

PORT BOUVARD LIMITED

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Port Bouvard Limited Half-Year Results and Operations Update

Western Australian property developer, Port Bouvard Limited (“**Company**” or “**PBD**”) (**ASX: PBD**), is pleased to report that it has recorded a moderate return to profitability for the first half of the 2011 financial year. Key aspects of the Half-Year Financial Report are:

- Profit of \$6.5 million
- Revenue of \$62 million
- Net tangible assets of \$156 million
- Net tangible assets per share of \$0.23

Settlement revenue from the newly completed Oceanique apartments was the main contributor to revenue from ordinary activities being \$62 million. During the period from July 2010 to December 2010 (inclusive), \$55.0 million in gross apartment sales were recorded for Oceanique. Revenue was also recorded from the settlement of two non-core asset sites at Dawesville and Melros, and remaining settlements from the Company’s latest canal development, Eastport 5 (the final stage at the 2010 UDIA winning Port Bouvard Residential Estate).

The Company’s profitability for the second half of FY2011 is dependent on the level of sales and settlements from Oceanique during that period. The Company has a number of apartments under contract that it expects to settle before the end of the financial year.

At 31 December 2010 the audit reviewed net tangible assets of the Company stands at 23 cents per share.

Further details of the Company’s financial performance are available by referring to the Half-Year Financial Report and associated Appendix 4D which follows.

OPERATIONS UPDATE

Oceanique

The Company’s recent sales campaign during November and December 2010 has generated new sales as well as extensive market enquiry, which the Company expects to continue to result in further sales.

All net proceeds from Oceanique settlements have been applied to permanently reduce debt. The Company has successfully reduced the original Oceanique facility from \$101 million to \$47.8 million at the end of January 2011. Upon the Oceanique facility being reduced to nil, it is the current intention of the Board for any further Oceanique settlement proceeds to be applied to reduce the Company’s other debt facilities. The Company’s other debt facilities total \$28.6 million at the end of January 2011.

In order to meet the Company’s next banking milestone for the Oceanique facility, it must reduce permanently the total amount owing by a further amount, so that the total amount owing is not more than \$26 million, by no later than 30 June 2011. The achievement of this milestone is dependent upon the ongoing settlement of existing contracts (some of which are the subject of legal action), the completion of new sales, and, negotiation with the Company’s lender in respect to varying or extending its facilities.

Point Grey

Whilst the corporate activities of the Company have been a recent focus, which included the raising of \$32.2m in capital for stage one and initial infrastructure for Point Grey, the Company has significantly progressed the planning and environmental approval process adding further value to this asset.

The planning and environmental approval process for Point Grey is nearing completion with final subdivision approval for the first 3 stages expected by mid-year.

Detailed engineering design is well underway with development works scheduled to commence later this year following a presale campaign.

The Company expects the commencement of marketing, pre-sales, construction, and first settlements to occur within the next 12 months.

General Summary

PBD continues to reduce debt from the settlement of Oceanique apartments and is now finalising approvals toward commencement of construction of its flagship asset, Point Grey.

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