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IMPORTANT NOTICE

This Prospectus is dated 23 April 2007 and was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No shares will be issued on the basis of this Prospectus more than 13 months after the date of this Prospectus.

The Prospectus sets out information in relation to the offer of New Shares in the share capital of Port Bouvard Limited (Offer).

Port Bouvard Limited (Port Bouvard) will apply for admission of the New Shares to quotation on ASX within 7 days after the date of this Prospectus. The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of Port Bouvard or the New Shares.

THIS IS AN IMPORTANT DOCUMENT

It is important that you carefully read this Prospectus in its entirety before deciding to invest in Port Bouvard and, in particular, that you consider the risk factors that could affect the financial performance of Port Bouvard. In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in Port Bouvard. These risks are discussed in section 6 of this Prospectus. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Port Bouvard in connection with the Offer. Neither Port Bouvard nor any other person warrants the future performance of Port Bouvard or any return on any investment made under this Prospectus, except as required by law and then only to the extent so required.

INELIGIBLE SHAREHOLDERS

This Prospectus contains an Offer only to persons (including individuals and corporate entities) with registered addresses in Australia or New Zealand.

This Offer is not extended to, and no New Shares are offered or will be issued to, persons with registered addresses outside of Australia or New Zealand. Port Bouvard considers it unreasonable to extend the Offer to Shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the small number and value of the New Shares that would be offered in such jurisdictions and the cost of complying with the legal and regulatory requirements in those jurisdictions. See section 3.1 for more information for Ineligible Shareholders.

IMPORTANT NOTICE

FOREIGN JURISDICTIONS AND RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia.

This Prospectus and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand unless the person to whom the Prospectus and the accompanying Entitlement and Acceptance Form has been sent has been expressly and personally invited in writing by Port Bouvard to participate in the Offer. The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent or passed to persons outside Australia or New Zealand or otherwise distributed outside Australia or New Zealand.

In particular, the Offer has not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and is not being made in the United States or to persons resident in the United States. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States.

The New Shares being offered under this Prospectus are offered in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Prospectus complies with Australian disclosure requirements. These disclosure requirements may be different from those applicable in other jurisdictions. The financial information included in this Prospectus was prepared with a view towards compliance with Australian practice and not that of any other jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus may be viewed online at www.portbouvardltd.com.au but without an application form attached. The Offer is only available to Shareholders who receive a personalised Entitlement and Acceptance Form.

DEFINED TERMS AND ABBREVIATIONS

Terms and abbreviations used in this Prospectus are defined in section 8 of this Prospectus.

APPLICATION FOR NEW SHARES

If you wish to apply for New Shares, you must complete and return the personalised Entitlement and Acceptance Form which accompanies this Prospectus by the Closing Date. If you have not received a personalised Entitlement and Acceptance Form, please contact Computershare on 1300 55 70 10.

SUMMARY OF THE OFFER

THE OFFER

Port Bouvard is offering a total of 58,062,832 New Shares at \$1.60 per Share to raise approximately \$92.9 million (before expenses) under this Prospectus on the basis of 4 New Shares for every 5 Shares held on the Record Date (7:00pm (WST) on Thursday 3 May 2007) (Offer).

The number of New Shares that you are entitled to (that is, the number of Rights you have) is shown on the Entitlement and Acceptance Form.

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell or transfer their Rights.

The Offer is fully underwritten by Euroz Securities Limited (Underwriter).

REASONS FOR THE OFFER

The purpose of the Offer, and the intended use of the funds raised by the Offer and the Placement (which is discussed below), is to:

- fund the acquisition of approximately 275 hectares of waterfront land at Point Grey, located within the Shire of Murray for \$92 million;
- pay associated transaction costs, including stamp duty and GST;
- provide working capital related to the ongoing development of the Point Grey Project; and
- pay the costs of the Offer and the Placement.

PLACEMENT

Shortly before the issue of this Prospectus, Port Bouvard raised additional capital for the purposes described above. This additional capital has been raised through a placement to institutional and other sophisticated investors of 9,466,766 Shares at \$2.00 per share to raise \$18,933,532 (before expenses).

KEY OFFER DETAILS

KEY FINANCIAL DATA RELATING TO THE OFFER

New Share issue price	\$1.60
Number of New Shares to be issued	58,062,832
Amount to be raised under the Offer	\$92,900,531 (before expenses)
Underwriting	Fully underwritten by Euroz Securities Limited
Placement	9,466,766 Shares
Amount raised in the Placement	\$18,933,532 (before expenses)
Number of Shares on issue following the Offer and Placement	130,641,372

KEY DATES*

Announcement of Rights Issue	10 April 2007
Lodgement of Prospectus with ASIC	23 April 2007
Ex Date: The date on which Port Bouvard Shares commence trading without the entitlement to participate in the Offer	27 April 2007
Rights Trading opens: The day when Eligible Shareholders are entitled to trade their Rights	27 April 2007
Record Date: The date for determining entitlements of Shareholders to participate in the Offer (at 7:00pm WST)	3 May 2007
Prospectus sent to Shareholders: Anticipated despatch of Prospectus and Entitlement and Acceptance Forms	7 May 2007
Rights Trading ceases	14 May 2007
Closing Date: The last day for receipt of Applications (at 5:00pm WST)	21 May 2007
Despatch Date: Anticipated despatch of holding statements for New Shares	25 May 2007
First Trading Date: Trading of New Shares commences	1 June 2007

* These dates are subject to change and are indicative only. Port Bouvard reserves the right to amend this indicative timetable without notice. In particular, Port Bouvard reserves the right, subject to the Corporations Act, the ASX Listing Rules and, if necessary, the approval of the Underwriter, to close the Offer early, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares.

LETTER FROM THE CHAIRMAN

Dear Shareholder,

On behalf of the Directors of Port Bouvard Limited, it is my pleasure to invite you to participate further in the growth of your Company through a renounceable rights issue.

The Rights Issue entitles you to acquire 4 New Shares for every 5 Shares held on Thursday, 3 May 2007 at a price of \$1.60 for each New Share.

The proceeds of the Rights Issue of approximately \$93 million and the proceeds of the Placement conducted shortly before the issue of this Prospectus of approximately \$19 million will be used to fund the consideration and associated costs payable by Port Bouvard in relation to the acquisition of approximately 275 hectares of waterfront land at Point Grey.

Point Grey is located on the eastern shore of the Peel-Harvey inlet, across from the Company's landmark Port Bouvard Residential Resort Estate development. The Point Grey Project is expected to yield more than 2,000 home sites and, following the expected opening to traffic of the Perth-Bunbury (Peel Deviation) Freeway extension in 2009, will be approximately 1 hour transit time to the Perth CBD.

The Rights Issue is fully underwritten by Euroz Securities Limited.

The Board considers that the acquisition of the Point Grey Project land provides the Company with a flagship project upon which the Company can leverage our specialist property development experience and expertise to 2020 and beyond.

The acquisition of the Point Grey Project firmly establishes the Company as a leading property developer in the Mandurah-Peel region of Western Australia and complements the Company's existing portfolio of residential development projects in the Mandurah-Peel region, including:

- the remaining land at the Port Bouvard Residential Resort Estate project (including the landmark Oceanique apartments at The Cut golf course);
- the recently acquired development project land at Dawesville and Melros, south of the Port Bouvard Residential Resort Estate; and
- the residential land project at Furnissdale, between Mandurah and Pinjarra in respect of which Port Bouvard has entered into a Heads of Agreement.

The Company is also continuing negotiations to secure a residential estate development agreement at Esperance, which if secured will diversify our geographic spread of properties.

In addition to these projects, Port Bouvard is continually assessing additional property development opportunities to further enhance shareholder value. We will seek to fund future expansion of our project portfolio through an appropriate combination of direct ownership, co-investment syndicate funding and joint venture development agreement models.

LETTER FROM THE CHAIRMAN

My fellow Directors and I intend to take up all of our Entitlement (including Entitlements held by related entities) with the exception of Ross Neumann, who intends to take up approximately 90% of the Entitlements of his related entities.

Details of the options available to you are contained in Section 1 of this Prospectus.

I encourage you to consider carefully the details of the Offer contained in the Prospectus along with the accompanying Entitlement and Acceptance Form and to participate in the Rights Issue which will enable you to share further in Port Bouvard's next exciting growth phase.

Your Directors commend the Rights Issue to you and look forward to your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael D Perrott", written in a cursive style.

Michael D Perrott

Chairman

INVESTMENT HIGHLIGHTS AND RISKS

INVESTMENT HIGHLIGHTS

Point Grey Project – Flagship acquisition

- Approximately 275 hectares of waterfront land on the eastern shore of the Peel-Harvey inlet
- In excess of 2,000 lots expected to be sold delivering a project pipeline beyond 2020

Demonstrated track record of delivering increasing shareholder value

- In excess of \$100 million of fully franked dividends paid to shareholders since 1998
- Delivery of significant share price growth

Experienced Board and Management

- The Directors and Senior Management collectively have in excess of 100 years property development experience
- Expertise in environmental management, compliance and statutory liaison
- Expertise in built-form construction, project management, property sales and market analysis
- Intimate knowledge of Mandurah-Peel environs

Leveraged to the strong West Australian economy

- Strong growth experienced in the West Australian economy in last 5 years
- Population growth driven by interstate and overseas migration

Expertise in the Mandurah-Peel region

- Well located projects in the growth corridor of the Mandurah-Peel region
- Continued population growth in the Mandurah-Peel region expected to be underpinned by:
 - Extension of the Perth-Bunbury Freeway (Peel Deviation) (expected to be open to traffic in 2009)
 - Completion of the Perth-Mandurah rail line in late 2007

INVESTMENT HIGHLIGHTS AND RISKS

INVESTMENT RISKS

There are risks inherent in all forms of investment. The key risks in investing in the Company under the Rights Issue are set out in section 6. The following is a list of some of these risks. It should not be seen as a substitute for carefully reading the risk analysis in section 6.

- **Contractual risk:** The Company might not be able to complete the Point Grey acquisition, or a dispute might arise in relation to the acquisition contract.
- **Planning and regulatory risk:** The Company might not be able to obtain all of the planning or other regulatory approvals it requires for the Point Grey Project, or the planning and regulatory approvals it obtains might be delayed or not be ideal.
- **Development risk:** The development of a large project such as Point Grey may encounter various construction or development problems.
- **Commercial risk:** The market for the Company's developments may not prove as strong as expected, or may turn down due to economic conditions.
- **Other projects:** Other projects currently being undertaken or contemplated by Port Bouvard may not proceed as planned or may be delayed.

1. ANSWERS TO KEY QUESTIONS

QUESTION	ANSWER
What is the Offer?	The Offer to Eligible Shareholders is to subscribe for 4 New Shares for every 5 Shares held on the Record Date, at a price of \$1.60 per New Share.
Who can participate in the Offer?	Only Eligible Shareholders can participate in the Offer. Eligible Shareholders are persons with registered addresses in Australia and New Zealand and who are registered holders of Shares on the Record Date.
How much do I have to pay to participate in the Offer?	The Issue Price for a New Share is \$1.60. You may subscribe for all, or part of, your Entitlement.
What are the terms of the New Shares?	The New Shares issued under the Offer will rank equally with existing Shares. The rights and liabilities attaching to Shares (and New Shares) are detailed in section 7.3.
Is the Offer underwritten?	Yes, the Offer is fully underwritten by Euroz Securities Limited. The terms of the Underwriting Agreement are described in section 7.5.
What is the purpose of the Offer?	<p>The Offer and the Placement (further described in section 2.16) are being conducted to raise approximately \$112 million (before expenses).</p> <p>These proceeds are intended to be used to fund the acquisition of approximately 275 hectares of waterfront land at Point Grey, located in the Shire of Murray for \$92 million, and associated costs.</p>
What are my options?	<p>You may either:</p> <ul style="list-style-type: none"> • take up all or part of your Entitlement; • sell some or all of your Rights on ASX; or • transfer all or part of your Rights to another person other than via ASX; or • do nothing and allow all of your New Shares representing your Entitlement to lapse and be taken up by the Underwriter. <p>Each of these options is further described in section 3.</p>

1. ANSWERS TO KEY QUESTIONS

QUESTION	ANSWER
How do I exercise my Rights?	<p>If you are an Eligible Shareholder, and you wish to subscribe for all or some of the New Shares making up your Entitlement, you must complete the Entitlement and Acceptance Form accompanying this Prospectus, and forward it, with your Application Monies, to the Registry before the Closing Date.</p> <p>Further details are found in section 3.2. If you have not received an Entitlement and Acceptance Form, please contact the Registry on 1300 55 70 10.</p>
Can I sell or transfer my Rights?	<p>Yes, you can sell or transfer some or all of your Rights on ASX. If you wish to do this, you should contact your stockbroker.</p> <p>You may also sell or transfer some or all of your Rights to another person other than on ASX. To do this, you must complete a Renunciation and Transfer Form which can be obtained from the Registry, and the Entitlement and Acceptance Form.</p> <p>For further details of these options, see sections 3.3 and 3.4.</p>
Is there a cooling off period?	<p>No, there is no cooling off period. As such, in most circumstances, you cannot withdraw an application for New Shares once the Entitlement and Acceptance Form and Application Monies have been received by the Registry.</p>
How can I obtain further information?	<p>Port Bouvard encourages you to seek advice from your financial or other professional advisers.</p> <p>Enquiries concerning the Entitlement and Acceptance Form or Renunciation and Transfer form should be directed to the Registry on 1300 55 70 10.</p> <p>Enquiries concerning this Prospectus should be directed to the Port Bouvard Company Secretary, Mr Niels Kroyer, on 9368 6200.</p>

2. DETAILS OF THIS OFFER

2.1 THIS OFFER

Port Bouvard is making a renounceable pro rata Offer of New Shares on the basis of 4 New Shares for every 5 Shares held at a price of \$1.60 per New Share to holders of Shares who were registered as at 7:00 pm (WST) on the Record Date (3 May 2007).

The number of New Shares that you are entitled to (that is, your Entitlement and the number of Rights you have) is shown on the Entitlement and Acceptance Form.

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell or transfer their Rights. Information on how Rights may be sold or transferred are set out in sections 3.3 and 3.4.

In addition to the Offer, Port Bouvard has raised capital through a placement of Shares to institutional and other sophisticated investors (described in section 2.16).

2.2 USE OF THE PROCEEDS OF OFFER

The purpose of the Offer, and the intended use of the funds raised by the Offer and the Placement, is to:

- fund the acquisition of approximately 275 hectares of waterfront land at Point Grey, located in the Shire of Murray for \$92 million;
- pay associated transaction costs, including stamp duty and GST;
- provide working capital related to the ongoing development of the Point Grey Project; and
- pay the costs of the Offer and Placement.

The use of the proceeds of the Offer is set out in more detail in section 4.4.

2.3 YOUR ENTITLEMENT

Your Entitlement, that is, the number of Rights you have (or, the number of New Shares to which you are entitled) is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements to New Shares will be rounded up to the nearest whole number.

The Record Date for the purpose of the Offer is 7:00 pm (WST) on 3 May 2007. Persons who are registered as the holders of Shares on the Record Date (Eligible Shareholders), will be entitled to participate in the Offer.

2. DETAILS OF THIS OFFER

2.4 CLOSING DATE

The Company will accept applications from the date of this Prospectus until 5.00 pm (WST) on 21 May 2007 or such other date as the Directors in their absolute discretion may determine subject to the requirements of the ASX Listing Rules and the consent of the Underwriter (if required).

2.5 TOTAL NUMBER OF NEW SHARES TO BE ISSUED

The total number of New Shares to be issued pursuant to this Offer will be approximately 58,062,832 (the exact number depends on rounding-up of individual holdings). The gross proceeds (before expenses) of the Offer will be approximately \$92.9 million. The expenses of the Offer are expected to be approximately \$4.1 million.

2.6 UNDERWRITING

The Offer is fully underwritten by Euroz Securities Limited on the terms of the Underwriting Agreement (see section 7.5).

2.7 ISSUE OF NEW SHARES

Port Bouvard expects to issue the New Shares on or before 25 May 2007. No issue of New Shares will be made until permission is granted for quotation of the New Shares on ASX.

Application monies will be held in trust for applicants in a subscription account until New Shares are allotted to such applicants.

2.8 ASX QUOTATION

Port Bouvard will apply for admission of the New Shares to quotation on ASX within 7 days after the date of this Prospectus. If ASX does not grant official quotation of the New Shares within 3 months after the date of this Prospectus, Port Bouvard will not issue any New Shares and will repay all application money within the time prescribed under the Corporations Act, without interest.

2.9 RANKING AND DISTRIBUTIONS

The New Shares will rank equally with existing Shares from the time they are issued. A summary of the rights attaching to the New Shares (and existing Shares) is set out in section 7.3 of this Prospectus.

2.10 CHECKING YOUR SHARE HOLDINGS

Your current Port Bouvard share holdings can be viewed by registering your details online at the Computershare website (www.computershare.com.au).

2. DETAILS OF THIS OFFER

2.11 RIGHTS TRADING

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell their Rights on ASX. Information on how Rights may be sold on ASX is set out in section 3.3.

You may also transfer all or some of your Rights to another person other than on ASX. Details of how you may effect this transfer are found in section 3.4

Any portion of your Entitlement that you decide not to accept and that you do not trade, will lapse and become part of the Shortfall.

2.12 MARKET PRICES OF SHARES

The lowest and highest closing prices of Shares on ASX during the 3 months immediately preceding the lodgement date of this Prospectus, and the respective dates of those sales, were:

- highest closing price was \$5.11 on 29 January 2007; and
- lowest closing price was \$2.32 on 6 March 2007.

The last sale price for Shares on ASX on Friday, 20 April 2007, being the last day of trading of Shares prior to the date of this Prospectus, was \$3.00.

2.13 INELIGIBLE SHAREHOLDERS

This Prospectus contains an Offer to Shareholders with a registered address in Australia or New Zealand. Shareholders with registered addresses outside of Australia and New Zealand are ineligible to participate in the Offer (Ineligible Shareholders).

Shareholders with a registered address in Australia or New Zealand who hold Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the New Shares under the Offer does not breach securities law in the relevant overseas jurisdictions. Return of a duly completed Entitlement and Acceptance Form will be taken by Port Bouvard to constitute a representation that there has been no breach of such laws.

See section 3.1 for more information for Ineligible Shareholders.

2.14 TAXATION IMPLICATIONS

The Board considers that it is not appropriate to provide advice regarding the taxation consequences of the Offer, including the implications of subscribing for New Shares under this Prospectus or dealing with or exercising Rights. However, the Board considers it important that Shareholders are aware that a recent decision of the High Court of Australia (Commissioner of Taxation v McNeil) has given rise to uncertainty as to the appropriate treatment of the proceeds or deemed proceeds from dealings in rights. Following this decision, it is no longer clear

2. DETAILS OF THIS OFFER

that the proceeds or deemed proceeds from dealings in rights will be treated as capital rather than income. Accordingly, the Board strongly recommends that Eligible Shareholders consult their own professional tax advisers in connection with the Offer.

Port Bouvard and its officers and advisers do not accept any responsibility or liability for any taxation consequences for Shareholders of the Offer.

2.15 PROFESSIONAL FEES

Euroz Securities Limited has been appointed as the Underwriter of the Offer.

Port Bouvard will pay the Underwriter a capital raising fee of 5% of the total dollar amount underwritten in respect of the Rights Issue. The Directors have contractually committed to the Underwriter to take up their full Entitlements (or the Entitlements of their related entities) (other than Ross Neumann who has agreed to take up a minimum of approximately 90% of the Entitlements of his related entities) under the Offer. The capital raising fee has been reduced to 2.5% in respect of that part of the Offer. See section 7.5 for more details.

Port Bouvard will also pay Australian legal advisers, Deacons, in connection with the Offer and the Placement fees according to their usual rates, which were approximately \$80,000 as at the date of this Prospectus .

2.16 PLACEMENT

Shortly before the issue of this Prospectus Port Bouvard issued to institutional and sophisticated investors a total of 9,466,766 Shares at a price of \$2.00 per Share by way of a Placement to raise approximately \$18.9 million (before expenses).

2.17 ENTITLEMENT AND ACCEPTANCE FORM IS BINDING

A completed and lodged Entitlement and Acceptance Form, together with payment for the number of New Shares applied for, cannot be withdrawn and constitutes a binding application for the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in this Prospectus. The Entitlement and Acceptance Form does not need to be signed to be binding.

Port Bouvard will not process applications until the expiry of the Offer Period. No preference will be conferred on applications on the basis of when those applications were received in the Offer Period.

If the Entitlement and Acceptance Form is not completed correctly, Port Bouvard in its absolute discretion can reject it or treat it as valid. Port Bouvard's decision as to whether to accept or reject an Entitlement and Acceptance Form or how to construe, amend or complete it, is final.

2.18 ENQUIRIES

Enquiries concerning the Entitlement and Acceptance Form or the Renunciation and Transfer Form should be directed to the Registry on 1300 55 70 10.

Enquiries concerning this Prospectus should be directed to the Port Bouvard Company Secretary, Mr Niels Kroyer, on (08) 9368 6200.

3. YOUR OPTIONS UNDER THE RIGHTS ISSUE

Your Entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Prospectus in its entirety, and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

You may:

- take up all or part of your Entitlement; or
- sell your Rights in full or in part on ASX; or
- transfer all or part of your Rights to another person other than via ASX; or
- do nothing and allow all of your Entitlement to New Shares to lapse and be taken up by the Underwriter.

3.1 INELIGIBLE SHAREHOLDERS

If you are an Ineligible Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Offer.

The Company will appoint a nominee to sell the Rights of Ineligible Shareholders on ASX if there is a viable market in the Rights and a premium over the costs of the sale can be obtained.

If there is no viable market for the Rights or a premium over the costs of the sale cannot be achieved, the Entitlement of Ineligible Shareholders will be considered part of the Shortfall and will be taken up by the Underwriter. The Company reserves the right to treat as invalid any Entitlement and Acceptance Form that appears to have been submitted by an Ineligible Shareholder.

3. YOUR OPTIONS UNDER THE RIGHTS ISSUE

3.2 TAKE UP ALL OR PART OF YOUR ENTITLEMENT

If you wish to take up all or part of your Entitlement:

- (1) complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form, specifying the amount of your Entitlement you wish to take up; and
- (2) ensure your application is received by the Registry at:

Computershare Registry Services Pty Ltd
GPO Box D182
Perth WA 6001

Facsimile: (08) 9323 2033

by 5.00 pm WST on the Closing Date (the Closing Date is currently 21 May 2007, but Port Bouvard reserves the right to extend the Offer).

3.3 SELL SOME OR ALL OF YOUR RIGHTS ON ASX

If you are an Eligible Shareholder and wish to sell some or all of your Rights on ASX, please contact your stockbroker as soon as possible.

You can trade Rights on ASX from Friday, 27 April 2007. Rights trading on ASX closes, and all trading of Rights must be effected by, 4.00pm on Monday, 14 May 2007.

3.4 TRANSFER ALL OR PART OF YOUR RIGHTS TO ANOTHER PERSON OTHER THAN ON ASX

If you wish to transfer all or part of your Entitlement to a person other than by trading on ASX, you must complete and forward:

- (1) a Renunciation and Transfer Form (obtainable from the Registry);
- (2) your Entitlement and Acceptance Form; and
- (3) the transferee's cheque or bank draft for the Application Monies,

to the Registry at:

Computershare Registry Services Pty Ltd
GPO Box D182
Perth WA 6001

Facsimile: (08) 9323 2033

by 5.00 pm WST on the Closing Date (the Closing Date is currently 21 May 2007, but Port Bouvard reserves the right to extend the Offer).

3. YOUR OPTIONS UNDER THE RIGHTS ISSUE

You may transfer all or part of your Entitlement to another person in this manner.

If you are an Eligible Shareholder on the CHESS sub-register, you must contact your sponsoring broker to effect the transfer. The Registry is unable to transfer Rights either to or from a CHESS holding.

If the Registry receives both a completed Renunciation and Transfer Form and a completed Entitlement and Acceptance Form in favour of the same Shareholder in respect of the same Rights, the Renunciation and Transfer Form will be given effect in priority to the acceptance.

3.5 DO NOTHING

If you do nothing, your Entitlement will lapse and the New Shares which represent your Entitlement will be taken up by the Underwriter, in accordance with the Underwriting Agreement detailed in section 7.5. Although you will continue to own the same number of Shares in Port Bouvard, your percentage shareholding in Port Bouvard will be diluted.

3.6 FORM OF PAYMENT

Payments will only be accepted in Australian currency and may be made by one of the following methods :

- BPAY. Those who use BPAY will not need to return the Entitlement and Acceptance Forms. BPAY is not available if your Rights are traded, whether they are traded on ASX or not;
- Bank cheque drawn on and redeemable at any Australian bank; or
- Personal cheque drawn on and redeemable at any Australian bank.

Cheques or bank cheques should be made payable to Port Bouvard Limited and crossed "Not Negotiable". Shareholders are asked not to forward cash. Receipts for payment will not be provided.

4. OVERVIEW OF PORT BOUVARD

4.1 INTRODUCTION

Port Bouvard Limited (then Menzies Court Holdings Limited) acquired the Port Bouvard Project in May 1998, and the Company was renamed in 2002. Over the last nine years, Port Bouvard has developed both the Port Bouvard Residential Resort Estate and Princeton Private Estate, with the view of winding up the Company upon completion of these projects. On 19 July 2006, the Board of Port Bouvard announced its intentions to continue the Company's operations in property development and actively seek new projects.

Since this time, the Company has entered into contracts to acquire three new development sites in the Peel region. It has also entered into an agreement with a landowner to develop a site in Furnissdale (also in the Peel region), and is currently continuing its assessment and negotiation with a landowner in Esperance, on the south coast of Western Australia.

Port Bouvard Limited has a vision to become a significant contributor to the design and development of residential property in Australia by utilising new construction technologies and community based planning and design concepts targeted to meet the needs of its market.

4.2 POINT GREY PROJECT

The Company's flagship acquisition, Point Grey, is situated on the shores of the Peel Harvey estuary. Elevated with possible 270 degree water views, it gives Port Bouvard the opportunity to develop a showcase estate with attention to design, detail and presentation. Port Bouvard has agreed to pay \$92 million plus related costs for the property and expects the project to take 15 years to complete and yield in excess of 2000 homesites.

The majority of the land is currently zoned Urban Deferred, with a small portion classified as Rural. A set of conditions must be satisfied in order for the land to be zoned Urban. The Company expects this process to be completed by the end of 2009. Upon achievement of the land being zoned Urban, the Company will commence a pre-sale campaign to coincide with the planned construction of the Perth-Bunbury freeway extension. Following that, the Company will commence subdivision and construction, with first settlement proceeds expected in financial year 2011.

The Company is intending to structure and sell Point Grey in stages by arranging external finance to fund syndicates. The details of the syndicates have yet to be confirmed but the Board believes that by funding the asset this way it will de-risk the project from the perspective of Port Bouvard Limited and stabilise returns to Shareholders.

It is not possible to predict the returns on the Point Grey Project given its 15 year lifespan, but the Directors are confident that the positioning and other attributes of the land are such that it will provide strong earnings for the Company over this extended period.

4. OVERVIEW OF PORT BOUVARD

4.3 PORT BOUVARD'S STRATEGY

Port Bouvard's long-term strategy is to:

- continually seek and explore new development opportunities capitalising on competitive advantages;
- leverage the co-investment model through targeting other equity partners to develop land throughout Western Australia and maximise returns to Shareholders;
- utilise retained earnings to further enhance long-term growth (in accordance with the Company's dividend policy);
- continue to pay both interim and final dividends (subject to market conditions and financial conditions at the time, and franked as much as possible) but with the intention of increasing the retention of earnings to maximise future opportunities;
- maximise the use of the Company's enhanced balance sheet, underpinned by Point Grey; and
- further strengthen intellectual property developed in-house.

4.4 USE OF PROCEEDS OF OFFER

The Offer seeks to raise approximately \$93 million. Combined with the \$18.9 million previously raised via a placement, the current anticipated application of total funds, being approximately \$112 million, is to enable the acquisition and settlement of the Point Grey land for development purposes.

The acquisition and settlement of the \$92 million of Point Grey land is pursuant to executed contracts which are discussed further in section 7.4.

The financial summary of the issue is as follows:

SOURCE OF FUNDS	(\$,000)
Funds to be raised under this Offer	92,900
Funds from Placement	18,933
TOTAL	111,833

4. OVERVIEW OF PORT BOUVARD

APPLICATION OF FUNDS	(\$,000)
Acquisition of Point Grey land	92,000
Stamp duty and GST *	14,659
Costs of Issue / Placement	5,000
Additional working capital	174
TOTAL	111,833

*The Point Grey land is to be acquired as a fully taxable supply and the Company will be entitled to an input tax credit following settlement, which will be applied to additional working capital.

4.5 DIRECTORS AND SENIOR MANAGEMENT

Mr Michael D Perrott (Chairman, Director)

Mr Perrott has been involved in the construction and contracting industry since 1969. He was appointed a director of Port Bouvard Limited in March 1998 and appointed as chairman in December 2000. He is currently chairman and director of various listed and unlisted public and private companies. Mr Perrott is a Council Member for the National Advisory Council for Suicide Prevention and is a member of the Board of Notre Dame University, and through associated entities is a substantial shareholder in the Company.

Mr Ross J Neumann (Managing Director)

Mr Neumann is a well regarded and experienced property developer, particularly in relation to canal developments in Mandurah arising out of Mr Neumann's former role as chief executive officer of Cedar Woods Properties Limited. Mr Neumann was an original founder and managing director of Cedar Woods Properties Limited for 10 years. Prior to that, Mr Neumann had been involved in many significant property development projects since he established the Statesman Homes building company in 1971. Mr Neumann was appointed a director of Port Bouvard Limited in March 1998 and through associated entities he is a substantial shareholder in the Company.

Mr Rick W Crabb (Non Executive Director)

Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 until 2004 specialising in resources, corporate and commercial law. Mr Crabb now focuses on his public company directorships and investments. Mr Crabb is a director of various listed and unlisted public and private companies and is a member of the Company's audit committee. Mr Crabb has been a director of Port Bouvard Limited since December 1996.

4. OVERVIEW OF PORT BOUVARD

Mr Ian A Macliver (Non Executive Director)

Mr Macliver is managing director of Grange Consulting Group Pty Ltd which provides specialist corporate advisory services to both listed and unlisted companies. He has many years' experience as a senior executive and director of both resource and industrial companies with particular responsibility for capital raising and other corporate initiatives. Mr Macliver is a director of various listed and unlisted companies and is the chairman of the Company's audit committee. He has been a director of Port Bouvard Limited since December 1994.

Mr Niels J Kroyer (Company Secretary)

Mr Kroyer has been the company secretary of Port Bouvard Limited since July 1998. Mr Kroyer has more than 10 years experience as company secretary for listed public companies and has extensive management experience both internationally and locally. He is an accountant by training and an alumnus of INSEAD Business School.

Mr Matthew Perrott (Chief Financial Officer)

Mr Perrott is a Chartered Accountant and has held various corporate and financial advisory roles both in Australia and overseas. Mr Perrott has held positions with KPMG and corporate finance boutiques as well as senior finance roles for a number of years in the United Kingdom. Mr Perrott is responsible for the financial operations of Port Bouvard Limited and is a member of the Institute of Chartered Accountants in Australia.

Mr John Wroth (Development Manager)

John is the Development Manager at Port Bouvard Limited and has been with the company since its inception 9 years ago. John's background is in land development and has extensive experience in design and concept planning, working with both local and State government, political strategy and dealing with the community. John is responsible for all acquisitions, development, planning and management of projects for Port Bouvard Limited.

Mr Andrew Graham (Project Manager - Built Form)

Andrew commenced work in the property industry in 1991 and is recognised as a highly proficient member of the property profession. Andrew has an extensive range of property experience in the areas of project management, asset management, property sales, valuation and market analysis.

Andrew is a member of the Urban Development Institute of Western Australia, Real Estate Institute of Western Australia and Australian Property Institute and is responsible for overseeing all built-form construction undertaken by Port Bouvard.

5. EFFECT OF THIS OFFER ON PORT BOUVARD

5.1 STRUCTURE OF CAPITAL RAISING

The Offer contained in this Prospectus is part of a \$112 million capital raising (before costs) undertaken by Port Bouvard. The capital raising consists of the following:

- (1) the Placement of 9,466,766 Shares at \$2.00 per Share for a total cash consideration of approximately \$18.9 million (completed with institutional and other sophisticated investors and outside of this Prospectus); and
- (2) the Offer of 58,062,832 New Shares under this Prospectus at \$1.60 per Share for a total cash consideration of approximately \$92.9 million.

As at 23 April 2007, Port Bouvard had 72,578,540 Shares on issue. After the successful conclusion of the Offer, Port Bouvard will have approximately 130,641,372 Shares on issue.

The following table shows the proposed capital structure of Port Bouvard on completion of the above transactions.

	NUMBER OF SHARES	OPTIONS	ISSUED SHARE CAPITAL (\$'000)
As at 31 December 2006	63,111,774	-	33,885
Issued in Placement	9,466,766	-	18,934
Issued in Offer	58,062,832	-	92,901
Transaction costs estimate (1)	-	-	(5,000)
Total	130,641,372	-	140,720

- (1) Transaction costs

Transaction costs are accounted for as a deduction from equity such that shareholders' funds are increased by the amount of the net proceeds of the capital raising. Total transaction costs are currently estimated at \$5 million.

5. EFFECT OF THIS OFFER ON PORT BOUVARD

5.2 PRO FORMA BALANCE SHEET

Set out below is a pro forma Balance Sheet of Port Bouvard on successful completion of the Placement and the Offer. It is based on Port Bouvard's Balance Sheet as at 31 December 2006 contained in Port Bouvard's statutory financial report for the half year ended 31 December 2006, as lodged with ASX on 20 February 2007 and which has been independently reviewed by Port Bouvard's auditor, BDO Chartered Accountants and Advisors.

The Company's statutory financial report has been prepared in accordance with *Corporations Act*, the Corporations Regulations 2001, Accounting Standards and other mandatory financial reporting requirements in Australia.

The pro forma Balance Sheet reflects the impact of the Placement, the Offer and all transaction costs as if they had all occurred on 31 December 2006. It:

- includes gross proceeds of the capital raisings from which the current estimate of total transaction costs of \$5 million is deducted to derive an amount for net proceeds raised;
- allows for the issue of approximately 9.5 million Shares by way of Placement at an issue price of \$2.00 per Share;
- allows for the issue of approximately 58.1 million New Shares under the Offer at an issue price of \$1.60 per Share; and
- allows for the acquisition of the Point Grey land as follows:
 - * purchase price \$92 million less \$4.6 million deposit, being \$87.4 million;
 - * payment of GST on acquisition of \$9.2 million. This amount is shown in "Current trade and other receivables"; and
 - * payment of stamp duty on acquisition of \$5.46 million.

5. EFFECT OF THIS OFFER ON PORT BOUVARD

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

	CONSOLIDATED	
	AUDITED 31 DECEMBER 2006 \$'000	PRO-FORMA UNAUDITED 31 DECEMBER 2006 \$'000
Current Assets		
Cash and cash equivalents	1,422	6,198
Trade and other receivables	50,520	59,720
Inventories	8,663	8,663
Other assets	4,753	153
Total Current Assets	65,358	74,734
Non-Current Assets		
Receivables	1,832	1,832
Inventories	10,400	107,859
Property, plant and equipment	3,891	3,891
Deferred tax assets	2,095	2,095
Intangible assets	261	261
Total Non-Current Assets	18,479	115,938
TOTAL ASSETS	83,837	190,672
Current Liabilities		
Trade and other payables	22,154	22,154
Borrowings	9,564	9,564
Current tax liabilities	768	768
Total Current Liabilities	32,486	32,486
Non-Current Liabilities		
Deferred tax liabilities	10,526	10,526
Total Non-Current Liabilities	10,526	10,526
TOTAL LIABILITIES	43,012	43,012
NET ASSETS	40,825	147,660
EQUITY		
Contributed equity	33,885	140,720
Retained earnings	6,940	6,940
TOTAL EQUITY	40,825	147,660

5. EFFECT OF THIS OFFER ON PORT BOUVARD

5.3 HISTORICAL FINANCIAL INFORMATION

The full financial reports for the half year ended 31 December 2006, including the Income Statement, Statement of Changes in Equity, Balance Sheet, Statement of Cash flows, Directors' Report, Auditor's Independence Declaration, condensed notes to the financial report including the significant accounting policies adopted, Directors' Declaration and Independent Auditor's Review Report, are available on Port Bouvard's website (www.portbouvardltd.com.au).

Investors who wish to obtain a free paper copy of the annual financial report or the full financial reports for the half year ended 31 December 2006 may contact Port Bouvard's offices on 9368 6200.

6. RISK FACTORS

There are a number of risk factors which could adversely impact Port Bouvard's performance and the value of the Shares. Eligible Shareholders should consider these risk factors before deciding whether to subscribe for New Shares under the Offer. These risk factors include:

6.1 GENERAL RISK FACTORS

Economic conditions - The performance of Port Bouvard may be significantly affected by changes in economic conditions, and particularly conditions which affect the property development sector. Profitability of the business may be affected by factors such as market conditions, interest rates, inflation and consumer demand.

Geo-political factors - Port Bouvard may be affected by the impact that geo-political factors have on the various world economies or the Australian economy or on financial markets and investments generally or specifically.

Australian and foreign government policies & legislation - Port Bouvard may be affected by changes to government policies and legislation, including those relating to property, the environment, taxation and the regulation of trade practices and competition, government grants and incentive schemes.

Sharemarket conditions - Port Bouvard, being a company listed on ASX, is subject to the market forces that influence the broad sharemarket trends and the price of securities of individual companies. Accordingly, assuming that the New Shares are granted official quotation on ASX, they may trade on ASX at higher or lower prices than the issue price.

Each Eligible Shareholder should consider whether shares are a suitable investment before deciding to invest in the New Shares. Any Eligible Shareholder in doubt about investing in shares should consult their stockbroker, accountant, lawyer or other professional adviser immediately.

Other - Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Port Bouvard.

6.2 PORT BOUVARD – SPECIFIC RISK FACTORS

In addition to the above, there are a number of specific risks concerning Port Bouvard of which potential investors should be aware. The following is not an exhaustive summary, but points to some of the risks that are peculiar to the property development sector. Any one or a combination of such risks could affect Port Bouvard adversely and thus the value of any investment in Port Bouvard. The Board is unable to speculate as to the extent of such adversity, and thus an investment in Port Bouvard should be regarded as speculative.

Key personnel risks

The future success of Port Bouvard depends in part on its continued access to experienced and qualified management. The loss of key members of the senior management team could have a material adverse effect on Port Bouvard. While Port Bouvard seeks to ensure that the services of these key personnel are retained, no assurances can be given that Port Bouvard will continue to retain and attract key staff as required by the business.

6. RISK FACTORS

Changes in accounting standards

The way in which the financial performance of the Company is reported is governed by Australian International Financial Reporting Standards (AIFRS). Changes may occur to these standards that impact the way in which results are reported, and the timing and amount of distribution to shareholders.

Distributions

Security holders in Port Bouvard are entitled to participate in distributions of Port Bouvard from time to time but the amount of future distributions or whether a distribution will be made in any given period are not guaranteed by the Company.

Interest rates

Port Bouvard has in place debt facilities subject to interest. Should interest rates move upward this may increase the overall interest cost to Port Bouvard. Similarly where interest rates move down, interest costs may reduce.

Loan finance

Should there be insufficient funds to meet the interest payments on Port Bouvard's debt facilities the financiers may wish to enforce their security over Port Bouvard's assets, and sell those assets.

Recoverability of receivables

As at 31 December 2006 the company had \$52.4 million in receivables, both secured and unsecured. As with all receivables, there is a risk that these will not be recovered.

Risks relating to other projects

There may be contractual, development and commercial risks similar to those discussed below in relation to the Point Grey acquisition and project that are applicable to other Port Bouvard projects.

6. RISK FACTORS

6.3 POINT GREY - SPECIFIC RISK FACTORS

In addition to the above, there are a number of specific risks concerning the Point Grey acquisition and project.

Contractual Risk

If the Point Grey Contract does not proceed for whatever reason and the Company does not acquire the land at Point Grey, the Company's financial performance may be impacted in the following ways:

- reduced future income from the development and sale of land, and an associated reduction in the derivation of project management fees;
- the potential loss of the non-refundable deposit of \$4.6 million paid in relation to the Point Grey Contract;
- the inability to derive income to offset costs incurred to date on the feasibility and planning of the Point Grey Project; and
- potential legal costs involved in the non-completion of the sale.

If there is a legal dispute in respect of the Point Grey Contract, but the Point Grey Land is still acquired by the Company, the Company's financial performance may be impacted in the following ways:

- the Company would likely incur additional legal costs in completing the acquisition; and
- potential delays with the commencement of the Point Grey Project may delay the derivation of income.

Development Risk

Regulatory/Approvals Risk

The majority of the land at Point Grey is currently zoned Urban Deferred, with a minor portion classified as Rural. In order to develop the land, the Company will need to apply to the State Government to have the land zoned Urban.

The following risks apply to zoning/environmental approval:

- The Western Australian Planning Commission may deny the applications for the land to be zoned Urban. Should this occur, the land would not be developable in the manner that the Company intends. This would have a significant impact on future income. "Urban Deferred" zoning provides a strong indication that the land is physically and locationally suitable for urban purposes. However, prior to the transfer of land from "Urban Deferred" zoning to "Urban" zoning, the Western Australian Planning Commission will require evidence that:

6. RISK FACTORS

- * the land is capable of being provided with essential services and agreement has been reached between the developers and service providers with regard to the staging and financing of services;
- * planning is sufficiently advanced to depict an acceptable overall design to guide future development;
- * the proposed urban development represents a logical progression of development;
- * regional requirements (such as regional roads, open space and public purposes) have been satisfied or provision made for them; and
- * any constraints to urban development can be satisfactorily addressed.

There can be no guarantee that the Western Australian Planning Commission will be satisfied of the above, and consequently it could deny the application. Should this occur (or should the Western Australian Planning Commission deny the application for the land to be zoned Urban for any other reason), the land would not be developable in the manner intended by the Company. This would have a significant impact on future income of the Company.

Based on the Urban Deferred zoning and the Board's experience, the Board believes it is likely that Port Bouvard will succeed in having the land zoned as Urban.

- The local council may not approve the proposed structure plan for the site. The current feasibility studies and financial projections are based on certain density levels and therefore lot yields. Should the council determine that the density or planning should be different to that currently designed it may impact the financial performance of the Company.
- Approval for development will require a significant amount of up-front infrastructure work. Planning work undertaken to date assumes a certain approach for each of these works. There is a risk that approving bodies may require alternative approaches, which would potentially increase the actual costs of these works, having a negative impact on profit, or may delay approvals, which would have a negative impact on profit.
- The Company is in the process of conducting an environmental and cultural assessment of the site, and is currently unaware of any issues that may be present. There is a risk that environmental or cultural risks exist on the site, and should any issues become apparent they are likely to increase construction and environmental consulting costs, as well as potentially delay the approval process for certain parts of the Point Grey Project.

Commercial Risk

The following commercial risks apply in relation to the Point Grey Project:

- projections of future financial performance in relation to the Point Grey Project assume a certain level of demand and pricing. A reduction in demand and/or pricing for lots at Point Grey would have a negative impact on the future financial performance of the Company; and
- actual development costs may be higher than those assumed in the financial projections. This would have a negative impact on the future financial performance of the Company.

7. ADDITIONAL INFORMATION

7.1 DISCLOSING ENTITY

Port Bouvard is a disclosing entity for the purposes of the *Corporations Act* and, as such, is subject to regular reporting and disclosure obligations. These obligations include compliance with the requirements of the ASX Listing Rules and the *Corporations Act* concerning notification of information to ASX. Copies of documents lodged at ASIC in relation to Port Bouvard may be obtained from, or inspected at, an office of ASIC. Copies of announcements made to ASX may be viewed at the ASX website.

The following table provides a list of all of Port Bouvard's announcements since lodgement of its most recent annual report:

LIST OF ASX ANNOUNCEMENTS	
19/04/2007	Vendor Finance – Vive Golf Pty Ltd
17/04/2007	Section 708A Notice
10/4/2007	Updated Company Presentation
10/4/2007	Reinstatement to Official Quotation
10/4/2007	Placement and Renounceable Rights Issue
03/04/2007	Suspension from Official Quotation
30/03/2007	Trading Halt
27/03/2007	Change in Additional Company Secretary
08/03/2007	Change of Director's Interest Notice
28/02/2007	Company Presentation
23/02/2007	Change of Director's Interest Notice
22/02/2007	Change of Director's Interest Notice x 3
20/02/2007	Half Yearly Report & Half Year Accounts
13/02/2007	Clarification Letter to Shareholders (17/02/07)
12/02/2007	Letter to Shareholders
12/12/2006	Change of Director's Interest Notice
12/12/2006	Becoming & Ceasing to be a substantial holder
24/11/2006	Results of 2006 AGM
24/11/2006	2006 AGM Presentation
24/11/2006	Dividend Announcement
24/11/2006	Additional Land Acquisition - Point Grey
14/11/2006	Additional Land Acquisition - Peel Region
07/11/2006	Residential Land Joint Venture - Peel Region
02/11/2006	Response to ASX Query

7. ADDITIONAL INFORMATION

During the Offer Period, Port Bouvard will provide, on request by any person, a free copy of its most recent annual report and any continuous disclosure notices lodged by Port Bouvard with ASX after the lodgement of its most recent annual report and before the date of this Prospectus.

7.2 CONTINUOUS DISCLOSURE PROSPECTUS

This Prospectus contains information required under the special prospectus content rules for continuously quoted securities pursuant to section 713 of the *Corporations Act*. This section enables disclosing entities to issue a special prospectus in relation to securities in a class of securities that have been quoted by ASX at all times in the 12 months before the issue of the Prospectus. Apart from formal matters, a continuous disclosure prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on Port Bouvard and the rights attaching to the New Shares. Other general information is not required to be included by a disclosing entity as the periodic reporting and continuous disclosure requirements applicable to disclosing entities mean that all this information should have previously been released to the market.

7.3 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The New Shares will rank equally with and have the same rights and liabilities as the existing Shares.

The rights attaching to Port Bouvard Shares are set out in the Constitution of Port Bouvard and are affected by the *Corporations Act* and the ASX Listing Rules. The following is a summary of key rules in the Constitution of Port Bouvard.

(1) Voting

Subject to any restriction on voting imposed by the ASX Listing Rules or any restriction agreement entered into between Port Bouvard and a Shareholder, every Shareholder present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a show of hands and one vote on a poll for every Share held. A poll may be demanded by the Chairman of the meeting, by at least five shareholders entitled to vote on the resolution or by shareholders with at least 5 percent of the votes that may be cast on the resolution on a poll.

(2) General meetings

Each Shareholder is entitled to receive notice of and to attend general meetings of Port Bouvard and to receive all notices, accounts and other documents required to be sent to Port Bouvard under the Constitution of Port Bouvard, the *Corporations Act* or the ASX Listing Rules.

(3) Dividends

Where dividends are payable out of Port Bouvard's profits they will be declared by the Board. Dividends declared will (subject to any special rights or restrictions attaching to a class of Shares created under any arrangement as to dividend) be payable on Shares in accordance with the *Corporations Act*.

7. ADDITIONAL INFORMATION

(4) Transfer of Shares

A Shareholder may transfer Shares by a proper transfer effected in accordance with any computerised or electronic system established or recognised by ASX or the *Corporations Act* or by an instrument in writing which is a sufficient instrument under the *Corporations Act*, a form approved by ASX, in any other usual or common form or in any other form approved by the Board. The Board may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the Constitution of Port Bouvard and the ASX Listing Rules.

(5) Issue of Shares

The Board may (subject to the restrictions on the issue of Port Bouvard Shares imposed by the Constitution of Port Bouvard, the ASX Listing Rules or the *Corporations Act*) issue, grant options in respect of, or otherwise dispose of further Shares as they see fit.

(6) Winding up

Subject to any special or preferential rights attaching to any class or classes of Shares, on a winding up of Port Bouvard a liquidator may, with the authority of a special resolution of the Shareholders, divide among the Shareholders in kind the whole or any part of the property of Port Bouvard in proportion to the Shares held by them respectively. The liquidator may for that purpose set the value he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator may, with the sanction of a special resolution of the Shareholders, vest the whole or any part of the assets in trust for the benefit of Shareholders.

(7) Shareholder liability

As the Shares are fully paid shares, they are not subject to any call for money by the Board and will therefore not become liable for forfeiture.

(8) Alteration to the constitution

The Constitution of Port Bouvard can only be amended by a special resolution passed by at least three quarters of the votes of the Shareholders present and voting at a general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(9) ASX listing rules

Because Port Bouvard is listed on the ASX official list, notwithstanding anything in the Constitution of Port Bouvard, if the ASX Listing Rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution of Port Bouvard by the ASX Listing Rules, the Constitution will be treated as containing that provision. If any provision of the Constitution of Port Bouvard becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

7. ADDITIONAL INFORMATION

7.4 POINT GREY CONTRACT

Point Grey Development Company Pty Ltd (ACN 122 607 845) (Point Grey Development) is a wholly owned subsidiary of the Company and entered into a contract to purchase the property known as Murray Locations 672, 138, 139 and 1132 on 23 November 2006. The purchase price is \$92,000,000 (plus GST) and the contract is due to settle on 20 June 2007. A non-refundable deposit of \$4,600,000 has been paid. Port Bouvard has guaranteed the performance of this contract.

Point Grey Development has agreed to grant the seller a lease of the property to continue its farming operations. The lease will continue until Point Grey Development gives notice to the seller that it is to commence development works on the property. The rent will be nominal.

7.5 UNDERWRITING AGREEMENT

The Company has entered into an underwriting agreement with Euroz Securities Limited.

Under the terms of the Underwriting Agreement, the Underwriter is entitled to an underwriting commission of 5% of the net of the total funds raised by the Offer less the total funds raised from the Directors (to the extent they are entitled to shares personally or through a related entity). The Underwriter is also entitled to an underwriting commission of 2.5% of the total funds raised from the Directors.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer.

The Underwriter is responsible for paying all sub-underwriting fees, handling fees, brokerage and other charges incurred by them in procuring valid applications.

If there is a Shortfall, the Underwriter must, subject to the Underwriting Agreement, within 9 business days after the Closing Date of 21 May 2007, lodge or cause to be lodged with the Company applications for the underwritten shares comprising the Shortfall (including the application money).

The Company has made a number of representations and warranties under the Underwriting Agreement, including that this Prospectus complies with the requirements of the *Corporations Act* and that the Company has complied with its continuous disclosure requirements. The Company has indemnified the Underwriter and its Directors, officers, employees and advisers against losses arising if these representations and warranties are wrong, and against claims in relation to the issue of this Prospectus.

The Underwriter may terminate the Underwriting Agreement and be released from its obligations on the happening of any of the events listed below. With regard to events in (p) below, the Underwriter must first determine reasonably and in good faith that the event has or would have a material adverse effect on the Offer, or could create a potential liability for the Underwriter under the *Corporations Act*.

Defined terms in items (a)-(p) below have the same meaning as given to them in the Underwriting Agreement.

- (a) **(Indices fall):** the S&P/ASX 200 Index is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; or

7. ADDITIONAL INFORMATION

- (b) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; or
 - (c) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX within 7 days of the Lodgement Date; or
 - (d) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in paragraph(p)(iv), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the *Corporations Act* and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
 - (e) **(Non compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Shares;
 - (f) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711,713 and 716 of the *Corporations Act*) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
 - (g) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Shares within the time required by this Agreement, the *Corporations Act*, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
 - (h) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
 - (i) **(ASIC application)**: an order is made under Section 1324B or any other provision of the *Corporations Act* in relation to the Prospectus;
 - (j) **(ASIC hearing)**: ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the *Corporations Act*;
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7. ADDITIONAL INFORMATION

- (k) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the *Corporations Act*, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (l) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union (Specified Countries) other than hostilities involving Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by paragraph(a) of this Agreement;
- (m) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (n) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (o) **(Introduced Parties)**: any of the Introduced Parties do not take up their full entitlements or threaten to not take up their full entitlements as set out in the definition of "Introduced Parties" in Section 1; or
- (p) **(Termination Events)**: any of the following events occurs:
 - (i) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the *Corporations Act*, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (v) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was materially false, misleading or deceptive or that there was a material omission from them;

7. ADDITIONAL INFORMATION

- (vi) **(Significant change)**: a "new circumstance" as referred to in Section 719(1) of the *Corporations Act* arises that is materially adverse from the point of view of an investor;
- (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus;
- (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Official Quotation qualified)**: the official quotation is qualified or conditional other than as set out in clause 1.3;
- (x) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$500,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Issue, a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the *Corporations Act* is publicly announced in relation to a Relevant Company;

7. ADDITIONAL INFORMATION

- (xviii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 5 Business Days;
- (xix) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the *Corporations Act* or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified; or
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

A copy of the Underwriting Agreement may be inspected at Port Bouvard's office at Level 2, 129 Melville Parade, Como WA 6152.

7.6 ESPERANCE DEVELOPMENT

On 21 July 2006 Esperance Development Company Pty Ltd (ACN 120 581 561) (a wholly owned subsidiary of the Company) entered into a Heads of Agreement with a landowner regarding the potential development of land at Esperance.

The Heads of Agreement provided for a six month period of exclusivity which expired on 21 January 2007. Although the exclusivity period has expired, the Company is continuing to evaluate its options and negotiate with the landowner regarding the development. The Company will keep the market informed of material developments in this regard.

7.7 PRIVACY

Port Bouvard collects information about each Eligible Shareholder provided on the Entitlement and Acceptance Form and Renunciation and Transfer Form (if required) for the purpose of processing applications for New Shares, and to administer the Eligible Shareholder's security holding in Port Bouvard.

By submitting an Entitlement and Acceptance Form or Renunciation and Transfer Form, each Eligible Shareholder (or other person consenting to submitting the relevant form) agrees that Port Bouvard may use the information

7. ADDITIONAL INFORMATION

provided on those forms for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to Port Bouvard's share registry, related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The *Corporations Act* requires Port Bouvard to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in Port Bouvard's public registers must remain there even if that person ceases to be a security holder of Port Bouvard. Information contained in Port Bouvard's register is also used to facilitate distribution payments and corporate communications (including Port Bouvard's financial results, annual reports and other information that Port Bouvard may wish to communicate to its security holders) and compliance by Port Bouvard with legal and regulatory requirements.

If the information required on an Entitlement and Acceptance Form or Renunciation and Transfer Form is not provided, Port Bouvard may not be able to accept or process the application.

A Shareholder has a right to gain access to the information that Port Bouvard holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Port Bouvard's registered office.

7.8 DISCLAIMER

The information contained in sections 4 and 5 of this Prospectus does not represent any forecast or projection as to the future revenue or profitability of Port Bouvard. See section 6 regarding risk factors generally in respect of your decision on whether to take part in the Offer.

7.9 CHESS AND ISSUER SPONSORSHIP

Port Bouvard participates in CHESS. All trading on ASX in Shares is, and in New Shares will be, settled through CHESS. ASTC, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules. Computershare Investor Services Pty Limited operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute Port Bouvard's principal register of Shareholders.

Holders of New Shares will not receive a share certificate but will receive a statement of their holding. If an Eligible Shareholder is sponsored by a broker or other participant in CHESS, that person will receive a CHESS statement which will set out the number of New Shares issued to them under this Prospectus, provide details of their HIN (holder identification number), and provide the participant identification number of the sponsor.

If applicants are registered on the issuer-sponsored sub-register, their holding statement will contain the number of New Shares issued to them under this Prospectus and their SRN (security-holder reference number).

A CHESS statement or issuer-sponsored statement will be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

7. ADDITIONAL INFORMATION

7.10 REMUNERATION

The Constitution contains provisions as to the remuneration of the Directors.

From 1 July 2005 the maximum aggregate amount that may be paid to the non-executive Directors is \$400,000 for each financial year.

7.11 INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director of Port Bouvard, and no firm in which a Director or proposed Director of Port Bouvard is a partner, holds, or held at any time during the last two years before the date of this Prospectus, any interest in the formation or promotion of Port Bouvard, any property acquired or proposed to be acquired by Port Bouvard in connection with its formation or promotion or in connection with the Offer.

Other than as set out below no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed Director of Port Bouvard in the last two years:

- (1) to induce them to become, or to qualify them as, a Director; or
- (2) for services rendered by them in connection with the formation or promotion of Port Bouvard or in connection with the Offer.

Directors are not required under Port Bouvard's Constitution to hold any Shares in Port Bouvard.

The Directors disclose their relevant interests (whether the shareholding is held in their personal name or otherwise) in Shares as at the date of this Prospectus as follows:

NAME	ORDINARY SHARES	ENTITLEMENT UNDER OFFER
Michael Perrott	3,668,074	2,934,459
Ross Neumann	8,287,418	6,629,934
Ian Macliver	450,000	360,000
Rick Crabb	539,243	431,394

Mr Perrott, Mr Macliver and Mr Crabb have undertaken to apply for all New Shares to which they are entitled under the Rights Issue. Mr Neumann has undertaken to cause his related entities to apply for a minimum of 5.9 million of the New Shares to which they are entitled under the Offer (approximately 90% of their Entitlement).

7. ADDITIONAL INFORMATION

Non-Cash Benefits are paid to Directors in the form of discounts granted on the purchase of land. Such discounts do not exceed the maximum amount below list price that Port Bouvard would be prepared to sell the land in the marketplace. Such benefits are determined by the Board, with consideration given to Port Bouvard's overall performance, increase in shareholder value, and the contribution of and demands placed upon the Directors.

The Directors disclose the following Non-Cash benefits received during last two years before the date of this Prospectus:

NAME	NON-CASH BENEFITS (\$)
Michael Perrott	-
Ross Neumann	420,548
Ian Macliver	-
Rick Crabb	66,750

7.12 INTERESTS OF OTHER PERSONS

Port Bouvard has paid or agreed to pay the following amounts to the following persons in connection with the Offer:

Underwriter: An equity raising fee of approximately \$3.9 million, being 5% of the total funds raised under the Offer other than in relation to funds raised from the Directors under the Offer, in respect of which the fee is 2.5%.

Deacons: Fees for professional services undertaken as Australian legal advisers to Port Bouvard in connection with the Offer and the Placement of approximately \$80,000 as at the date of this Prospectus, plus disbursements (estimated to be no more than \$10,000).

Various suppliers: Fees for other services provided including the Registry, printing and mailing, ASIC fees, and ASX fees of approximately \$40,000 in total.

Members and staff of the above companies, firms or their associates may be Eligible Shareholders.

Other than as set out above or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of Port Bouvard or the Underwriter involved in the Offer holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in the formation or promotion of Port Bouvard, any property acquired or proposed to be acquired by Port Bouvard in connection with its formation or promotion or in connection with the Offer, and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of Port Bouvard or in connection with the Offer.

7. ADDITIONAL INFORMATION

7.13 CONSENTS AND DISCLAIMERS

The following persons have given and not withdrawn their written consents to be named in the Prospectus in the form and context in which they are named:

- (1) Euroz Securities Limited (as an Underwriter);
- (2) Deacons (Australian legal advisers to Port Bouvard in relation to the Offer); and
- (3) Computershare Investor Services Pty Limited (Registry).

Each of the persons named in this section 7.13 has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus or on which a statement in this Prospectus is said to be based, except to the extent set out in that person's consent above, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus except to the extent set out in that person's consent above. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as the Share Registrar to the Company.

7.14 COSTS AND EXPENSES OF THE OFFER AND PLACEMENT

The total costs and expenses of the Offer and Placement payable by Port Bouvard are estimated as follows:

Underwriter's fees and expenses - Offer	\$3,900,000
Underwriter's fees and expenses - Placement	\$950,000
Legal fees and expenses	\$110,000
Other costs including share registry services, printing and mailing, ASIC fees, and ASX quotation fees.	\$40,000
Total	\$5,000,000

7. ADDITIONAL INFORMATION

7.15 GOVERNING LAW

This Prospectus and the contracts which arise on acceptance of Entitlement and Acceptance Forms are governed by the law applicable in the State of Western Australia, Australia and each applicant submits to the non-exclusive jurisdiction of the courts of the State of Western Australia, Australia.

7.16 CONSENTS TO LODGEMENT

Each Director of Port Bouvard has given, and has not withdrawn, his consent to the lodgement of this Prospectus with the ASIC.

7.17 DIRECTORS' CONSENT

This Prospectus is signed on 23 April 2007 by Michael Perrott on behalf of the Directors, each of whom has consented to the signature, lodgement and issue of this Prospectus.



Michael Perrott

Chairman

8. DEFINITIONS

\$	Australian dollars (and references to cents are to Australian cents) unless otherwise indicated
APPLICATION MONIES	Monies paid by Eligible Shareholders in respect of the New Shares they apply for
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691
ASX LISTING RULES	The official listing rules of ASX
BOARD	The board of directors of Port Bouvard
BUSINESS DAY	An Australian business day that is not a Saturday, Sunday, or any other day which is a public holiday or bank holiday in the place where an act is to be performed or a payment is to be made
CLOSING DATE	5.00pm, Monday 21 May 2007 (unless extended)
CONSTITUTION	The constitution of Port Bouvard as amended from time to time
CORPORATIONS ACT	<i>Corporations Act 2001 (Cth)</i>
DIRECTOR	A director of the Company
ELIGIBLE SHAREHOLDERS	Those Shareholders who have a registered address in Australia and New Zealand and who are registered as holders of Shares as at the Record Date
ENTITLEMENT	The entitlement to 4 New Shares for every 5 Shares held at 7.00pm (WST) on the Record Date
ENTITLEMENT AND ACCEPTANCE FORM	The entitlement and acceptance form that is attached to this Prospectus
GST	Goods and services or similar tax
INELIGIBLE SHAREHOLDERS	Shareholders with registered addresses outside of Australia and New Zealand
ISSUE AND RIGHTS ISSUE	The pro rata renounceable rights issue offered in this Prospectus
ISSUE PRICE	\$1.60 per New Share
NEW SHARE	A Share to be issued pursuant to this Prospectus at \$1.60 per Share
OFFER	Offer of New Shares under this Prospectus
OFFER PERIOD	The period from 23 April 2007 until 5.00pm (WST) on the Closing Date.

8. DEFINITIONS

PLACEMENT	The placement of Shares described in section 2.16 and elsewhere in this Prospectus
POINT GREY CONTRACT	The contract between Port Bouvard and the vendor to acquire approximately 275 hectares of land on the eastern shore of the Peel - Harvey inlet, as more fully described in section 7.4
POINT GREY PROJECT	The acquisition of approximately 275 hectares of land on the eastern shore of the Peel-Harvey inlet and the development of that land as residential housing lots and ancillary developments
PORT BOUVARD OR COMPANY	Port Bouvard Limited ABN 12 009 134 114
PROSPECTUS	This prospectus dated 23 April 2007
RECORD DATE	3 May 2007
RELATED BODY CORPORATE	Has the meaning ascribed to it in section 9 of the <i>Corporations Act</i>
RENUNCIATION AND TRANSFER FORM	The form required to be completed in order to transfer your Rights to another person, other than on ASX, and available on request from the Registry
REGISTRY	Computershare Registry Services Pty Ltd ABN 48 078 279 277
RIGHT	A right to subscribe for a New Share under the Offer
SENIOR MANAGEMENT	Senior management of the company described in section 4.5
SHAREHOLDER	A person who holds Shares
SHARE	An ordinary share in the capital of Port Bouvard
SHORTFALL	Those New Shares not subscribed for by way of an application pursuant to this Prospectus by 5.00 pm (WST) on the Closing Date
UNDERWRITER	Euroz Securities Limited ACN 089 314 983
UNDERWRITING AGREEMENT	The underwriting agreement described in 7.5
WST	Western Standard Time

9. CORPORATE DIRECTORY

DIRECTORS OF PORT BOUVARD

Mr Michael Perrott
Chairman

Mr Ross Neumann
Managing Director

Mr Ian Macliver
Non-Executive Director

Mr Rick Crabb
Non-Executive Director

COMPANY SECRETARY

Mr Niels Kroyer

REGISTERED OFFICE

Level 2, 129 Melville Parade
Como WA 6152
Telephone: (08) 9368 6200
Facsimile: (08) 9368 6211
<https://www.portbouvardltd.com.au/>

UNDERWRITER

Euroz Securities Limited
Level 14, 1 William Street
Perth WA 6000
Telephone: (08) 9488 1400
Facsimile: (08) 9488 1458
<https://www.euroz.com.au/>

SOLICITORS

Deacons
RACV Tower
485 Bourke Street
MELBOURNE VIC 3000
Telephone: (03) 8686 6000
Facsimile: (03) 8686 6505
www.deacons.com.au

9. CORPORATE DIRECTORY

REGISTRY

Computershare Registry Services Pty Ltd
Level 2, 45 St George's Terrace
Perth WA 6000

Mail Entitlement and Acceptance forms to:

Computershare Registry Services Pty Ltd
GPO Box D182
Perth WA 6001

Facsimile: +61 8 9323 2033

Telephone: Within Australia 1300 55 70 10
Outside Australia +61 8 9323 2000

www.computershare.com.au



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PORT BOUVARD LIMITED

Port Bouvard Limited

ABN 12 009 134 114

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