

22 December 2009

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

Dear Sir / Madam

Renewal of Bank Facilities

Please find attached the following information from the Company:

- Announcement: Renewal of bank facilities

Yours faithfully



Peter Coppini
Company Secretary

ASX Announcement
22 December 2009

Port Bouvard Limited announces Renewal of Bank Facilities

Key Points:

- **Project finance facilities with St George Bank renewed until December 2011**
- **Certainty of financing facilities enables the continued development of Port Bouvard Limited's flagship assets**

Western Australian property developer ASX-listed Port Bouvard Limited (ASX: PBD) ("the Company") is pleased to advise that it has secured new bank facilities ("New Bank Facilities") with St George Bank. The New Bank Facilities will commence from 1 January 2010 and refinance Port Bouvard Limited's existing bank facilities, with new maturities as set out below:

New Bank Facility	Facility Limit	Maturity
Gidgegannup Facility	\$50 million	31 December, 2011
Oceanique Luxury Apartments Facility	\$101 million	31 October, 2011
Working Capital Revolving Facility	\$16.6 million	31 December, 2010

The New Bank Facilities are further summarised in Appendix A to this announcement.

The renewal of bank facility terms ensures the Company has strong financial support from its key lender for the two (2) years to 31 December 2011, which marks a critical milestone in the Company's capital management strategy.

Port Bouvard Limited's Chief Executive Officer John Wroth said:

"The completion of negotiations for New Bank Facilities, struck at competitive rates, is an extremely positive outcome for Port Bouvard Limited. It provides the Company with certainty of a financing structure to continue progress on the development of its flagship Western Australian assets.

With the completion of the \$127 million Oceanique Luxury Apartment development within the Port Bouvard Estate, near Mandurah in Western Australia, expected by mid year and the recent opening of the Forrest Highway linking Point Grey to Perth, the Board is confident 2010 will see the Company's key assets enter a period of significant development and planning approval progress.

The Company also continues, as part of its non-core asset disposal strategy, to market domestically and internationally its hotel and villa sites within the Port Bouvard Estate and the Melros development site south of Mandurah."

Chairman Lee Verios commented:

“The Board is very pleased to have reached agreement on our New Bank Facilities with St George. St George has been the Company’s key lender for a significant period of time and it is pleasing to continue our good relationship with St George.

The Board retains a firm belief in the underlying quality of the Company’s core projects. Our New Bank Facilities provide a springboard for the Company to progress the other capital management initiatives currently being considered, aimed at ultimately realising value for shareholders from the development of its core assets.

On behalf of the Board I would like to thank all shareholders for their ongoing support for the Company.”

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Mr Lee Verios, Chairman
Port Bouvard Limited
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Mr John Wroth, Chief Executive Officer
Port Bouvard Limited
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Mr David Tasker
Professional Public Relations
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APPENDIX A – SUMMARY OF NEW BANK FACILITIES

Gidgegannup Facility	
Total Limit	\$50 million
Term expiry	31 December 2011
Purpose	<p>Refinance existing facilities of \$20 million and \$30 million that have been drawn down to finance the acquisition of land (currently owned by the Company) at Gidgegannup.</p> <p>The facility has a permanent debt reduction milestone which requires the repayment of \$20 million by no later than 30 April 2010. The Company is required to satisfy this milestone via repayment from the proceeds of a capital raising.</p> <p>The interest rate margins under this new facility have been repriced to take into account current market conditions, but reduce on a tiered basis following completion of certain debt reduction milestones, being:</p> <ul style="list-style-type: none"> • completion of a capital raising by 30 April 2010 for a minimum of \$20 million to achieve debt reduction plus any amount required under Option 2 for the purchase of remaining land from the vendor at Gidgegannup; and • completion of a \$75 million pay down of the Oceanique Construction Facility (considered in more detail below) by 31 October 2010. <p>The capital raising milestones are also a feature of the Working Capital Revolving Facility.</p>

Oceanique Luxury Apartments Facility	
Overall limit	\$101 million, made up of three components as follows: <ul style="list-style-type: none"> • construction loan (\$99.4 million); • commercial overdraft (\$1.5 million); and • performance bond facility (\$0.1 million)
Construction Loan Facility	
Limit	\$99.4 million
Term expiry	31 October 2011
Purpose	<p>Finance the design and construction of Oceanique Luxury Apartments</p> <p>The facility requires permanent debt reduction milestones as follows:</p> <ul style="list-style-type: none"> • payment of \$75 million by no later than 31 October 2010; • payment of \$10 million by no later than 30 June 2011; and • full clearance of the debt facility by the expiry date (31 October 2011). <p>The Company expects that the debt reduction due by 31 October 2010 will be achieved via settlement of existing pre-sales of Oceanique contracts upon construction completion in June 2010. The Company has unconditional contracted pre-sale commitments for 42 of the 67 apartments representing approximately \$112 million in relation to this project.</p>

Working Capital Revolving Facility	
Limit	\$16.6 million
Term expiry	Annual review by 31 December 2010, or at a later date as determined by the Bank
Purpose	<p>Restructure of existing working capital facility with the renewal on a fully funded basis including allowance for interest to be capitalised.</p> <p>The interest rate margin has been repriced to take into account current market conditions.</p>

The financing facilities outlined above will be subject to an aggregated Loan to Valuation Ratio (LVR) covenant during the term of the facilities. The Company has negotiated the LVR covenant with St George Bank such that the LVR will be subject to progressive reductions over the period to 31 December 2011 whereby the LVR will range from 80% to 30 April 2010 reducing to 70% to 31 October 2010 and 55% thereafter. The New Bank Facilities will also be fully cross collateralised.