

# PORT BOUVARD LIMITED

ASX Announcement / Media Release  
2 June 2011

## COMPANY UPDATE

- **Point Grey final rezoning for the local Town Planning Scheme has received Ministerial consent on 1 June 2011**
- **Group debt has been permanently reduced by \$73.2 million since 1 July 2010**
- **St George Bank offers to remove 30 June 2011 Oceanique facility covenant**

Western Australian property developer Port Bouvard Limited, and its group of companies (**Company**) (**ASX: PBD**), is pleased to provide an update on the Company's projects and capital management strategy.

### Project Update

#### **Point Grey, Western Australia**

Point Grey is located on an elevated peninsula setting, surrounded by the Peel Inlet and the Harvey Estuary in the Shire of Murray, Western Australia. Situated approximately 20 kilometres west of the Pinjarra town site, and approximately 12 kilometres south east of the Mandurah city centre, Point Grey is one of the most valuable urban zoned coastal sites in Western Australia.

Port Bouvard Limited acquired approximately 275 hectares of land at Point Grey in 2007, which it plans to develop into a vibrant tourism and residential town site, and centred contiguous to a world-class marina facility. It is anticipated that once completed, approximately 6,500 residents will enjoy the many attributes of this beautiful location, including its direct access to the waterways and natural bush setting.

Since receiving urban rezoning approval in April 2009, the local Town Planning Scheme (**TPS**) rezoning has now received Ministerial consent on 1 June 2011. This final rezoning approval represents a significant milestone that will now allow the Outline Development Plan (**ODP**) and subdivision approval for the first three stages to progress.

Subdivision approval for the first three stages, comprising 341 lots, was submitted to the Western Australian Planning Commission (**WAPC**) in March 2011. Approval is expected during Q4 FY11 or early in the following quarter. Following the subdivision approval from WAPC, launch of the much-anticipated Stage 1 presale campaign will commence, scheduled for Q2 FY12.

The Environmental Protection Authority (**EPA**) approval for the residential development component of 3,000 plus lots of Point Grey was received in March 2011.

EPA approval for the proposed marina is well advanced, with the Public Environmental Review (**PER**) advertising period now complete. The EPA's final recommendation is expected to be presented to the Minister near the end of the 2011 calendar year.

The Commonwealth Government's environmental approval for Point Grey is also well advanced and is expected to be finalised near the end of the 2011 calendar year.

As these critical approval milestones are achieved, significant improvements in value are anticipated to be created for this flagship asset.

### **Oceanique Luxury Apartment Development**

In 2007 Port Bouvard Limited commenced sales and construction of one of the most exclusive residential apartment developments along the Western Australian coast, being Oceanique Luxury Apartments (**Oceanique**).

The highly anticipated A\$160 million Oceanique development was initially released to the public in a presale campaign in July 2007 (**Presale Campaign**). Located within the Southport precinct at the UDIA award winning Port Bouvard Residential Estate, south of Mandurah in Western Australia, Oceanique was designed to ensure extensive east-west views, with vistas to the Indian Ocean, The Cut Golf Course, Peel-Harvey Estuary and Darling Ranges.

Since the completion of Oceanique in July 2010, 25 apartment contracts have settled for a gross amount of A\$61.5 million. 19 of these settled contracts were from the Presale Campaign and 6 settled contracts were from recent sales transactions.

With respect to the Presale Campaign, the Company has previously reported that there were 40 sale contracts. Of the 40 presale contracts, 15 contracts remain on foot and 6 contracts have been terminated on various terms after extensive review and due process. Each of the 15 contracts on foot is currently being pursued vigorously by the Company with a number in various stages of court proceedings.

A fresh marketing campaign, promoting the premium nature and unique location of Oceanique, has recently commenced and has resulted in an increased level of enquiry. Three fully furnished display apartments have also been prepared and are available for viewing by, and sale to, prospective buyers. As a result of these new initiatives a steady level of interest continues for Oceanique, with many observing that no other apartment project offers the same location, quality of finish and luxury.

The "Nothing Compares" positioning statement is a key part of the Company's media and marketing material with respect to Oceanique.

### **Bandy Creek, Esperance**

The proposed Bandy Creek waterfront development at Esperance is progressing through environmental investigations to ensure the highest level of water quality can be achieved.

Ongoing support for the development of the precinct from neighbouring landowners, stakeholders and government has been maintained.

Esperance town site continues to grow from strength to strength as many new mining projects have recently been launched and the state Government has committed significant funds to infrastructure projects including the port, transport access and schools.

### **Capital Management Strategy**

#### **Bank Facilities**

An essential component of the Company's capital management strategy is the permanent reduction in debt to primary lender St George Bank (**St George**). Since 1 July 2010 the Company has permanently reduced its facilities with St George by \$73.2 million, the majority of which has been provided by the settlement proceeds of Oceanique.

As a result of the continued permanent reduction in bank debt the Company's net gearing ratio equates to 27% at 31 May 2011. The Company's total net bank debt was \$41.3 million at 31 May 2011.

The Company is currently in advanced discussions with St George with respect to removal of the 30 June 2011 covenant on the Oceanique facility (**Covenant**). St George has already offered to remove the Covenant on certain terms and conditions. The Company is also taking the opportunity to seek renewal of all facilities well beyond their current expiry dates.

A summary of the Company's bank facilities with St George is shown in the table below.

<b>Bank Facility</b>	<b>Maturity</b>	<b>Facility Balance at 31 May 2011</b>
Oceanique	31 October 2011	\$42.9 million (in permanent reduction)
Land Acquisition	31 December 2011	\$6.4 million (limit \$30 million)
Multi Option	31 December 2011	\$0.4 million (limit \$16.6 million)

The Company also holds \$8.5 million in cash and cash equivalents at 31 May 2011.

### **Summary and Outlook**

Over the past 11 months the Company has continued its strategies to reduce debt and de-risk the Company's flagship asset, Point Grey, through the achievement of key milestones and approvals.

Ultimately both strategies are direct drivers for improved shareholder value and strengthening market confidence in the Company.

The Company is confident that approvals for Point Grey will be achieved during the 2011 calendar year. It is the Directors view that Point Grey is one of the most valuable undeveloped urban-zoned coastal sites in Western Australia. As Point Grey external infrastructure and Stage 1 costs have already allocated funding, the commencement of this 3,000 plus lot project can promptly be brought to market and thereby unlocking a 15 year pipeline of approximately A\$1 billion in sales revenue on land sales alone.

As at 31 May 2011, the Company's net tangible assets was 23 cents per share (unaudited).

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