VERTICON

25 October 2007

ASX ANNOUNCEMENT

Chairman's Address

The Company has had another difficult year with financial results for the year ended 30 June 2007 showing a net loss after tax of $9.49m on a turnover of $50.4m. The loss included an $8.22m write down on non-revenue earning items of plant and equipment in the first half of the year.

Further write downs were announced in October 2007 as a result of an approach from an interested party looking at purchasing the Queensland operations. In the course of the discussions Verticon became aware that its revenue earning fleet in Queensland could be significantly over-valued.

The Board directed that an independent valuation of all of its assets take place and has now advised that the asset write down is $17.9m and goodwill write down is $15.4m.

During the year, the overall performance of the Group was affected by further decreases in wet hire margins in Queensland and New South Wales whilst the Victorian business has now turned around and is making money for the first time since December 2004. The New Zealand business performed well, although it is noted that the New Zealand market may be close to the top of the cycle.

During the year there have been a number of changes in personnel with the resignation of director Mr Denis Tomasel, one of the founders of the Queensland business and Mr Rob Lockett, Managing Director. Mr Andrew Torrington, the former Chief Financial Officer was appointed Managing Director and Chief Executive in May 2007 and Mr Chris Hipwell formerly the Group Financial Controller was appointed as the Chief Financial Officer and Company Secretary.

In February 2007 Verticon released a 3-Year Business Plan which should help investors and customers better understand the size, state and actual standing of Verticon today compared to what was forecast when the company was publicly listed in December 2004.

Verticon is aiming to improve its financial position and cashflow with a number of strategies including disposal of non-core assets, review of all parts of the business and seeking fresh capital injections. As well Verticon continues to look at alternatives to operate a lower-risk dry-high business across the Group.

The commitment last year of $11m of capital towards new cranes and hoists is the start of the modernisation of the fleet that should lead to increased hire rates and utilisation across the Group and contribute to increased performance in the future.

For further information, contact

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