61 076 688 938

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- ⁺Class of ⁺securities issued or to be issued

Ordinary shares
- Number of ⁺securities issued or to be issued (if known) or maximum number which may be issued

39,381,397 Ordinary shares
- Principal terms of the ⁺securities (eg if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)

The proposed ordinary shares will rank equally with the existing ordinary shares on issue and will confer rights including:

 - the right to receive notices from the Company;
 - the right to attend and vote at general meetings;
 - the right to receive dividends;
 - the right to a return of capital on a winding up and a right to participate in any surplus assets.

+ See chapter 19 for defined terms

Appendix 3B
New issue announcement

4.	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>						
5.	Issue price or consideration	\$0.16 per ordinary share						
6.	Purpose of issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Capital expenditure – acquisition of new equipment for the Company's equipment hire fleet.</p> <p>Repayment of loans made to the Company.</p> <p>Payment of expenses of the issue.</p>						
7.	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	10 October 2003						
8.	Number and class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">67,490,895</td> <td style="text-align: center;">Ordinary shares</td> </tr> <tr> <td style="text-align: center;">4,708,334</td> <td style="text-align: center;">Convertible Notes</td> </tr> </tbody> </table>	Number	Class	67,490,895	Ordinary shares	4,708,334	Convertible Notes
Number	Class							
67,490,895	Ordinary shares							
4,708,334	Convertible Notes							
9.	Number and class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Nil</td> <td></td> </tr> </tbody> </table>	Number	Class	Nil			
Number	Class							
Nil								
10.	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<p>The Company has not paid dividends recently. It is the Company's intention to return to the payment of dividends at the earliest possible time with a proposed payout ratio in the order of 40%.</p>						

⁺ See chapter 19 for defined terms

Part 2 – Bonus issue or pro rata issue

11.	Is security holder approval required?	No
12.	Is the issue renounceable or non-renounceable?	Renounceable
13.	Ratio in which the ⁺ securities will be offered	6 new ordinary shares for 5 existing ordinary shares held 6 new ordinary shares for every 5 existing convertible notes held
14.	Class of ⁺ securities to which the offer relates	Both ordinary shares and convertible notes
15.	Record date to determine entitlements	2 September 2003
16.	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17.	Policy for deciding entitlements in relation to fractions	Fractions are to be ignored
18.	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7	Hong Kong United States of America Great Britain Papua New Guinea
19.	Closing date for receipt of acceptances or renunciations	26 September 2003
20.	Names of any underwriters	Hindal Securities Pty Limited ACN 067 618 615
21.	Amount of any underwriting fee or commission	Underwriting commission (5.25%) – \$330,804 Management fee - \$62,000 All amounts exclusive of GST
22.	Names of any brokers to the issue	Bell Potter Securities Limited

+ See chapter 19 for defined terms

Appendix 3B
New issue announcement

23.	Fee or commission payable to the broker to the issue	In its capacity as broker to the issue \$40,000 (exclusive of GST)
24.	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	None
25.	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable
26.	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	5 September 2003
27.	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28.	Date rights trading will begin (if applicable)	27 August 2003
29.	Date rights trading will end (if applicable)	19 September 2003
30.	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	By completing the section on the back of the entitlement and acceptance form marked "Instructions to Your Stockbroker" and lodging the form with a stockbroker.
31.	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	By completing the entitlement and acceptance form for those rights which the holder intends to take up, completing the section on the back of the form marked "Instructions to your Stockbroker" in respect of those rights the holder intends to sell and lodging the form, together with payment for the amount due in respect of the new ordinary shares intended to be taken up, with a stockbroker.

⁺ See chapter 19 for defined terms

32. How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

By forwarding a completed standard renunciation form together with the entitlement and acceptance form and the transferee's payment for the amount due in respect of the new ordinary shares to be taken up by the transferee to the Company's share registry, Registries Limited.

33. Despatch date

10 October 2003

Part 3 – Quotation of securities

You need only complete this section if you are applying for quotation of securities

34. Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing information or documents

35. If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional ⁺securities held by those holders.

36. If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories.

1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,001 – 100,000
100,001 and over

37. A copy of any trust deed for the additional ⁺securities.

Entities that have ticked box 34(b)

38. Number of securities for which ⁺quotation is sought

⁺ See chapter 19 for defined terms

39.	Class of ⁺ securities for which quotation is sought					
40.	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41.	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42.	Number and class of all ⁺ securities ⁺ quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">Class</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"></td> <td></td> </tr> </tbody> </table>	Number	Class		
Number	Class					

Quotation agreement

1. ⁺Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2. We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those securities should not be granted ⁺quotation.

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- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the *Corporations Act*.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty.

- Section 724 or section 1016E of the *Corporations Act* does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the *Corporations Act* at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the *Corporations Act* in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the *Corporations Act* at the time that we request that the +securities be quoted.

3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date:
(Director/Company Secretary)

Print Name:

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