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Acquisition of Powerwest

In accordance with Listing Rule 3.1, Coates Hire Limited releases to the Market the attached Media Release in respect of the acquisition of the assets of Powerwest.

Yours faithfully
Coates Hire Limited



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This Release is published on the
Company's website: www.coates.com.au



October 20, 2003
Media Release

Powerwest acquisition consolidates Coates market leadership in Goldfields regions

Coates Hire Limited ("Coates") today announced it will be acquiring the pump, generator, and lighting tower assets of Kalgoorlie-headquartered industrial hire company Powerwest. The acquisition follows last month's purchase of the WA Advanced Hire business and consolidates Coates' general hire and Coates Shorco Sykes businesses as market leaders in the high demand WA Goldfields region. The acquisition also involves the acquisition of the assets of Powerwest's branch in Cloncurry, Queensland.

Coates has previously indicated that it would actively seek to widen its footprint by acquiring businesses in geographic and business areas where a low-risk bolt-on could generate immediate benefits in terms of improving both the level and the mix of its earnings. Managing Director Malcolm Jackman confirmed that Powerwest fitted the bill perfectly in this regard.

"Powerwest specialises in generators, lighting towers and pumps. When combined with the assets of our existing operations and those of WA Advanced Hire, Coates will be able to offer the mining and resources industry with an extensive range of quality, well serviced equipment. In addition, the acquisition of the Queensland branch also provides the benefit of enhancing Coates' business in Queensland's Mt Isa region, particularly for Coates Shorco Sykes " Mr Jackman said.

Mr Jackman indicated that servicing an industry as demand-intensive as mining and resources required significant capacity and a good understanding of its specialised needs. "Adding the Powerwest assets essentially capitalises on the previous acquisition by increasing capacity and further strengthening our position with clients via existing long-term relationships and know-how. It opens up access to a large pool of established revenue streams, without the need for extensive operational integration efforts," he noted.

The \$5.8 million acquisition will be funded from within current financing facilities. Completion of the agreement is expected by 31 October 2003.

About Coates

Coates is Australia's largest equipment hire company with over 115 years of experience in the industry, supplying to a wide variety of markets including Engineering Civil Construction, Building Construction and Maintenance, Mining and Resources, Manufacturing, Government, Industrial Shutdowns, and Events.

With over 130 branch and satellite locations across Australia and its own maintenance and transport capability, Coates is well positioned to satisfy the equipment hire needs of its customer base.

Coates' overseas operations consist of Coates Rentair with 11 locations across the UK providing specialised equipment to industry, and Coates Hire Indonesia with eight locations supporting the mining and resource sector.

Coates is listed on the Australian Stock Exchange under the code COA and is included in the S&P/ASX 200 Index of Australia's Top 200 companies. For more information on Coates, visit www.coates.com.au.

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