

*P*ORT BOUVARD LIMITED

19 November 2010

The Companies Announcement Office
Australian Stock Exchange Limited
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

Annual General Meeting Presentation

Please find attached the Chairman's address and the Company's presentation which will form part of the AGM being held at 3.00pm (WST) this afternoon at the Esplanade River Suites, Como, Western Australia.

Yours faithfully



Peter Coppini
Company Secretary

PORT BOUVARD LIMITED

Chairman's Address
Friday, 19 November 2010

The financial year ending 30 June 2010 was indeed challenging for our Company. At times we were fighting for survival. We were obliged to overcome the impact of the GFC and reposition the Company to give it a fresh start.

I am pleased to say that we have achieved a re-positioning of the Company and a stronger balance sheet on which we can work to restore our shareholder value.

To achieve this outcome, we undertook 3 key tasks:

- We had to renegotiate our Bank facilities;
- We had to exit the ongoing liabilities and obligations of the Gidgegannup Project; and
- We had to seek a significant injection of new capital.

As a result:

- Our bank facilities were extended for 2 years,
- The ongoing obligations of the Gidgegannup Project were removed. It was costly and was essentially the cause of our poor reported financial performance last year and this year. The termination of the Gidgegannup Project removed the roadblock to our going forward;
- Our fully underwritten \$60M capital raising was successful;
- The bank debt was immediately reduced by \$20million;
- \$32.2 million in cash was then set aside to meet the cost of establishing the initial infrastructure and build the first stage of our flagship project at Point Grey;
- The FKP Property Group joined us as a key strategic investor; and
- Our Board has been strengthened by the appointment of the 2 FKP nominees, Peter Brown and Geoff Grady who both bring a wealth of corporate, commercial and property experience to the Company.

It took several long months to bring all of the various moving parts together. We had to satisfy the Australian Securities Exchange that it was sensible and appropriate for the shares to remain in suspension for such a long time to allow those issues to be resolved. The strategy operated to defend shareholder value from complete collapse whilst addressing those complex issues.

In the end the Company achieved the necessary result in extremely difficult circumstances. And throughout this very taxing period we still had to keep the business operating.

Primarily, this involved:

- The completion of the Oceanique apartment project. Oceanique was completed in late July 2010 and was completed on budget. Oceanique is to be officially opened next weekend by the Deputy Premier. *(I would be delighted if you, as our shareholders, could join us for that opening event. Please see either myself, or one of our staff afterwards for invitation and event details if you would like to attend. If you*

have a friend or family member who might be interested in buying an apartment, they would be most welcome too!)

- We also achieved the completion and settlement of the Eastport 5 Canal and Eastport 5 Island Lots. This now completes the Company's signature Residential Estate Development at Port Bouvard. Most fittingly, Port Bouvard was recently awarded best master planned community in Western Australia for 2010 by the Urban Development Institute of Australia. The project is now the WA nominee in the national awards for master planned estates. This is a wonderful tribute to the vision and commitment of our founding Managing Director, Ross Neumann. It also recognises the efforts, attention to detail and skill of John Wroth, who was Development Manager for the project since 1999; and
- We continued the sale of our non core assets, such as our Dawesville and Melros sites.

Since the end of the financial year, our energies have been focused on completing the settlement of the presold apartments at Oceanique, as well as selling the remaining unsold apartments. You have likely seen elements of our current advertising campaign in the media. This current campaign is scheduled to continue at the same intensity for another two weeks. It has generated a great deal of enquiry. John Wroth will provide more details during his presentation.

With respect to the remaining unsettled pre-sale contracts, we are working closely with all purchasers in an endeavour to bring about satisfactory outcomes. Inevitably, and as foreshadowed right throughout our capital raising process, some will fail to complete.

We are confident, however, that the Oceanique project will generate a profit for the Company.

We were pleased to announce to the market recently that the December 2010 banking covenant milestone had been relaxed. Indeed, we have now already met this covenant.

Whilst this critical repositioning and re-building process has been underway, the Company has also continued its detailed planning and environmental approval processes. This work has moved us further along the series of critical path steps as we work towards unlocking the value in Point Grey. We now have the cash in the bank to complete the first stage. So we are ready to go once all approvals have been obtained, which we anticipate receiving early next year. In that regard, we are on track, and, we expect to be offering the first stage to the market this time next year with settlements scheduled to commence by the end of calendar year 2011.

Based on achieving those approval milestones, we can expect to generate a profit from Point Grey in financial year 2012. This will enable the Company to develop and implement a dividend strategy.

Our achievements for the year were made possible by the dedication and hard work of our very loyal team of PBD staff, led by our CEO, John Wroth, and our Company Secretary, Peter Coppini. They have been very actively supported by Board Member Stephen Court, who, at short notice, assumed an executive role. Together they have proven to be an effective executive management team.

I also acknowledge the ongoing support of our bankers, St George;

I am grateful for the advice and assistance from our professional advisors, Macquarie Capital Advisors, Euroz Securities Limited, Max Capital and Norton Rose;

My thanks also, to our external project consultants, who support the complex and very "three dimensional" project planning and approval processes;

I acknowledge the commitment and contribution from each member of the Board, and in particular their attendance at 42 formal Board Meetings during 2010 plus numerous workshop sessions to achieve our repositioning.

I also offer all these acknowledgements on your behalf.

We now have a much better capital base.

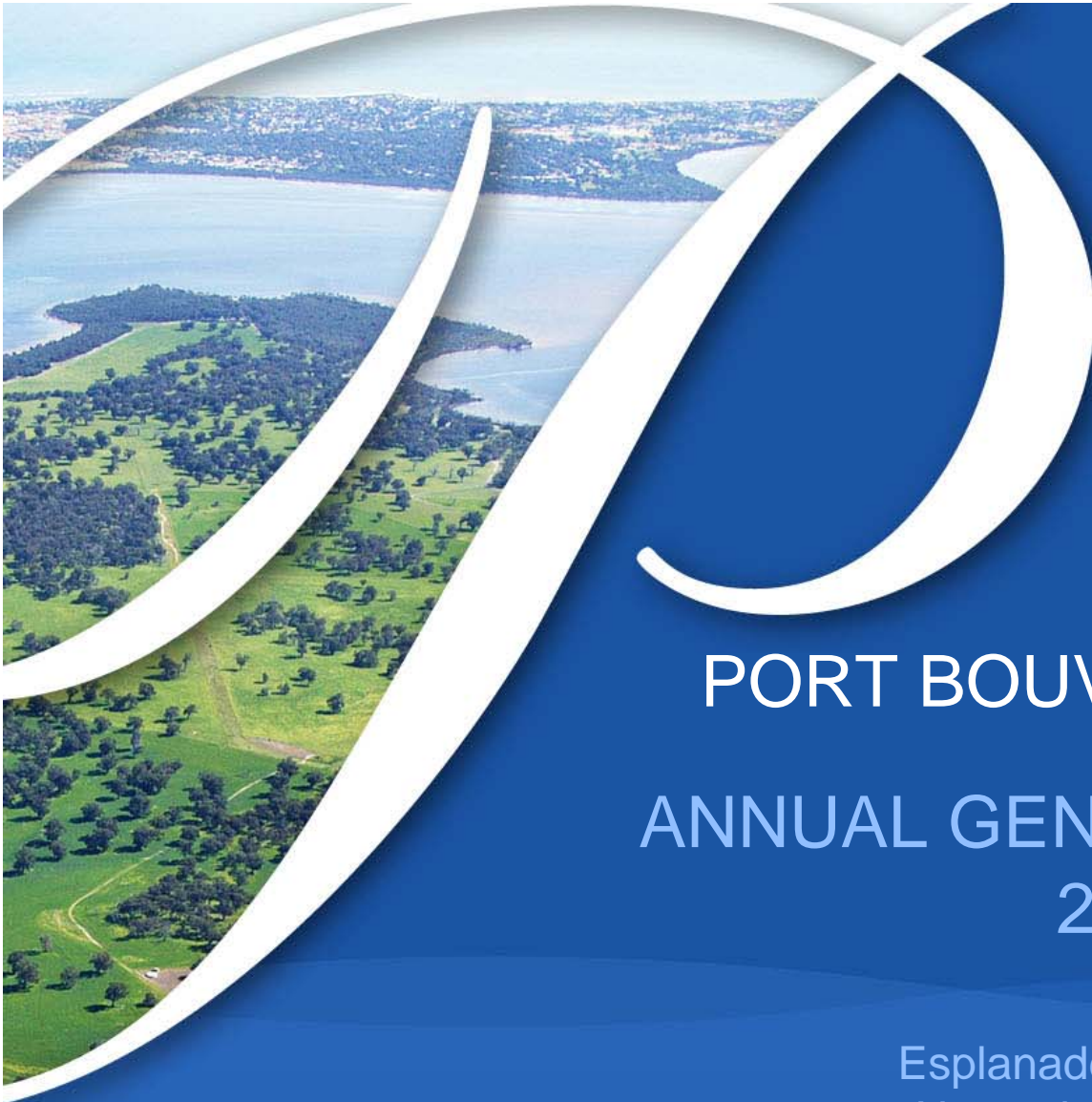
The Company has excellent assets.

The Company has repositioned itself to take proper advantage of those assets.

Port Bouvard Limited has an industry acknowledged track record in delivering successful development projects.

Our fresh start gives us the foundation to develop those assets and return that value to shareholders.

For your attendance at today's Annual General Meeting and for your ongoing support, thank you.



PORT BOUVARD LIMITED
ANNUAL GENERAL MEETING
2010

Esplanade River Suites
19 November 2010, 3.00pm



AGENDA

Chairman's Address – Mr Lee Verios

CEO's Presentation – Mr John Wroth

Formal Resolutions – per Notice of Meeting

Questions and Answers

Meeting Closure



CHAIRMAN'S ADDRESS

Mr Lee Verios



CEO - Mr John Wroth



LEARNING FROM SUCCESS & CHALLENGES

Key Messages

- ✓ Rebuilt the platform
- ✓ Completed a successful capital raising
- ✓ Strengthened the balance sheet and reduced gearing
- ✓ Remained focussed on core business
- ✓ Profitable expectation for FY11
- ✓ Leveraged on strong WA economy
- ✓ Equipped to capitalise on future opportunity and remain protected from market volatility



LEARNING FROM SUCCESS & CHALLENGES

Rebuilding the Platform FY10

- ✓ **Bank facilities** extended 2 years
- ✓ **Recapitalise Company** to fully funded position
- ✓ **Significant Debt Reduction** completed
- ✓ **Rebuild Share Registry** retain current and introduce new institutions
- ✓ **Cornerstone FKP** introduced
- ✓ **Leadership** Management and Board renewed
- ✓ **Point Grey** now fully funded and well progressed through approvals
- ✓ **Oceanique** construction completed on budget
- ✓ **Non-core** assets Melros and Dawesville sold
- ✓ **Eastport 5 and Island** all sold and settled



LEARNING FROM SUCCESS & CHALLENGES

Delivering Value FY11

- **Oceanique** sale and settlements of remaining apartments
- **Bank** debt reduction to continue
- **Point Grey** final approvals to be achieved
- **Increase Market Capitalisation**
- **Return to profitability** and formulate dividend strategy for the medium term
- **Received - UDIA (WA) Award for Excellence 2010** “Masterplanned Development” 2010 - Port Bouvard Residential Estate
- **Finalist - UDIA (WA) Award for Excellence 2010** “High Density Development” - Oceanique
- **Well positioned** to leverage off strong West Australian economic growth



BANK DEBT SUMMARY TABLE

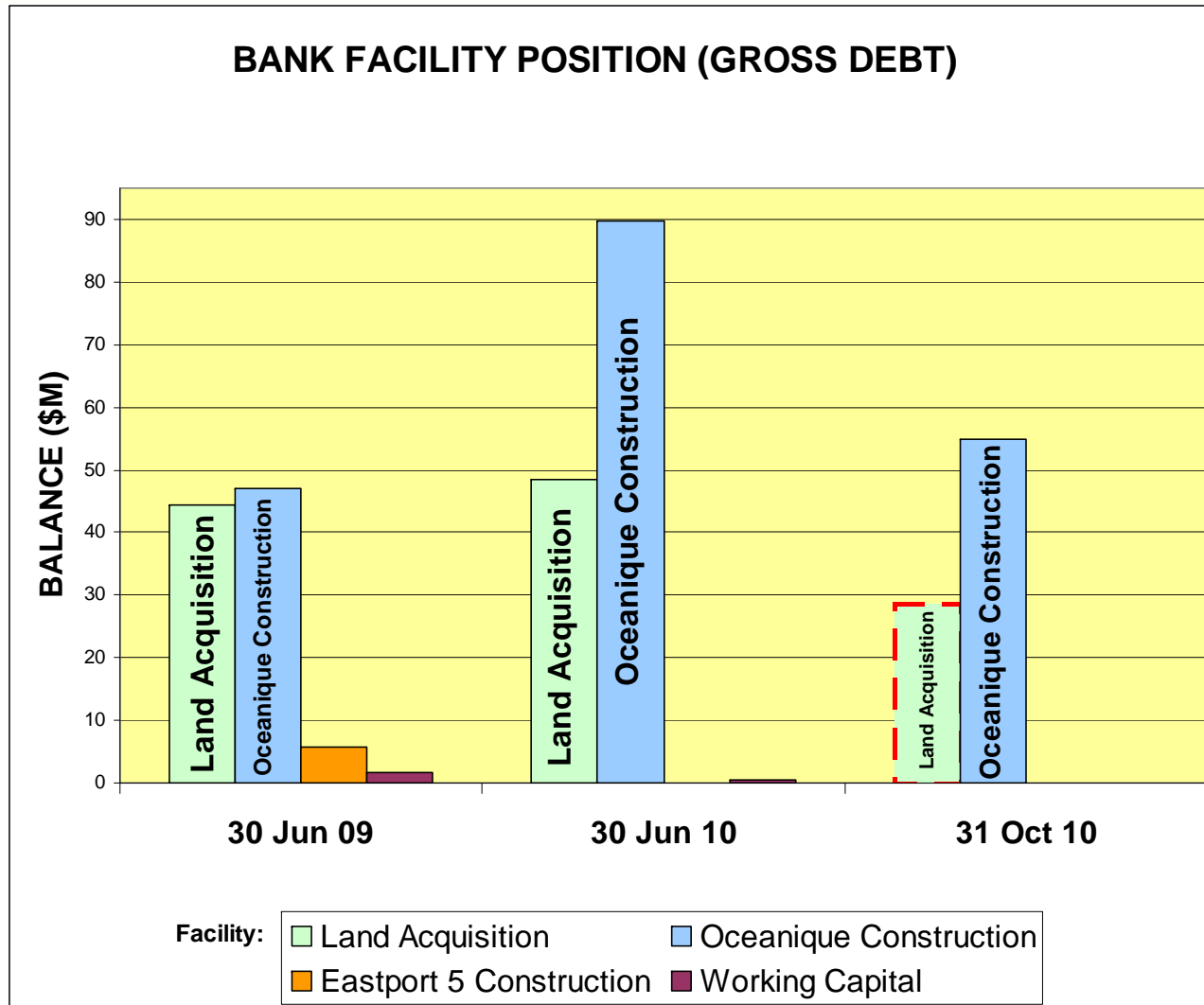
Bank Facility	Facility Limit	Maturity	Facility Balance at 31 October 2010	Facility Limit at 31 December 2010
Oceanique Construction Facility	\$101 million ¹	31 October 2011	\$54.9 million	\$61 million
Land Acquisition Facility	\$30 million	31 December 2011	\$nil ²	\$30 million
Working Capital Facility	\$16.6 million	31 December 2011	\$nil ³	\$16.6 million

Notes:

1. The original Facility limit was \$101 million. Facility limits step down at the dates noted above. Repayments of the Facility from settlements constitute a permanent reduction in Facility limits. From settlement proceeds to date the Company has paid down the Oceanique Construction Facility by \$43.3 million so that the drawn balance at 10 November is \$52.5 million.
2. At 31 October 2010 the underlying debt in the Land Acquisition Facility was \$28.6 million. Funds from the recent capital raising which are allocated solely for the Point Grey infrastructure and stage one costs have been temporarily offset against the Land Acquisition Facility achieving a full interest offset.
3. At 31 October 2010 the Company held a cash balance of \$6.2 million.



BANK DEBT SUMMARY CHART





Never seen before coastal luxury lifestyle and value...

OCEANIQUE

- UDIA Finalist for Excellence 2010 “High Density Development”
- Construction completed 26 July 2010
- Settlements of pre-sold apartments were \$50.2m (gross sales) at 10 November 2010 and still continue.
- No terminations have occurred to date. All contracts are being pursued in a structured process that does include legal avenues as required.
- Further details of these contracts will not be made public as it is considered commercial sensitive to the process and current sales campaign.
- Sales campaign for remainder commenced early November 2010 with over 600 groups so far.
- Two premium display apartments have been furnished and sales office are now open for your viewing.





Commencement is around the corner...

POINT GREY

- **3,000 lot pipeline**
- **14 year supply**
- **Sales revenue of approximately \$1b**

Key approval milestones:

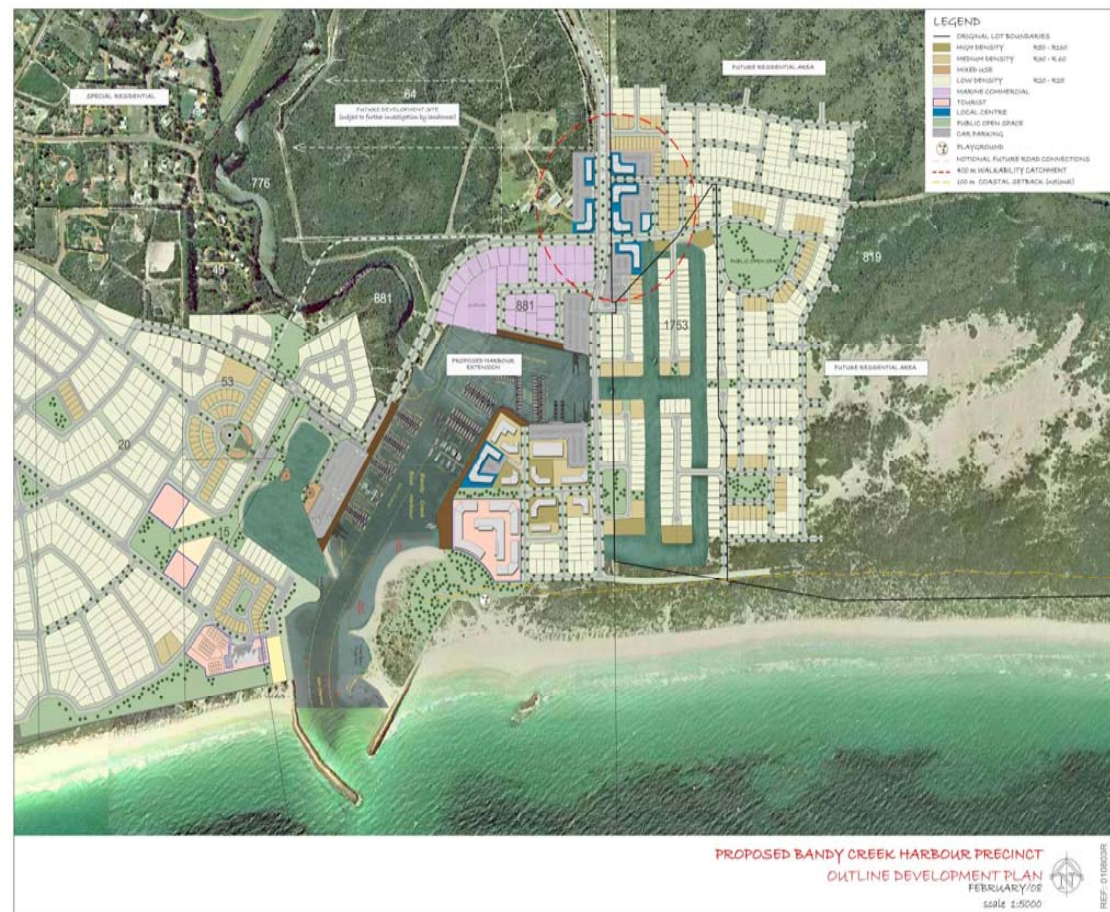
- ✓ Apr 2009 Peel Region Scheme Urban Zoning approval
- ✓ Oct 2010 Marina PER lodged
- ✓ Oct 2010 ODP/TPS approved by Shire of Murray
- ❑ Feb 2011 Planning Minister Approval
- ❑ Mar 2011 Stage 1 subdivision approval
- ❑ Mid 2011 Pre-sales commence
- ❑ Mid 2011 Construction start
- ❑ Mid 2011 Marina PER approval
- ❑ Dec 2011 Stage 1 settlements commence



OTHER PROJECTS

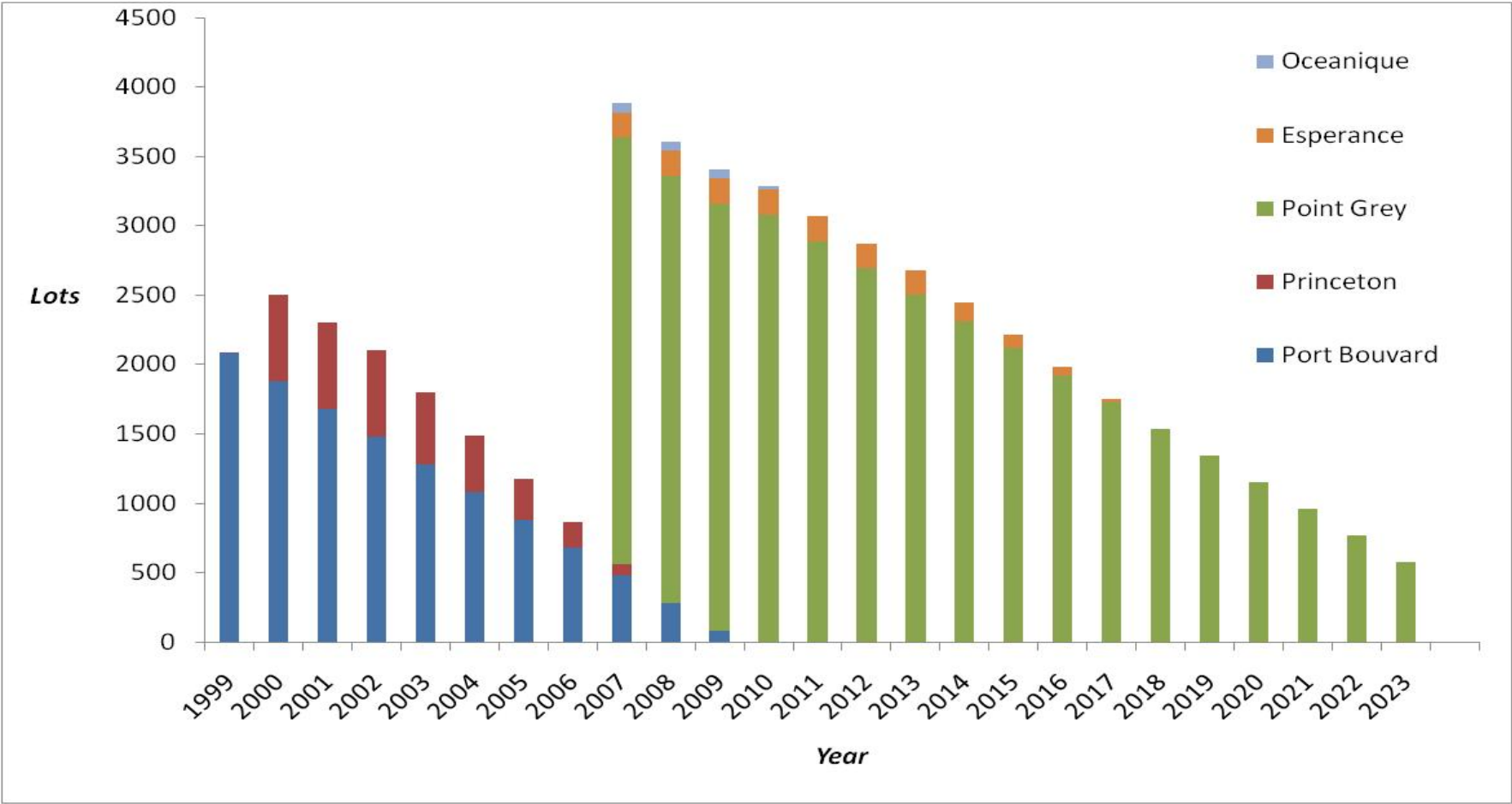
Esperance

- 177 Canal lots and 40 villa sites
- +\$100m in sales revenue
- Direct beach frontage
- 17 ha coastal site, zoned rural
- Identified as a *Development Precinct* under Shire's new Scheme
- Marina precinct approved in 2009
- Final approval expected end of 2014





LOT PIPELINE





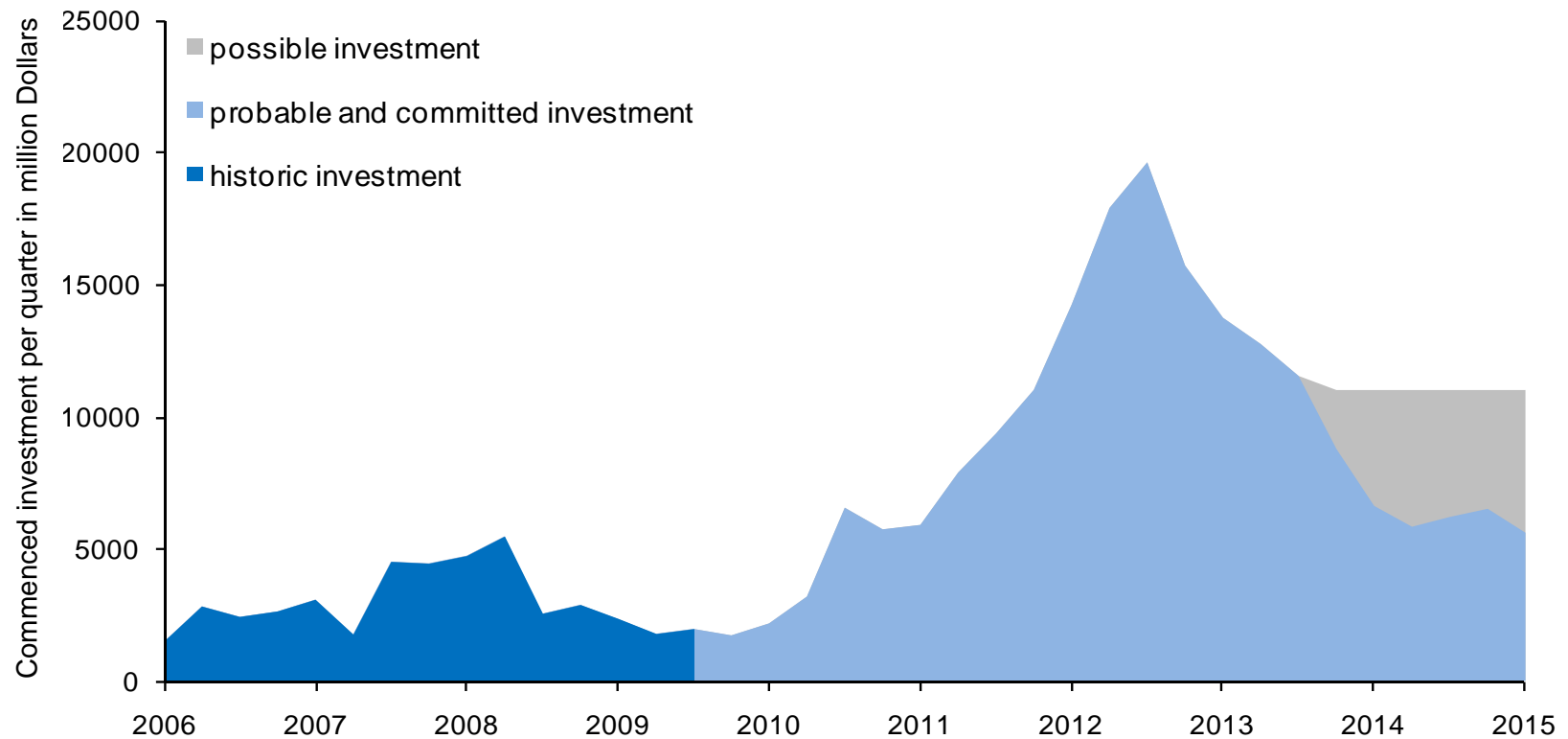
MARKET OUTLOOK

- Past 12 months international volatility
- WA fundamentals remain strong
- Strong state economic growth and forecast expenditure in resource sector still to increase
- Strong state population growth and limited land supply
- Low unemployment and forecast wages growth
- Market sentiment improved following resource tax resolution but softened somewhat after last interest rate rise
- Peel region population expected to double over the next 20 years



MARKET OUTLOOK

**The coming investment wave in WA will be a tsunami:
confirmed, probable and possible investment to 2015**



Source: Property Council of Australia "Drivers of CBD growth" 12 November 2010 (ACIL Tasman)



CAPITAL MANAGEMENT STRATEGY

1. Target gearing level of circa 30% (net debt) by June 2011
2. Tight control and stewardship over costs
3. Sufficient working capital reserves and facilities to between now and first settlements at Point Grey
4. \$32.2m of cash from capital raising has been secured exclusively for stage one and initial infrastructure of Point Grey
5. Ongoing non-core asset sale strategy



INVESTOR RELATIONS STRATEGY

- Upgrade investor relations programme
- Improve public relations and media engagement
- Continue to uplift Company profile and brand post capital raising - “delivering value”
- Road show to institutional investors bi-annually
- Executive are always available for shareholders enquiry



FINANCIAL OUTLOOK

Recapitalised to develop flagship asset, Point Grey and positioned for growth opportunities

Introduction of FKP, a leading Australian property developer (29.47% holding)

Unique 14 year 3,000+ lot pipeline of premium waterfront development asset

Experienced management team, enhanced by two new FKP Board appointments

Finance facilities in place to 31 December 2011

Leverage to WA, a growth economy in Australia

Reduced gearing

Market Capitalisation: \$68.3M ²

NTA per share: \$0.23 ¹ and Discount to NTA: 51% ^{1&2}

¹ at 31 October 2010

² at 18 November 2010



LONGER TERM GOALS

1. Deliver product to the market which represents value and quality
2. Re-activate an attractive and sustainable dividend paying strategy
3. Alignment of market cap with anticipated returns from development projects
4. Develop built-form partnerships with commercial and residential builders
5. Pursue strategic joint venture opportunities
6. Become a well known leading listed property company that has strong brand value at both investor and purchaser level



CONCLUSION

- ✓ Well Capitalised: To fully fund commencement of Point Grey, our flagship asset
- ✓ Highly regarded cornerstone investor in FKP
- ✓ Conservative capital management: De-risked Balance Sheet & reduced gearing
- ✓ Affirm PBD as a respected, award winning & successful property developer
- ✓ Return to profitability in FY11 and a dividend paying position in the medium term
- ✓ Premium waterfront development assets core to management's expertise
- ✓ Unique long term exposure to WA, a growth economy



QUESTIONS AND ANSWERS



THANK YOU FOR ATTENDING
Tea/coffee will now be served in foyer



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