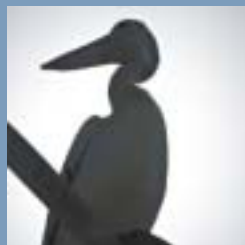


# PROSPECTUS

PEET BEACHTON  
SYNDICATE LIMITED

ACN 117 351 514



This issue is fully underwritten by Peet Limited ACN 008 665 834  
The project will be managed and marketed by Peet Limited

For the issue of 12,000,000 shares at \$1.00 each, payable by instalments

## **Important Notice**

This document is important and should be carefully read in its entirety. Before deciding whether to subscribe for shares, you should consider whether investment in this Company, the underlying assets being land in Beachmere, Queensland and land in Melton, Victoria, is suitable for you. If you are in doubt as to whether you should invest, you should consult a suitably qualified professional adviser.

This Prospectus is dated 18 May 2007 and was lodged with the Australian Securities and Investments Commission on 18 May 2007. No shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. ASIC takes no responsibility for the contents of this Prospectus.

The offer in this Prospectus closes on 29 June 2007 subject to the right of the Underwriter to vary this closing date.

The Prospectus does not constitute an invitation or offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of the Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus will be made generally available during the period of 7 days after lodgement of the Prospectus at ASIC or such longer period as ASIC may require ('Exposure Period') by being posted on Peet Limited's internet site [www.peet.com.au/beachton](http://www.peet.com.au/beachton). In addition, copies of the Prospectus will be available on request by calling Toll Free No. 1-800-689-778 during the Exposure Period. Copies requested will be sent by way of paper copy, facsimile or by electronic mail as determined by the Company.

Applications for shares under this Prospectus will not be processed until after expiry of the Exposure Period for this Prospectus under the Corporations Act. No preference will be conferred on applications received in the Exposure Period.

The purpose of the Exposure Period is to enable examination of the Prospectus by market participants prior to the raising of funds. That examination may result in identification of deficiencies in the Prospectus and in those circumstances any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

No development has commenced on either of the Company's properties and the photographs in this Prospectus do not necessarily represent either property or its intended development. The photograph shown on the front cover is of the Beachmere Property, with the marked boundaries being indicative only.

### **Australian Financial Services Licence**

Peet Limited holds an Australian Financial Services Licence (Licence No: 225772) issued by the Australian Securities and Investments Commission (ASIC) pursuant to the Corporations Act 2001 (Cth). This Licence authorises Peet Limited to, among other things, carry on a financial services business to deal in specified financial products.

# CHAIRMAN'S INTRODUCTION

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Dear Investor

I have pleasure in offering you the opportunity to invest in a new syndicate offering investors the benefits of diversity through participation in a company with residential development projects in both Beachmere, Queensland and Melton West, Victoria.

Peet Beachton Syndicate Limited will develop these properties and I provide below a brief summary of this exciting investment opportunity and invite you to examine the rest of this Prospectus in detail.

## THE PROJECTS

The Company has contracted to purchase properties suitable for residential development in Beachmere, Queensland and Melton, Victoria.

Beachmere is a coastal community adjoining Moreton Bay at the estuary of the Caboolture River approximately 40 kilometres north of Brisbane and 10 kilometres from the established Caboolture Town Centre. The property enjoys frontage to the Caboolture River and is just 800 metres from the Moreton Bay beachfront.

The Caboolture Town Centre is a significant regional centre that provides comprehensive community infrastructure including commercial, retail, educational, medical, entertainment and social facilities for an immediate population of some 130,000 people.

The Beachmere Property has existing planning approvals for 152 residential lots, many benefiting from uninterrupted water views. These approvals will permit the construction of phase 1 to commence shortly after the Prospectus is closed.

Melton is a well established suburb located approximately 36 kilometres north-west of Melbourne. It provides regional community amenities including commercial, retail, educational, medical, entertainment, social and recreational facilities for an immediate population in the order of 83,000 people.

The Melton Property comprises four adjoining properties with a combined area of approximately 43 hectares anticipated to yield 524 residential lots and one Integrated Housing site.

It is intended that development of the Melton Property will commence immediately following rezoning and receipt of the required planning approvals. The Melton Consulting Town Planner has advised that it is reasonable to expect rezoning and planning approvals to be obtained within 18 months.

## THE OFFER

This offer of shares will raise equity toward the costs of acquiring the properties and the costs of the Issue.

The offer is for the issue of a minimum of 12,000,000 and a maximum of 15,000,000 shares at \$1.00 each. Payment for the shares will be 50¢ per share on application and 50¢ per share on 15 June 2008.

## MANAGEMENT

The Directors of the Company are all well known and highly regarded in the property industry and have many years experience in the development and marketing of residential land estates. The Company will be managed by Peet Limited, which has successfully acquired, managed and marketed many similar land developments.

Peet Limited was founded in 1895 and has traded continually since. It listed on the ASX in August 2004. It is one of Australia's largest and most successful managers and marketers of land subdivisions for housing estates.

Peet Limited, its subsidiaries and syndicates under management produced before tax profits for investors for the 2006 financial year of \$160 million. These entities sold a total of 2,832 lots in that financial year.

In addition, Peet Limited is committed to environmental excellence and sustainability and has been recognised as setting benchmarks within these fields. The many awards and accolades won in recent years are testament to the quality of the land estates and communities it has created.

## RETURNS

It is intended that as profits emerge from the sale of lots fully franked dividends will be paid to shareholders. Capital will also be returned progressively as funds, taxation legislation and the Corporations Act permit.

The Company is forecasting an average compound return on outstanding capital of 17.0% per annum, with the first dividend payment expected in December 2010. Please refer to the Profit Forecast Assumptions and Profit Forecasts on pages 12 to 15 for details.

## RISKS

Whilst the Directors of the Company have many years experience in the property industry and Peet Limited has an excellent record in profitably managing similar projects, there are risks associated with any land development which may adversely impact on the Company. Please refer to the risks highlighted on pages 18, 19 and 20 of the Prospectus.

The Directors believe this is an excellent opportunity to participate in a Company offering diversity with residential developments in Queensland and Victoria. The Company offers the prospect of strong profit performance and dividends under proven management.

The Directors commend it to you and invite you to become a shareholder of Peet Beachton Syndicate Limited.

Yours faithfully



Tony Lennon  
Chairman  
Peet Beachton Syndicate Limited

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## INVESTMENT SUMMARY

This is an offering of shares in a new public company, established by Peet Limited for the purchase of properties in Beachmere, Queensland and Melton, Victoria for subdivision and the sale of the resultant residential lots.

This Peet Limited syndicate offers the benefit of investment in two unique locations, one a suburb of Melbourne, Australia's fastest growing capital city and the other a waterfront location in South East Queensland.

The Company seeks to raise a minimum of \$12,000,000 and a maximum of \$15,000,000 through the issue of shares at \$1.00 each.

The share price is payable in instalments of \$0.50 per share with the application and the balance of \$0.50 per share on 15 June 2008.

The minimum Capital Raising of \$12,000,000 is fully underwritten by Peet Limited pursuant to an Underwriting and Capital Raising Coordination Agreement.

Capital raised through this issue will go toward the costs of acquiring the Property, the repayment of debt and the costs of the Issue. Refer to page 36.

As any profits emerge from the subdivision of the properties and the sale of resultant lots, dividends will be paid to shareholders. These are intended to be fully franked. Refer to the section titled 'Dividend Policy' on page 24.

Capital will be returned progressively to shareholders as funds, taxation legislation and the Corporations Act allow.

Forecast profits and average annual compound return on outstanding capital before tax are as set out on page 15. This must be considered in conjunction with the sections entitled 'Profit Forecast Assumptions', 'Sensitivity Analysis' and 'Risks' on pages 12 -14, 16-17 and 18-20.

This is a single purpose Company and following completion of the projects, the Company will be voluntarily wound-up with any remaining profits and capital being returned to shareholders.

It is not intended that the shares be listed on the Australian Securities Exchange. Shares in the Company should be considered illiquid because it is unlikely that there will be an established secondary market for the shares.

This investment proposal is similar to many others which have been successfully and profitably managed by Peet Limited, one of Australia's largest managers and marketers of housing estates on behalf of its syndicated investor clients.

There are risks associated with land development and the projects. Investors are requested to refer to pages 18 to 20 for further information and to take advice from their own advisers as required.

### KEY DETAILS

Offer Shares	Minimum of 12,000,000 and maximum of 15,000,000 ordinary shares
Share Price	\$1.00 per share
First Instalment	\$0.50 per share payable on Application
Second Instalment	\$0.50 per share payable 15 June 2008
Minimum Investment	5,000 shares and thereafter in increments of 1,000 shares
Offer Closes	29 June 2007 or as varied by the Directors or Underwriter
First Divided Distribution	December 2010
First Capital Return (note: regular returns of capital are intended)	December 2010
Company Wound Up	December 2015

Note: Although dividend distributions, capital returns and project completion are expected to occur at the times set out above, this should not be taken as a representation by any party that these events will occur at the times indicated.

	Beachmere	Melton	Total
Area (Ha)	18.6 hectares	43.1 hectares	61.7 hectares
Lots	152 lots	525 lots	677 lots
AVG Sale Price Incl GST (pre-escalation)	\$211,775	\$90,000	-
Construction Commences	July 2007	March 2009	-
First Settlement	January 2008	September 2009	-
Final Settlement	June 2010	August 2015	-

## WHY INVEST IN THIS SYNDICATE?

The syndicate offers diversity through the acquisition of landholdings in South East Queensland and metropolitan Victoria.

The Beachmere Project in South East Queensland has planning approvals in place, enabling the Company to commence development of this project in the short term. Settlements from the sale of lots in the Beachmere Project are expected to commence early 2008.

The Beachmere Project will provide an early cash flow to the Company.

The Melton Project provides the Company with an opportunity to develop an affordable land estate, only 38 kilometres from the Melbourne Central Business District. Rezoning of the property is required.

The Company is structured to have minimal overheads.

Company Management, Project Management and Marketing fees payable to the Manager are only payable on the settlement of lot sales.

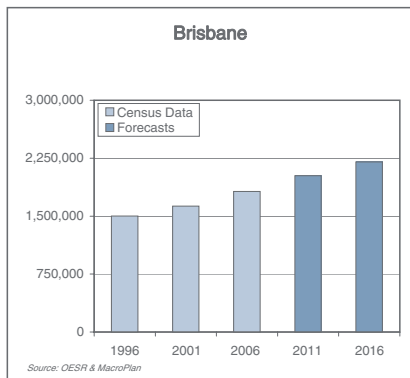
The Company is managed by Peet Limited which has 112 years history in subdivision development and marketing.

The Directors of the Company and the Manager are all well known and highly regarded in the property industry.

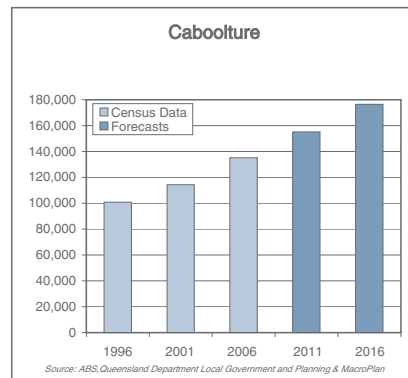
This Prospectus has been subject to rigorous due diligence.

There are risks associated with land development and the Projects. Investors are requested to refer to pages 18 to 20 for further information and to take advice from their own advisers as required.

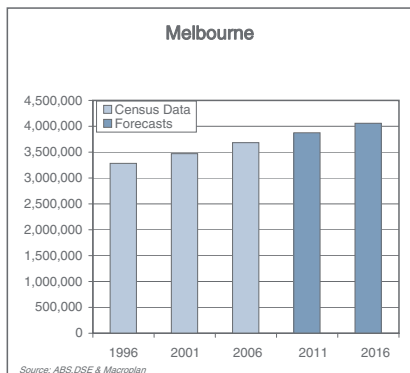
## STRONG POPULATION GROWTH



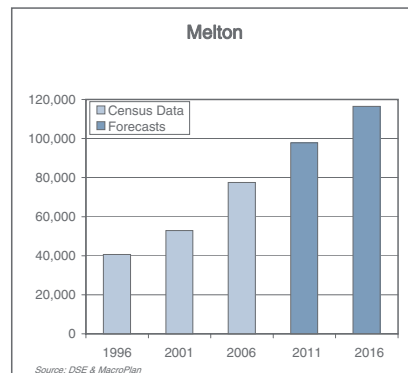
Population: Metropolitan Brisbane



Population: Caboolture Shire Council



Population: Metropolitan Melbourne



Population: Shire of Melton

# THE BEACHMERE PROJECT

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## OVERVIEW

The Beachmere Project proposes the development and marketing of approximately 18.6 hectares of riverfront land in Beachmere. Development of the first stage of this project is expected to commence in July 2007, and accordingly the marketing concept for the development is well advanced. It is proposed that the estate will be marketed as 'Trinity Waters'.

The Queensland economy and property market continues to grow strongly being fuelled by rapid population growth, the resources boom and a vibrant tourism sector. In fact, the Queensland economy grew faster than all states, and the nation as a whole, in the decade to 2005-06. Strong economic growth is expected to continue in Queensland.

## LOCATION



Beachmere is a beachside suburb located within the Caboolture Shire Council some 40 kilometres north of Brisbane. The Caboolture Town Centre is located approximately 10 kilometres from Beachmere, providing a comprehensive range of established retail, commercial, education, community and recreational facilities.

The region will benefit from a significant amount of public and private investment in the coming years. The \$880 million Northeast Business Park proposes a major integrated business, residential and recreational precinct to be built on a 760 hectare site. Importantly the Northeast Business Park project has been declared a state significant project that will generate the equivalent of 9,000 full time jobs when fully operational. In addition, the \$54 million Caboolture Central project has recently been commenced by Council.



Beachmere will also benefit from the new \$7 million Beachmere Village Shopping Centre and Tavern, as well as \$2.4 million budgeted by the Caboolture Shire Council to provide a face lift to the Beachmere Town Centre and improve local open space and traffic management.

The Caboolture Shire Council is the tenth fastest growing local government authority in Australia, with a population of approximately 130,000 people. The Shire is expected to continue to grow significantly over the next 20 years, with the population increasing to around 193,500 persons.



Caboolture is expecting a significantly higher level of population growth compared to Brisbane and Queensland, which may be indicative of a further sea change movement and greater employment growth in the area. The Shire has accounted for approximately 8% of the total South East Queensland population growth between 1986 and 2004.

Coastal townships such as Beachmere have also long been the destination of retirees seeking a peaceful, affordable lifestyle at the doorstep to the renowned boating and fishing areas of Deception Bay, Moreton Bay, Pumicestone Passage and the Caboolture River. The region is also popular amongst young families due to the relative affordability of housing.

## THE PROPERTY

Two river front landholdings totalling approximately 18.6 hectares combine to create the Beachmere Property. Both landholdings include an existing waterbody which will be enhanced to become a feature of Trinity Waters.

The Beachmere Property enjoys excellent access to Brisbane via the Bruce Highway with a highway access point located only 10 kilometres to the west.

The Beachmere Property adjoins existing residential housing to the east and south, and rural landholdings to the north. The proposed residential development will be accessed by four existing roads.

## THE BEACHMERE PROJECT

### PROPERTY ACQUISITION

The Company has entered into two Put and Call Option Agreements dated 8 June 2006 with Cold Spring Investments Pty Ltd (ACN 010 199 961) as trustee under Instrument 709197039 and Sugar Road Pty Ltd (ACN 009 748 752) as trustee under Instrument 709197039 to purchase:

1. Lot 115 Fiona Street, Beachmere; and
2. Lot 4 Weeroona Avenue, Beachmere,

the two lots forming the Beachmere Property.

The Company has settled the acquisition of Lot 4 Weeroona Avenue, Beachmere. The Company may exercise the Call Option to purchase Lot 115 Fiona Street, Beachmere pursuant to the Put and Call Option Agreement between 2 July 2007 and 4 July 2007 with settlement to be effected on 14 September 2007.

Property	Contract Price	Area
Lot 4 Weeroona Avenue	\$4,252,632	7.99 hectares
Lot 115 Fiona Street	\$5,847,368	10.61 hectares
<b>Total</b>	<b>\$10,100,000</b>	<b>18.60 hectares</b>

Lot 4 Weeroona Avenue has been acquired under the Margin Scheme whilst Lot 115 Fiona Street has been acquired under the general GST provisions. The contract prices noted above are inclusive of GST.

Home Wilkinson Lowry is attending to the legal matters associated with the acquisition of the Beachmere Property and conducted various searches and enquiries on behalf of the Company with respect to title particulars, company searches for the vendor companies, Queensland Transport, Queensland Rail, Powerlink, Energex, Contaminated Land Register, Environmental Management Register, Shire of Caboolture, Heritage and Cultural Heritage.

### THE SUBDIVISION CONCEPT

Jones Flint & Pike (the Beachmere Consulting Town Planner), a multi disciplinary consultancy with considerable experience in the Caboolture region and who acted for the previous owner in obtaining the planning approvals, is advising the Company on town planning issues relating to the Beachmere Property.

The Beachmere Project benefits from an approved subdivision layout providing for the development of 152 residential lots. The Approved Concept Plan has formalised the existing waterbodies into features that will considerably improve the attractiveness of the riverfront location.

The waterbody is intended to draw the Caboolture River influence into the development. This direct water influence will be a unique feature when compared with other housing developments in the Beachmere area. As a result more than 50 lots will benefit from uninterrupted water views.

Due to the environmental significance of the Caboolture River estuary, the proposed development will create a controlled waterbody regulated by a weir as opposed to a navigable, tidal canal system.

Cardno (Qld) Pty Ltd (the Beachmere Consulting Engineer), a member of the internationally recognised Cardno Group, has significant experience in developments in the Caboolture region and is advising on the servicing and development requirements for the Beachmere Property.

The Beachmere Consulting Engineer has indicated that the operational works approval required to commence development of the Beachmere Property, is expected to be received by June/July 2007. The preliminary development cost estimate for the Beachmere Project is approximately \$83,000 per residential lot.

The reports from the Beachmere Consulting Town Planner and Beachmere Consulting Engineer have been provided on pages 46 and 49 respectively. The Directors encourage potential investors to read these reports.

# THE BEACHMERE PROJECT

## LOCATION PLAN



# BEACHMERE - APPROVED CONCEPT PLAN



**NOTES**  
 (1) This plan is derived from approved plans M1681-43C and M1681-09C.  
 (2) Graphics on parks, footpath and roads are indicative only.  
 (3) This plan may not be photocopied unless this note is included.

**PROPERTY DESCRIPTION**  
 LOT 4 ON RP950609 &  
 LOT 115 ON RP154336  
 PARISH OF TOORLEA  
 COUNTY OF CANNING  
 TOTAL AREA 19.8 ha  
 MERIDIAN RP148863

**LEGEND**  
 CONVENTIONAL LOTS (800 square metres and larger)  
 SMALL LOTS (Between 450 and 799 square metres)

**JONES FLINT & PIKE**  
 ARCHITECTS, ENGINEERS, PLANNERS, ENVIRONMENTAL DESIGNERS  
 100/102 GARDNER STREET, PERTH WA 6000  
 TEL: (08) 9442 2222 FAX: (08) 9442 2223  
 www.jonesflintandpike.com.au

SCALE 1:2500  
 DATE 15/08/2014  
 DRAWN BY J.P.  
 CHECKED BY J.P.  
 APPROVED BY J.P.

**THE BEACHMERE PROJECT**  
 PEET BEACHTON SYNDICATE LIMITED  
**APPROVED CONCEPT PLAN**

PROSPECTUS VERSION  
 sheet 1 of 1 sheets  
 Drawing number  
**M1681-15**  
 No. of pages  
 M1681-15 prospectus.dwg  
 Date: 15-Aug-2014

# THE MELTON PROJECT

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## OVERVIEW

The Melton Project provides the Company with an opportunity to create a quality, affordable land estate in the Melbourne housing market. At an average price of \$90,000 and only 38 kilometres from the Melbourne Central Business District, the Melton Project will offer an appealing product to many new homebuyers.

Victoria has been experiencing significant population growth in recent years, being driven by a robust economy, an excellent transport and infrastructure network and lifestyle opportunities. Melbourne was the fastest growing capital city in Australia between 2004-05 and 2005-06, with nearly 49,000 new people moving into the metropolitan area during this period

## LOCATION



The Melton-Caroline Springs corridor is identified within the Victorian Government's Melbourne 2030 Planning for Sustainable Growth document as one of Melbourne's five identified growth corridors. Within Melbourne 2030, Melton has been identified as supporting two major activity centres, being places where public transport, retail, office, service and residential amenity will be co-located.

The Shire of Melton is a vibrant, rapidly growing community providing an urban-rural lifestyle to residents, along with the benefits of a close proximity to Melbourne, easy access to major transport routes and an extensive range of established services.



The Melton locality is well serviced by a strong road network and public transport services with the Western and Melton Highways providing access to Melbourne, as well as bus services and the Melbourne-Ballarat train line. The locality will also benefit from the construction of the \$330 million Deer Park Bypass which will reduce the travel time to Melbourne.

Melton offers an abundance of facilities and services to residents with more than 200 sports and recreation clubs operating in the region. This extensive range of recreation facilities includes Melton Waves, Melton Indoor Recreation Centre, Melton Olympic Swimming Pool, Melton Valley Golf Club and MacPherson Park. In addition a range of education facilities are provided including the Melton Campus of Victoria University.



Melton property prices remain very affordable relative to other areas of Melbourne with this affordability being a competitive advantage which should drive interest in the locality.

Melton will benefit from the recently commenced \$15 billion initiative to establish the area as a major growth centre for Victoria. Backed by Melbourne 2030, Melton will be the focus for Melbourne's north-west development. In the next two decades this commitment is expected to create an entirely new city - home to up to 100,000 people.



Melton's key drivers of growth (including its proximity to Melbourne, strong population growth, outstanding access to economic and transport infrastructure and major development activity) ensure that Melton is an attractive destination to live, work and invest.

As a town, Melton already has the economic and commercial infrastructure to support a larger population, as well as the necessary social, educational and other community infrastructure for this purpose.

## THE MELTON PROJECT

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### THE PROPERTY

The Melton Property consists of four individual landholdings with a combined area of approximately 43 hectares. It has a frontage of over 500 metres to Coburns Road, which provides access to the Melton Town Centre and Western Freeway.

The Melton Property is relatively flat and has Arnolds Creek running within its western boundary. A recently developed residential subdivision adjoins the southern boundary of the property.

### PROPERTY ACQUISITION

The Property being acquired by the Company in Melton West, Victoria is as per the following table. The Company has entered into a separate Contract of Sale to purchase each property from the respective vendor.

Address	Certificate of Title		Area
	Volume/Folio	Price	
491 Coburns Road	8716/634	\$2,300,000	10.13 hectares
513 Coburns Road	8716/635	\$2,300,000	10.12 hectares
535 Coburns Road	8716/636	\$2,300,000	10.14 hectares
601 Minns Road	9505/016	\$2,898,000	12.73 hectares
<b>Total</b>		<b>\$9,798,000</b>	<b>43.12 hectares</b>

All contract prices stated are plus GST, if the Vendor is liable for GST on the transaction. The total consideration for the purchase of the Melton Property is \$9,798,000, plus GST (if applicable). Settlement of the Coburns Road properties are anticipated to occur in August 2007, with the Minns Road property subject to an extended settlement due in February 2008.

Mills Oakley Lawyers is attending to the legal matters associated with the acquisition of the Melton Property and has confirmed that GST to be assessed under the Margin Scheme is only payable on the purchase of 535 Coburns Road. The sale of the other three properties by those Vendors does not constitute the making of a taxable supply and as such is not subject to payment of GST.

The GST payable on 535 Coburns Road can not be assessed until the Vendor of that property has it valued as at 1 July 2000 to enable the margin to be assessed. It has been assumed that the Vendors GST liability will be in the order of \$210,000 therefore the acquisition has been assumed to be at \$2,510,000 on a GST inclusive basis under the provisions of the Margin Scheme.

As part of its normal activities, Mills Oakley Lawyers has conducted a review of the disclosure information provided by the Vendors in their Section 32 Statements and undertaken other relevant enquiries and has advised that there are no other matters or searches in relation to the purchase of the Melton Property which at this stage of the acquisition transaction should be investigated or undertaken by a purchaser acting prudently.

## THE MELTON PROJECT

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### THE SUBDIVISION CONCEPT

Environmental Resources Management Australia Pty Ltd (the Melton Consulting Town Planner), a multi disciplinary consultancy, is advising on the town planning issues relating to the Melton Property.

The Subdivision Concept Plan proposes a total lot yield of 524 residential lots, with an average lot size of 510 square metres and a 5,300 square metre Integrated Housing site with the potential to accommodate 15 dwellings.

The Subdivision Concept Plan features a boulevard entrance, leading to the larger park area, then to the Arnolds Creek Reserve. A total of 4.6 hectares of public open space has been included within the Subdivision Concept Plan, and the Directors believe that the Subdivision Concept Plan will provide good amenity to future residents.

An additional feature of the public open space incorporated within the Subdivision Concept Plan is the linear reserve proposed along Arnolds Creek. This reserve will connect into other open space to the south of the Melton Property, facilitating the provision of a network of recreation paths.

An opportunity for a Neighbourhood Activity Centre is identified in the north-east corner of the Melton Property, and is in accordance with Council's objective for the locality. The appropriateness and size of the potential Neighbourhood Activity Centre is dependant upon the timing and outcomes of future reviews of the Urban Growth Boundary. Should the Neighbourhood Activity Centre be implemented, the anticipated residential lot yield will reduce by approximately 28 lots. The Manager intends that a Neighbourhood Activity Centre will only be adopted if it provides a positive outcome for the Company.

A structure plan for Melton West is required to be prepared and approved, and the Melton Property rezoned, before residential development can occur. The Melton Property has, however, been clearly identified as being suitable for residential development. The Melton Consulting Town Planner has indicated that it is reasonable to expect the overall planning approval timeframe to take approximately 18 months, however there is a risk that delays may be experienced.

WBCM Pty Ltd (the Melton Consulting Engineer), a property and land development consultancy with extensive experience in developments in the Melbourne Metropolitan Region is advising on the servicing and development requirements for the Melton Property.

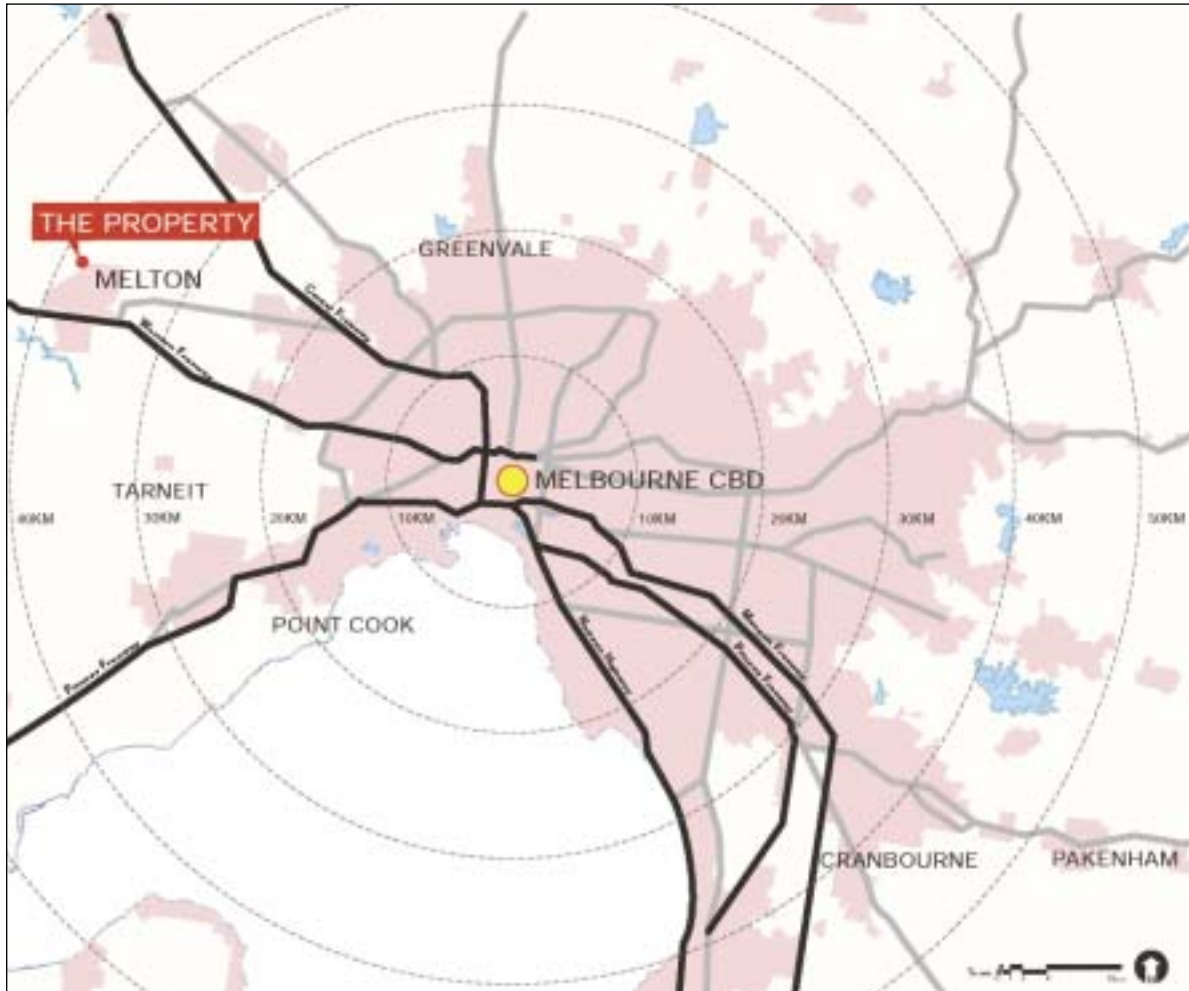
Stage 1 has ready access to all services and does not require the construction of any external infrastructure or services extensions in order to be developed. This stage comprises 61 residential lots plus the Integrated Housing site and is located in the most economical area for commencement of works as it does not require any works in relation to Arnolds Creek, or the upgrading of Minns Road.

The investigations carried out confirm that the Melton Property is suitable for residential development, with all required services able to be accessed and can readily accommodate the proposed development of 524 lots and one Integrated Housing site. No access will be required through neighbouring properties to facilitate development.

Development of subsequent stages is expected to take between six and eight months per stage, with timing of stages able to overlap and run concurrently if required to meet marketing objectives.

# THE MELTON PROJECT

## LOCATION PLAN



# MELTON - SUBDIVISION CONCEPT PLAN



## COBURNS ROAD, MELTON WEST

**SITE AREA - 43.12 ha**

### LAND USE SUMMARY

Residential	27.23 ha	(63.4%)
Public Open Space	4.88 ha	(11.3%)
Internal Road Network	10.82 ha	(24.9%)
Road Widening	0.51 ha	(1.2%)

### RESIDENTIAL ALLOTMENTS

(Including Integrated housing site)

Total Area of Lots	26.78 ha
Average Lot Size	510m <sup>2</sup>
<b>LOT YIELD</b>	<b>525 lots</b>

### POTENTIAL COMMERCIAL SITE

Commercial	1.83 ha	(3.3%)
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NOTE: Potential commercial site of 1.83ha is shown in Stage 10. This commercial site reduces the lot yield by 26 lots.



### LOT MIX ANALYSIS

LOT SIZE (m <sup>2</sup> )	STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5	STAGE 6	STAGE 7	STAGE 8	STAGE 9	STAGE 10	ALL STAGES
300m <sup>2</sup> - 380m <sup>2</sup>	2	0	0	4	2	4	6	4	12	6	40
400m <sup>2</sup> - 400m <sup>2</sup>	18	21	9	5	3	12	34	21	8	22	151
500m <sup>2</sup> - 580m <sup>2</sup>	32	18	42	48	23	33	18	18	27	20	288
600m <sup>2</sup> - 680m <sup>2</sup>	8	2	4	5	7	1	4	0	8	0	37
700m <sup>2</sup> - 790m <sup>2</sup>	0	0	2	3	0	0	1	0	1	0	7
800m <sup>2</sup> - 880m <sup>2</sup>	0	0	0	0	0	0	0	0	1	0	1
Integrated housing site (Potential 18 dwellings)	1	0	0	0	0	0	0	0	0	0	1
<b>TOTAL LOTS</b>	<b>62</b>	<b>41</b>	<b>57</b>	<b>66</b>	<b>48</b>	<b>50</b>	<b>94</b>	<b>41</b>	<b>52</b>	<b>46</b>	<b>525</b>

DATE: 4 May 2027  
 REF: 54-12  
 DWG: 54-12-004  
 Scale: 1:4000 @ A3

NOTES:  
 THIS DESIGN IS CONCEPTUAL ONLY AND IS SUBJECT TO FURTHER SUBDIVISION AND ACCESS PLANNING APPROVAL.



**Beeco Jonson Pty Ltd**

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 VIC 3207 Australia  
 Tel: 61 (0) 3959 1400 Fax: 61 (0) 3959 2822  
**Surveyors - Urban Designers - Planners**



## PROFIT FORECAST ASSUMPTIONS

The profit forecasts are based upon a number of key assumptions. These assumptions have been adopted by the Directors and reviewed by the independent experts whose reports appear in this Prospectus. Based on available information and their experience in their area of expertise, these experts have confirmed that the assumptions adopted for the purposes of the profit forecasts are reasonable. Investors should be aware that actual results may vary significantly from those forecast because future events may not occur in accordance with the assumptions.

The key assumptions adopted by the Directors in the preparation of the profit forecasts are noted in the following table:

1.	The cost of development advised by the Consulting Engineers is in today's dollars and exclusive of GST unless noted otherwise.	Development costs confirmed as reasonable by both Consulting Engineers in their reports.
2.	Development costs increase at 3% per annum compounded annually from the beginning of 2007. Note the sensitivity table that displays the effect of variances in the escalation rate.	This assumption is confirmed as reasonable by the Consulting Economist - see page 90. A copy of the report has been lodged with the Australian Securities and Investments Commission (ASIC).  Peet Beachtton Syndicate Limited will provide a copy of the economic report free of charge to any person who requests a copy during the offer period. Alternatively, a copy of the economic report can be obtained by contacting ASIC.
3.	The Company obtains a finance facility to fund the balance of the costs of acquisition as well as development and miscellaneous expenses to the extent required.	This is considered reasonable by the Manager following detailed discussions between the Manager and Company Banker and is well within the capability of the Manager to organise. Development funding for this type of facility is generally available and the Manager has obtained similar facilities for other companies managed by it.
4.	A 90 Day Bank Bill rate of 6.0% per annum over the life of the projects has been adopted.	The Consulting Economist has advised that interest rates are expected to remain on hold for the foreseeable future. Confirmed as reasonable by the Consulting Economist.
5.	The Company intends to pay fully franked dividends annually, commencing in December 2010, subject to the availability of profits, franking credits, ongoing requirements for working capital and as taxation legislation will allow.	Refer to Dividend Policy - see page 24.
6.	The Company will return capital progressively over the life of the projects, generally in proportion with the number of lots settled in each year, the proportionate value of the raw land and subject to ongoing requirements for working capital. It is intended that the rate of retention on a per lot basis will be 20% based on the capital raised. The balance will be returned to shareholders upon winding up of the Company.	This is considered reasonable by the Manager. See section entitled Taxation - see page 26.
7.	General expenses, including a contingency allowance, total approximately \$1,840,000 (GST Exclusive) for the Company. The costs have been escalated at the inflation rate for development costs identified in assumption 2 above.	This assumption is considered reasonable by the Manager and is based on the Manager's long term experience with similar developments.

## PROFIT FORECAST ASSUMPTIONS

The following forecast assumptions are applicable to the Beachmere Project or the Melton Project:

### THE BEACHMERE PROJECT

8.	A total of 152 residential lots are developed.	The Beachmere Consulting Town Planner has confirmed that approval from the Caboolture Shire Council has been received - see page 47
9.	Construction of first stage subdivisional works will commence in July 2007 and be completed by January 2008.	Confirmed as reasonable by the Beachmere Consulting Engineer - see page 55.
10.	Titles are issued for the first stage in January 2008 enabling the settlement of lot sales to commence that month.	Confirmed as reasonable by the Beachmere Consulting Engineer - see page 55.
11.	There is an allowance of \$800,000 (GST Inclusive) for landscaping and presentation costs, as proposed by the Manager.	The lot sales prices adopted by the Beachmere Independent Valuer have regard for the landscaping works included in the cost estimate.
12.	The GST inclusive residential lot sale prices are in today's dollars and as advised in the Beachmere Independent Valuer's report.	Refer to the Beachmere Independent Valuer's report - see page 60.
13.	Marketing commences during construction of the first stage and 10 lots are sold subject to title issue. It is anticipated these sales will complete in the month of title issue.	This assumption is considered reasonable by the Beachmere Independent Valuer, on the basis of the proposed marketing strategy - see page 60.
14.	A rate of sale of 5 lots per calendar month has been adopted for the Beachmere Project. Note the sensitivity table on page 17 showing the effect of variances in the sales rate.	The rate of sale is considered reasonable by the Beachmere Independent Valuer, on the basis of the proposed marketing strategy - see page 60.
15.	An average annual escalation rate for selling prices for the period 2007 to 2010 of 7.0% per annum has been adopted. Note the sensitivity table on page 16 showing the effect of variances in the escalation rate.	The Consulting Economist has forecast that lot sales prices will increase at 6% to 8% per annum - see page 97. The Manager has adopted the mid range of this forecast. Confirmed as reasonable by the Consulting Economist.
16.	Rates and land tax total approximately \$255,000 over the life of the Beachmere Project.	This is considered reasonable by the Manager.
17.	An allowance for advertising and promotion expenses of \$3,000 (plus GST) per residential lot has been included.	This assumption is considered reasonable by the Manager based upon experience with other estates currently being marketed by the Manager in Queensland.
18.	The purchase of the Weeroona Avenue property was completed on 14 September 2006 at the contract price of \$4,252,632 inclusive of GST under the Margin Scheme.	Confirmed by the Beachmere Property Lawyer.
19.	The purchase of the Fiona Street property is due to be completed by 14 September 2007 at the contract price of \$5,847,368, inclusive of GST but not under the Margin Scheme.	Confirmed by the Beachmere Property Lawyer.

# PROFIT FORECAST ASSUMPTIONS

## THE MELTON PROJECT

20.	The rezoning is approved by December 2008. The Company has already commenced work towards these approvals.	Confirmed as reasonable by the Melton Consulting Town Planner - see page 67.
21.	A total of 524 residential lots and an Integrated Housing site are approved.	Confirmed as reasonable by the Melton Consulting Town Planner - see page 66.
22.	Construction of first stage subdivisional works will commence in March 2009 and be completed by July 2009.	Confirmed as reasonable by the Melton Consulting Engineer - see page 76.
23.	Titles are issued for the first stage in September 2009 enabling the settlement of lot sales to commence that month.	Confirmed as reasonable by the Melton Consulting Engineer - see page 76.
24.	There is an allowance of \$1,321,600 for landscaping and presentation costs, as proposed by the Manager.	The lot sales prices adopted by the Melton Independent Valuer have regard for the landscaping works included in the cost estimate - see page 87.
25.	The GST inclusive residential lot sale prices are in today's dollars and as advised in the Melton Independent Valuer's report.	Refer to the Melton Independent Valuer's report - see page 87.
26.	Marketing commences during construction of the first stage and 15 lots are sold subject to title issue. It is anticipated these sales will complete in the month of title issue.	This assumption is considered reasonable being less than that adopted by Melton Independent Valuer - see page 87.
27.	A rate of sale of 10 lots per calendar month has been adopted for stage one of the Melton Project, with an ongoing sales rate of 7 lots per calendar month thereafter. Note the sensitivity table showing the effect of variances in the ongoing sales rate.	The rate of sale of 7 lots per month has been adopted by the Melton Independent Valuer - see page 87. Note that the Manager believes it reasonable to achieve an ongoing sales rate of 7 lots per month, in addition to those lots pre-sold to builders.
28.	An average annual escalation rate for selling prices for the period 2007 to 2015 of 6.5% per annum has been adopted. Note the sensitivity table showing the affect of variances in the escalation rate.	The Consulting Economist has forecast that lot sales prices will increase at 5% to 8% per annum - see page 94. The Manager has adopted the mid range of the forecast.
29.	Rates and land tax total approximately \$800,000 over the life of the Melton Project, from completion of the purchase of the individual lots comprising the Melton Property.	This is considered reasonable by the Manager.
30.	An allowance for advertising and promotion expenses of \$2,000 (plus GST) per residential lot, at current prices.	This assumption is considered reasonable by the Manager based upon experience with other estates currently being marketed by the Manager in metropolitan Melbourne.
31.	The purchase price of the properties is exclusive of GST. However, GST is to be assessed under the Margin Scheme and is only payable on 535 Coburns Road.	Confirmed by the Melton Property Lawyer.

## CALCULATION OF GST PAYABLE

The profit forecast has been prepared on the basis that:

- Lot 4 Weeroona Avenue, Beachmere has been purchased utilising the Margin Scheme provisions of the GST legislation.
- Lot 115 Fiona Street, Beachmere is being purchased under the general provisions of the GST legislation.
- The Melton properties are being purchased under the Margin Scheme of the GST legislation.

Under the Margin Scheme the lot equivalent of the purchase price is deducted from the lot sale price to determine the 'margin' for the assessment of the GST payable.

Under the general provisions of the GST legislation the Company will pay the GST at the time of acquisition and receive an input tax credit when the next Business Activity Statement is lodged. GST will be payable on the residential lot sales from the properties acquired using the general provisions at the current rate of 10% (that is 1/11th of the GST inclusive sale price).

The profit forecast has been prepared on the basis of development expenses being inclusive of GST and appropriate input tax credits being recovered quarterly.

## PROFIT FORECAST

The forecasts set out below, based on the Minimum Subscription of \$12,000,000 and Maximum Subscription of \$15,000,000, have been reviewed by the Investigating Accountant, PricewaterhouseCoopers Securities Ltd, whose report is included at pages 98 to 102. The forecasts are based on the assumptions set out on the previous pages. Investors should read these forecasts in conjunction with the sections entitled 'Profit Forecast Assumptions', 'Risk Factors' and 'Sensitivity Analysis'. Investors should be aware that actual results may vary significantly from those forecast because future events may not occur in accordance with the assumptions and material events that cannot reasonably be foreseen may eventuate.

<b>Revenue Less Marketing &amp; Selling Fee (Net of GST)</b>	<b>\$</b>	<b>\$</b>
676 residential lots and an Integrated Housing site	90,423,970	
Interest earned	199,100	90,623,070
<b>Less Expenditure (Net of GST)</b>		
Development costs, including project management, landscaping costs and Company and asset management expenses	44,825,070	
Property purchase, costs and Asset Identification Fee <sup>(1)</sup>	21,078,066	
Advertising expenses	1,652,718	
Settlement costs on lot sales	397,034	
Interest expense and borrowing costs	3,077,719	
Holding, contingency and administration costs	2,911,850	
Company Manager's performance fee over the life of the Projects	1,668,061	75,610,518
<b>Forecast Profit Before Tax</b>		<b>15,012,552</b>
Less Estimated Income Tax Expense		4,203,766
<b>Forecast Profit After Tax Over the Life of the Projects based on the Minimum Subscription of \$12,000,000</b>		<b>10,808,786</b>

### Profit Forecast Summary Per \$1 Share Over the Life of the Projects<sup>(2)(3)</sup>

	Minimum Subscription \$12,000,000	Maximum Subscription \$15,000,000
Franked Dividends <sup>(2)</sup>	\$0.90	\$0.77
Return of Capital <sup>(2)</sup>	\$0.91	\$0.91
Franking Credits <sup>(2)</sup>	\$0.35	\$0.30
<b>Total Return<sup>(3)</sup></b>	<b>\$2.16 per \$1 share before tax</b>	<b>\$1.98 per \$1 share before tax</b>

### Average Compound Return on Outstanding Capital Before Tax (ACROCBT)<sup>(2)</sup>

	Minimum Subscription	Maximum Subscription
	17.0% per annum	15.1% per annum

<sup>(1)</sup> The Melton properties and Lot 4 Weeroona Avenue, Beachmere are being purchased under the GST Margin Scheme and the GST inclusive price has been included in this item.

<sup>(2)</sup> ACROCBT is the average annualised compound rate of return to investors over the life of the Projects. The calculation of ACROCBT takes into account the dividends payable to shareholders as well as the anticipated level of capital invested over the life of the Projects. The actual payments to shareholders will vary from year to year depending on the variables noted in the 'Profit Forecast Assumptions'.

The profits of the Company will be taxed and distributed to shareholders as franked dividends. The after tax return to a shareholder will depend upon the shareholder's own taxation circumstances. Refer to the section of this Prospectus entitled 'Capital Structure' under 'Peet Beachton Syndicate Limited' regarding returns of capital.

<sup>(3)</sup> These figures are based on the assumptions described on pages 12, 13 and 14. The life of the Projects is calculated to be 8.5 years from June 2007 based on these assumptions. For risks see pages 18, 19 and 20.

## SENSITIVITY ANALYSIS

The profit forecasts set out on the previous page were prepared on the assumptions set out in the section Profit Forecast Assumptions. Investors should note that the returns may vary due to variations in factors such as sales prices, sales rates and development costs. Sensitivity tables are provided below to illustrate the impact on the **Average Compound Return on Outstanding Capital Before Tax (ACROCBT)** over the life of the Projects of variances in sales prices, sales rates and development costs. **The tables are unrelated.** Investors should note that the sensitivity tables below are independent of each other and that simultaneous variances in sales prices, sales rates and development costs, or in other factors not considered, could lead to further variation in forecast returns.

### ESCALATIONS

The first table illustrates the impact on the ACROCBT (the unshaded numbers) of changes in the assumed annual compound increase for selling prices for the Beachmere Project and for the Melton Project, being changes in Assumptions 15 and 28 of the Profit Forecast Assumptions. This first table assumes all other assumptions remain as set out in the Profit Forecast Assumptions.

For example, if the selling price of lots increased at 8.5% per annum in the Beachmere Project and at 6.5% per annum in the Melton Project, then the ACROCBT would be 18.0% per annum based on the Minimum Subscription of \$12,000,000 and 15.9% per annum based on the Maximum Subscription of \$15,000,000.

#### Average Annual Escalation Rates for Lot Sales Prices

		Beachmere Project		
		5.5%	7.0%	8.5%
Minimum Subscription	Melton Project	ACROCBT		
		5.0%	12.7%	13.7%
	6.5%	16.1%	17.0%	18.0%
	8.0%	19.2%	20.0%	20.8%
Maximum Subscription	5.0%	11.5%	12.3%	13.2%
	6.5%	14.3%	15.1%	15.9%
	8.0%	17.1%	17.8%	18.6%

The second table illustrates the impact on the ACROCBT (the unshaded numbers) of changes in the assumed average annual escalation rates for selling prices for each project and for changes in the assumed annual compound increases for development costs (Profit Forecast Assumptions 2, 15 and 28). This table displays each project independently of the other project and assumes all other assumptions remain as set out in Profit Forecast Assumptions.

For example, if the selling price of lots in the Beachmere Project increased at 8.5% per annum and remained constant at the adopted rate of 6.5% per annum in the Melton Project and development costs increased at 4.0% per annum, then the ACROCBT would be 17.8% per annum based on the Minimum Subscription of \$12,000,000 and 15.8% per annum based on the Maximum Subscription of \$15,000,000.

If the selling price of lots in the Melton Project increased at 8.0% per annum and remained constant at the adopted rate of 7.0% per annum in the Beachmere Project and development costs increased at 4.0% per annum, then the ACROCBT would be 19.1% per annum based on the Minimum Subscription of \$12,000,000 and 17.0% per annum based on the Maximum Subscription of \$15,000,000.

	General Development Cost Increase Per Annum	Beachmere Project Average Annual Escalation Rates for Lot Sales Prices			Melton Project Average Annual Escalation Rates for Lot Sales Prices		
		5.5%	7.0%	8.5%	5.0%	6.5%	8.0%
		ACROCBT			ACROCBT		
Minimum Subscription	2.0%	16.3%	17.2%	18.2%	14.9%	18.1%	20.7%
	3.0%	16.1%	17.0%	18.0%	13.7%	17.0%	20.0%
	4.0%	15.9%	16.8%	17.8%	12.4%	15.9%	19.1%
Maximum Subscription	2.0%	14.5%	15.3%	16.1%	13.3%	16.0%	18.6%
	3.0%	14.3%	15.1%	15.9%	12.3%	15.1%	17.8%
	4.0%	14.2%	15.0%	15.8%	11.2%	14.2%	17.0%

## SENSITIVITY ANALYSIS

### ONGOING SALES RATES FOR THE PROJECTS

The Company's ability to generate a profit may vary according to the number of lots settled in any given year and to the sale prices among other factors.

The table below illustrates the impact on the ACROCBT (the unshaded numbers) of changes in the ongoing sales rate for the Beachmere Project and the Melton Project being changes in Assumptions 14 and 27 as set out in the Profit Forecast Assumptions. This table assumes all other assumptions remain as set out in the Profit Forecast Assumptions.

For example, if the Company sells 5 lots per month for the Beachmere Project and 9 sales per month for the Melton Project, then the ACROCBT would be 18.1% per annum based on the Minimum Subscription of \$12,000,000 or 16.0% based on the Maximum Subscription of \$15,000,000.

	Melton Project - Ongoing Sales Rate Per Month	Beachmere Project - Ongoing Sales Rate Per Month		
		3	5	7
Minimum Subscription	5	14.5%	15.6%	16.6%
	7	15.6%	17.0%	18.2%
	9	16.4%	18.1%	19.5%
Maximum Subscription	5	13.1%	14.0%	14.9%
	7	14.0%	15.1%	16.2%
	9	15.2%	16.0%	17.2%

The two tables below illustrate the impact on the ACROCBT (the unshaded numbers) of changes in the assumed annual compound increase for selling prices for each project being changes in Assumptions 15 and 28 as set out in the Profit Forecast Assumptions and for changes in the ongoing sales rate for the project being changes in Assumptions 14 and 27 set out in the Profit Forecast Assumptions.

This table displays each project independently of the other project and assumes all other assumptions remain as set out in Profit Forecast Assumptions.

### BEACHMERE PROJECT

	Ongoing Sales Rate Per Month	Average Annual Escalation Rates for Lot Sales Prices		
		5.5%	7.0%	8.5%
Minimum Subscription	3	14.5%	15.6%	16.7%
	5	16.1%	17.0%	18.0%
	7	17.3%	18.2%	19.2%
Maximum Subscription	3	13.0%	14.0%	15.5%
	5	14.3%	15.1%	15.9%
	7	15.4%	16.2%	17.0%

### MELTON PROJECT

	Ongoing Sales Rate Per Month	Average Annual Escalation Rates for Lot Sales Prices		
		5.0%	6.5%	8.0%
Minimum Subscription	5	12.3%	15.6%	18.6%
	7	13.7%	17.0%	20.0%
	9	14.8%	18.1%	20.7%
Maximum Subscription	5	11.2%	14.0%	16.7%
	7	12.3%	15.1%	17.8%
	9	13.2%	16.0%	18.6%

## RISKS

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Whilst the Directors of the Company have many years experience in the property industry and Peet Limited has an excellent record in profitably managing property syndicate projects, there are risks associated with land development which may adversely impact on the Company.

Before deciding whether to subscribe for shares, you should consider whether investment in this Company, the underlying assets of which will be the Beachmere and Melton properties, is suitable for you. If you are in doubt as to whether you should invest, please consult a suitably qualified professional adviser. Some of the risks associated with investing in the Company include:

1. Changes in economic and business conditions or government policies in Australia or internationally may impact upon the fundamentals of either or both Projects, their target markets, cost structures and profitability.

Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary, state and federal taxation, migration, international affairs, security and regulatory policies), consumer spending, employment rates, inter alia, are outside the control of the Directors and may result in material adverse impacts on either or both of the Projects.

2. Changes in Federal, State or Local Government legislation or policies (including the requirements for developer contributions and Council rates) or the policies of servicing authorities and utilities may affect the return to shareholders.

Should any of these risks materialise the Company's ability to generate returns may be affected and the Company would consider other development opportunities for one or both of the properties.

3. The population growth in Melbourne and/or Brisbane, and/or Melton and/or Beachmere in particular is less than forecast by the Consulting Economist.

Should this occur commencement of development of one or both of the properties may be delayed or the development periods extended.

4. The lot sales price escalation rates advised by the Consulting Economist and adopted for the profit forecasts for the duration of either or both projects may not be achieved.

Should this occur the returns to shareholders may be less than those forecast. Refer to the Sensitivity Analysis for examples of variations in the lot sale price escalation rates.

5. At some stage, as yet unforeseen, one or both of the Projects may not meet the Company Banker's lending criteria in which case the Manager will seek alternative funding on behalf of the Company.

Should funding be refused, the Company would consider selling a project or a super-lot to provide the required funding. This would be likely to reduce returns to shareholders.

6. On completion of the Projects, the ability of the Company to voluntarily wind-up and return to shareholders the capital, less costs of the Issue, invested by them in subscribing for their shares, will depend upon sufficient funds (capital and profits) being available to both pay out all creditors of the Company and repay the remaining capital to shareholders.

If there is a shortfall, the claims of creditors will take priority.

7. Shares in the Company should be considered illiquid because it is unlikely that there will be an established secondary market for the shares. It is not proposed to apply to list the shares on the Australian Securities Exchange.

Investors may, subject to the laws of Australia and the Constitution of the Company, sell or transfer their shares at any time. Should you appoint a securities dealer to sell your shares, then brokerage may apply.

8. One or more of the land owners may default on their obligation to complete the sale of their property under their contract of sale, which may delay the commencement of development of either or both of the developments or stages thereof.

Should this eventuate legal action may need to be taken to enforce the contract of sale.

9. The Beachmere Valuer has advised that if the development were ready for immediate development the average lot sale price would be \$211,775 and a long term average sales rate of 5 lots per calendar month is envisaged.

Should the average lot sales price not be achieved the return to shareholders may be affected. Should the rate of sale not be achieved the development and selling period of the Beachmere Project may be extended which may affect returns to shareholders.

## RISKS

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10. The Beachmere Consulting Engineer has prepared a preliminary cost estimate on the basis of the approved Plans of Layout, which indicates a development cost of approximately \$83,000 per lot excluding GST based on current construction market rates and current authority conditions.

Increases in development costs as a result of changes in construction market rates or authority conditions may affect returns to shareholders. The Beachmere Consulting Engineer has included a construction contingency allowance of 12.5% in the Preliminary Cost Estimate.

11. The Beachmere Consulting Engineer has advised that construction of the project may be subject to risks including variability in soil and weather conditions.

Should this occur commencement of development may be delayed, the development period extended or costs increased, affecting returns to shareholders.

12. Approval to rezone the Melton Property for subdivision into residential lots is withheld by the Shire of Melton or any other government or semi-government department or authority, and subdivision may not be able to proceed.

Should this materialise it will affect the Company's ability to generate returns and the Company would consider other development opportunities for the Melton Property. Please refer to the Melton Consulting Town Planner's Report for an indication of the expected timeframe of overall planning approvals - see page 67.

13. Approval to subdivide the Melton Property into residential lots, or any other applicable approval or consent, is withheld by the Shire of Melton or any other government or semi-government department or authority, and subdivision may not be able to proceed.

Should this materialise it will affect the Company's ability to generate returns and the Company would consider other development opportunities for the Melton Property. Please refer to the Melton Consulting Town Planner's Report for an indication of the expected timeframe of overall planning approvals - see page 67.

14. The overall planning approval timeframe of approximately 18 months anticipated by the Melton Consulting Town Planner is extended.

Should this occur commencement of development may be delayed, the development period extended or costs increased, affecting returns to shareholders.

15. The requirements of the Shire of Melton or any other government or semi-government department or authority for any reason, including archaeological, ethnographic, heritage, site contamination, environmental, unidentified threatened flora and fauna species, native vegetation, areas of public open space and planting buffers to arterial roads may reduce the yield estimated by the Melton Consulting Town Planner.

Should this materialise it may result in a lower return to shareholders. The Melton Consulting Town Planner has identified the likely constraints which have been factored into the proposed yield.

16. The assumed lot yield for the Melton Project is not achieved.

Should this materialise it may result in a lower return to shareholders. The Melton Consulting Town Planner has confirmed in its report that the lot yield stated in this Prospectus are reasonable.

17. The Melton Independent Valuer has advised that if the Melton Property were ready for immediate development the average lot sale price would be \$90,000 and a long term average sales rate of 7 lots per calendar month is envisaged.

Should the average lot sales price not be achieved the return to shareholders may be affected. Should the rate of sale not be achieved the development and selling period of the Melton Property may be extended which may affect returns to shareholders.

18. The Melton Consulting Engineer has prepared a Preliminary Cost Estimate assuming the implementation of the Subdivision Concept Plan, which indicates a development cost of approximately \$43,912 per lot excluding GST based on current construction market rates and current authority advice.

Increases in development costs as a result of changes in construction market rates or authority advice may affect returns to shareholders.

## RISKS

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19. State Government and/or Council Development contributions exceed expected levels.

This may result in the Projects being less profitable and affect returns to shareholders. The Consulting Engineer's and/or the Consulting Town Planner's have based their reports on the information currently available and their considerable experience in land development in the locality.

20. Increases in the Melton development costs as a result of future Melbourne Water or Shire of Melton decisions relating to drainage contributions.

This may result in the Melton Project being less profitable and affect returns to shareholders. The Melton Consulting Engineer has based its report on the best available advice from Melbourne Water and the Shire of Melton. Refer to the Melton Consulting Engineer's report on page 70.

21. The Melton Consulting Engineer has included in the development cost estimate allowances for the cost of upgrading Coburns Road and Minns Road for the frontage of the Melton Property to be offset against Shire of Melton Development Contributions.

If the Shire of Melton does not allow the offset it may affect the return to shareholders.

22. Unforeseen increases in project expenditure.

Should there be unforeseen increases in project expenditure returns to shareholders will be affected.

## DIRECTORS AND SECRETARY OF PEET BEACHTON SYNDICATE LIMITED

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### TONY LENNON CHAIRMAN



Tony Lennon is the Chairman of Peet Limited. He was Executive Chairman prior to the Company listing on the ASX in 2004.

With more than 41 years experience in the property industry, including 22 years with Peet, Mr Lennon is a Fellow of the Australian Institute of Company Directors and an Associate of the Australian Property Institute, being a qualified property valuer.

Mr Lennon has also made significant contributions in leadership capacities to business and the community over the years.

He has carried out a Commonwealth Government appointment as Deputy Chairman of the National Australia Day Council. He has also carried out State Government appointments as Chairman of the Perth Inner City Living Task Force, and served as Chairman of the Residential Densities Review Task Force.

In Western Australia he has been Chairman of the Australia Day Council of WA, President of the Real Estate Institute and a member of the Commercial Tribunal (Retail Tenancies).

In his local community he was a President and Councillor of the Shire of Peppermint Grove, WA and he has been a Board Member and fundraiser for Curtin Aged Persons Homes Inc and Chairman of the Curtin Aged Persons Foundation Inc.

### WARWICK D HEMSLEY DIRECTOR

BComm, AssocDipVal, CPA FAPI



Managing Director of Peet Limited for 17 years and has been a Director of that company since 1985. After graduating from the University of Western Australia, he commenced his professional career with Coopers & Lybrand (now PricewaterhouseCoopers) and subsequently moved into the property development industry and gained his formal property qualifications. He has a total of 30 years experience in property development.

He is currently a member of the General Council of the Western Australian Chamber of Commerce & Industry and former Chairman of its Capital City Committee.

He is currently Chairman of the Housing Industry Forecasting Group, a joint government and industry body which monitors and forecasts housing demand. He has been actively involved in policy development related to residential development.

He is Deputy Chairman of the West Australian Opera Company and Council Member of National Gallery of Australia, Canberra.

He has served a number of community roles. Warwick was formerly Chairman of the Australia Day Council of Western Australia, a member of the School Council of St Hilda's Anglican School for Girls, a national Board Member of Kids Helpline Australia, and treasurer of St George's Charitable Trust. He was an active Rotarian for 15 years.

## DIRECTORS AND SECRETARY OF PEET BEACHTON SYNDICATE LIMITED

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### ANTHONY J LENNON DIRECTOR

BA, GradDip Bus Admin



Anthony Lennon joined Peet Limited in 1991 and became a Director in 1996. Based in Victoria, he holds the position of National Business Development Director with responsibility for Peet's broadacre acquisitions. He was previously Director of Marketing and Director of East Coast Operations. In the latter role he initiated and oversaw Peet's expansion into Victoria and Queensland and subsequent developments in those States.

Mr Lennon spent three years working in the UK, where he completed his Post Graduate Diploma in Business Administration as part of a Graduate Management Training Scheme with international construction and development company, John Laing plc.

During this time, he gained significant experience in the areas of planning, marketing, feasibility studies and project management.

Following his return to Australia in addition to his responsibilities with Peet Limited, Mr Lennon was Chairman of Conveyancing Services for six years, during which time it became one of Western Australia's largest property and conveyancing companies.

### DOM SCAFETTA COMPANY SECRETARY

BComm, CA



Dom Scafetta is a qualified Chartered Accountant and is Company Secretary of Peet Limited having joined in June 1998. He is responsible for the corporate, compliance and secretarial responsibilities of Peet Limited and all Peet Limited subsidiaries and property syndicates. Prior to his appointment to Peet Limited he held a senior position with accounting firm Coopers & Lybrand (now PricewaterhouseCoopers).

More recently, he held the position of Chief Financial Officer of Peet Limited.

He continues to attend and complete ongoing corporate and securities training courses in order to ensure that Peet Limited provides the most comprehensive and effective services in these areas to the many entities in the Peet Group.

# PEET BEACHTON SYNDICATE LIMITED

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## SHARES OFFERED FOR SUBSCRIPTION

A minimum of 12,000,000 and a maximum of 15,000,000 ordinary shares are offered for subscription pursuant to this Prospectus. The total consideration of \$1.00 in respect of each share in the Company is payable in two instalments being \$0.50 per share due on application and \$0.50 due on 15 June 2008.

The minimum subscription is fully underwritten by Peet Limited pursuant to an Underwriting and Capital Raising Coordination Agreement.

The Company has a lien over shares for unpaid calls. Should any investor fail to make a payment by the due date, their shares will be sold in accordance with the Company's Constitution and the Corporations Act and remaining funds after deduction of interest and expenses will be returned to the defaulting shareholder. Under the Company's Constitution if a share is forfeited and sold (or re-allotted), or sold without forfeiture in order to enforce a lien, the surplus after satisfying the call, interest and expenses is to be paid to the member.

## APPLICATION FOR SHARES

All applications for shares must be for a minimum of 5,000 shares (first payment of \$2,500) and thereafter in increments of 1,000 shares. Applications must be made on the Application Form attached to and forming part of this Prospectus and must be completed in accordance with the instructions set out in this Prospectus.

All applications must be accompanied by payment of \$0.50 for each share applied for and cheques should be made payable to Peet Beachton Syndicate Limited Trust Account and crossed 'Not Negotiable'. All payments must be in Australian currency.

Completed Application Forms and accompanying cheques should be sent to Peet Beachton Syndicate Limited at either of the postal addresses shown on the Application Form.

Subscription lists will remain open until 5.00pm (Western Standard Time) on 29 June 2007 (Closing Date) subject to the right of the Underwriter to close the Issue at any earlier time and date or to extend the closing time and date.

## ALLOTMENTS

Allotments may be made and certificates issued upon reaching subscriptions for 12,000,000 ordinary shares. Certificates will be mailed to successful applicants as soon as practicable following allotment.

The Underwriter has the right to direct the Company to accept or reject any application for shares offered under this Prospectus in whole or in part and/or to nominate the allottees. Where no allotment is made, the amount tendered with the relevant Application Form will be returned in full. Where the number of shares allotted is less than the number of shares applied for, the surplus application monies will be dispatched as soon as practicable following allotment. Interest will be paid on refunded application monies, see 'Interest on Subscription Monies'.

No subscribers' funds shall be utilised until the minimum subscription is reached and the shares have been allotted.

## INTEREST ON SUBSCRIPTION MONIES

Funds invested prior to allotment will be deposited in an interest bearing account with the Company Banker, National Australia Bank and held in trust until allotment. Investors will receive interest on funds forwarded with the application, currently estimated at 5.75% per annum before tax. This interest will be paid upon allotment of shares.

**IMPORTANT NOTE:** Investors who earn greater than \$120 in interest and do not provide their tax file number or Australian Business Number on the application form will have withholding tax at 46.5% deducted from interest earned on subscription monies.

# PEET BEACHTON SYNDICATE LIMITED

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<b>INVESTMENT POLICY</b>	<p>It is envisaged that the only investments to be undertaken by the Company will be the purchase of the Beachmere and Melton properties, the development of the properties and sale of resultant lots and the depositing of surplus funds from time to time with the Company Banker.</p> <p>Pursuant to the Company's Constitution, funds invested in subscribing for shares in the Company cannot be used for any other purpose unless at least 60% of the Company's shareholders present at a general meeting approve that other purpose or it is an investment in which trustees are authorised to invest trust funds under the laws of Australia or any state or territory of Australia.</p>
<b>DIVIDEND POLICY</b>	<p>If development occurs and if a profit is generated and subject to ongoing requirements for working capital, it is proposed to pay fully franked dividends out of profits annually.</p>
<b>REALISATION OF INVESTMENT</b>	<p>Following the completion of the Project, the Company will (subject to the requirements of the Corporations Act, including the requirement that the Company be solvent) be placed into a members' voluntary liquidation. There is a provision in the Company's Constitution requiring the shareholders and Directors to do everything necessary to promptly wind-up the Company following the necessary resolution of the shareholders. After paying out all creditors of the Company, any remaining funds, including remaining capital of the Company, will be distributed amongst the shareholders registered at the time.</p> <p>To facilitate the members' voluntary liquidation following the completion of the settlement of all lot sales, the Manager is authorised to pay out the likely future claims against the Company arising from unclaimed purchaser incentives included in lot sales contracts or maintenance agreements with the Local Authority or servicing authorities or other expenses necessarily incurred to proceed with the effective and efficient winding up of the Company.</p>
<b>TRANSFER OF SHARES</b>	<p>Investors may, subject to the laws of Australia and the Constitution of the Company, sell or transfer their shares at any time.</p> <p>Shares in the Company should be considered illiquid because it is unlikely that there will be an established secondary market for the shares. Should you appoint a securities dealer to sell your shares, then brokerage may apply.</p>
<b>AUSTRALIAN SECURITIES EXCHANGE LISTING</b>	<p>It is not proposed to apply to list the shares that are the subject of the Issue on the Australian Securities Exchange.</p>
<b>DIRECTORS' FEES</b>	<p>All Directors present at Directors' meetings will be paid a fee of \$200 (plus GST) each per meeting adjusted annually by the Consumer Price Index (CPI). It is envisaged that Directors' meetings will be held quarterly and total Directors' fee will not be more than \$2,400 (plus GST) for the first year. Directors can also be reimbursed for travel expenses and may be paid a retirement benefit as determined by the Directors in accordance with the Corporations Act.</p>
<b>NO SPECIAL MANAGEMENT SHARES</b>	<p>The Company's Constitution specifically prohibits the issue of shares giving special or disproportionate rights of management to the holder of those shares.</p>
<b>SHARE OPTIONS</b>	<p>The Company's Constitution specifically prohibits the issue of any options over unissued shares.</p>

# PEET BEACHTON SYNDICATE LIMITED

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## RIGHTS ATTACHING TO SHARES IN THE COMPANY

Shareholders in the Company will have certain rights by virtue of the Constitution of the Company, as well as the Corporations Act and the Common Law. The more significant rights include the following:

- a) the right to transfer shares in the usual or common form or any other form acceptable to the Directors. The Directors may not unreasonably refuse to register a transfer of shares;
- b) the right to be notified of and be present at any general meeting of the Company, including by proxy, representative or attorney;
- c) the right to vote at a general meeting of the Company at which the shareholder is present in person or by proxy, representative or attorney;
  - (i) on a show of hands - to 1 vote; and
  - (ii) on a poll - to 1 vote for each share held proportionate to the amount paid on the shares;
- d) the right upon a dividend being declared to be paid the dividend with all other ordinary shareholders of the Company in proportion to the number of shares held and the amounts paid on the shares;
- e) if the Company is wound up, following the repayment of all liabilities of the Company, shareholders are entitled to a share of the surplus assets of the Company in proportion to the number of shares held and the amounts paid on the shares or which ought to have been paid on the shares at the commencement of the winding up; and
- f) upon the passing of the necessary resolution, the shareholders and Directors have, under the Company's Constitution, an obligation to do everything necessary or desirable to place the Company into voluntary winding up. This will allow any excess assets to be distributed among the shareholders in proportion to the number of shares held and the amounts paid on the shares or which ought to have been paid on the shares at the commencement of the winding up.

The obligation referred to in paragraph (f) cannot be amended or deleted by resolution (special or otherwise) unless the holders of 100% of the Company's issued fully paid shares vote in favour of the resolution.

Other significant provisions contained in the Company's Constitution are as follows:

1. The Company has no power to apply its assets for any undertaking or investment except:
  - (a) the purchase, development and sale of land described as the Beachmere Property or the Melton Property on pages 4 and 8; or
  - (b) an investment in which trustees are authorised to invest trust funds under the laws of Australia or any state or territory of Australia; or
  - (c) an undertaking or investment approved by a resolution passed by at least 60% of the Company's shareholders present at a general meeting.
2. The Directors may make such calls as they think fit for any money unpaid on shares. A call may be made payable by instalments and is deemed to be made when the resolution of the Directors authorising the call is passed. At least 14 days notice of a call must be given to shareholders. The Directors may revoke the call or extend the time for payment of the call before the time for payment by written notice to shareholders. If a shareholder does not pay a call by the time and at the place specified in the notice, the shareholder is liable to pay interest on the unpaid amount at 18% per annum or a lesser rate determined by the Directors from the time the payment was due to the time of actual payment. If a shareholder fails to pay a call their shares may be forfeited and/or sold. The shareholder is also liable to pay any expenses incurred by the Company because of a non-payment. A person whose shares are forfeited and/or sold ceases to be a shareholder in respect of those shares and must surrender the certificate for those shares to the Company. The person will still be liable to pay the amounts of any calls, interest and any outstanding expenses in relation to those shares.

# PEET BEACHTON SYNDICATE LIMITED

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## RIGHTS ATTACHING TO SHARES IN THE COMPANY (CONTINUED)

3. The Company may not terminate the Company Management, Project Management and Marketing Agreement with Peet Limited except as permitted by the agreement and with the authorisation of a resolution passed at a general meeting of the Company at which the holders of 100% of the issued fully paid shares vote in favour of the resolution.

## DEVELOPMENT FUNDING

Development costs will be funded on a staged basis using borrowed funds as required. Development funding of this type is generally available and the Manager has obtained similar funding for other companies managed by it.

## TAXATION

The Company will be a resident of Australia for purposes of the Income Tax Assessment Act 1936 and 1997. Dividends paid by the Company will be eligible to be franked to the extent of the Company's available franking credits and when received by Australian residents will normally be taxable as income. Individual shareholders who are residents of Australia will be entitled to an imputation credit in respect of franked dividends received from the Company.

Over the life of the Projects, shareholders can expect to receive a capital return of \$0.91 for every \$1.00 of share investment based on the minimum subscription of \$12,000,000. A return of capital generally does not give rise to any income tax liability for shareholders apart from reducing the tax cost base of the shareholders' shares in the Company. The remaining \$0.09 per share can be claimed as a capital loss by the shareholders when the shares in the Company are ultimately cancelled (upon completion of the Projects and winding-up of the Company). Shareholders may deduct this capital loss against capital gains arising as a result of any other Capital Gains Tax event.

The various costs incurred from the initial subscription for shares which give rise to this \$0.09 per share reduction, will be deductible against the Company's taxable income, the deductions being spread over five years at a rate of 20% of the costs per year.

The Commissioner of Taxation may cause returns of capital to be taxable to recipients (in whole or part) as unfranked dividends in certain circumstances where capital is being returned in substitution for dividends. The Company intends to make capital returns only when confident that they would not be treated as unfranked dividends.

**Investors should not rely solely on this summary but should consult a taxation adviser to determine any tax consequences for them of an investment in shares in the Company.**

## REIMBURSEMENT OF PEET LIMITED

The Company will be required to reimburse Peet Limited for funds advanced by Peet in connection with the acquisition of each of the Properties.

## ABOUT THE MANAGER

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Peet Limited (Peet) is the Manager for Peet Beachton Syndicate Limited.

Peet commenced 112 years ago (1895) when James Thomas Peet established Peet & Co in Western Australia, and marketed a number of land subdivisions around Perth - the earliest in 1896. By the mid-1900s, Peet had handled 83 estates around Perth, and is historically linked with many of the city's prominent older suburban estates including Dalkeith, Claremont, Peppermint Grove, Scarborough, Victoria Park, Kalamunda and South Perth.

Peet commenced management of its first Victorian project in 1997 and has since expanded its operations into Queensland and New South Wales.

In August 2004, Peet was listed on the Australian Stock Exchange and today is a major player in the industry - with the third largest residential land bank of Australia's ASX-listed property companies. It currently manages and markets a land bank of approximately 31,000 lots which - if sold at today's prices, would realise in excess of \$5.6 billion.

Peet currently acts as project manager and marketing agent for 68 development projects situated in metropolitan and regional Western Australia, Victoria, New South Wales and Queensland.

Peet has a wealth of experience in the Victorian market with some 29 projects under management, incorporating approximately 15,400 residential lots, and is building a strong presence in Queensland where 9 projects are managed, representing a future stock of approximately 3,800 residential lots.

Peet has a team of professional project executives responsible for guiding projects through all stages of the development process. All team members are highly skilled, with qualifications or experience appropriate for the development industry. It also ensures that the necessary experts and consultants such as project engineers, surveyors and planners are engaged to facilitate the developments.

Creating quality communities and offering high return investment opportunities is a core focus for Peet. It has enriched the lives of many Australians through its communities, syndicates, managed funds and through investment in the company itself - fulfilling its vision to build prosperity through property. Peet's long history of success results from an approach to investors' funds management marked by integrity, ethics, vision and the pursuit of growth.

Peet has historically produced excellent returns to investors in the individual land syndicates under its management. Peet is currently managing 23 estates on behalf of syndicates, with the remaining estates funded by Peet itself or in conjunction with a joint venture partner.

Since introducing its land syndication model Peet has raised equity funds of more than \$275 million for land acquisitions and in 2005/06, Peet achieved gross land sales totalling \$463 million, representing 2,832 lots sold across its managed and owned projects.

The design and urban planning of Peet's estates is community-focused, with shopping centres, parks and other facilities carefully located to maximise the benefit to residents and other stakeholders.

Peet has won many awards and accolades for the quality of the land estates and communities it has established. Peet is committed to environmental excellence and sustainability and has been recognised as setting benchmarks within the Industry, with awards including the 2005 Urban Development Institute of Australia (UDIA) Award for Environmental Excellence and 2006 UDIA Award for Sustainable Urban Development for its Lakelands Estate (WA). Peet's first transit-oriented development has also been highly awarded including recognition of the 2005 Planning Minister's Award for Excellence and the 2006 HIA GreenSmart Development of the Year Award.

In recognition of Peet's commitment to environmental excellence and sustainability, it was appointed a HIA GreenSmart National Leader in 2006. Peet was the first developer to incorporate a GreenSmart Display Village, with a 20 home village located at its Innisfail Estate.

## ABOUT THE MANAGER

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### Peet Limited Directors

Tony Lennon	Chairman
Warwick Hemsley	Managing Director
Stephen Higgs	Non-Executive Director
Graeme Sinclair	Non-Executive Director
Anthony Lennon	Executive Director

Tony Lennon, Warwick Hemsley and Anthony Lennon are the Directors of Peet Beachton Syndicate Limited and their professional experience is detailed on pages 21 and 22.

Stephen Higgs has 30 years experience in corporate finance including 20 years with UBS Investment Bank and its predecessors. During that period he served as Director and Head of Corporate Finance.

Graeme Sinclair is a Chartered Accountant with over 30 years experience in wealth management services including property investment. He is the Managing Director of the Myer Family Company Pty Ltd and group Chief Executive Officer.

## SOME OF THE PROJECTS CURRENTLY MANAGED AND MARKETED BY PEET LIMITED



### WESTERN AUSTRALIA

ESTATE	LOCATION	LOTS*
Ashton Heights	Tapping	600
Brigadoon Estate	Brigadoon	220
Burns Beach Estate	Burns Beach	1,470
Carramar Golf Course Estate	Carramar / Tapping	3,250
Forrestbrook Estate	Brookdale	700
Lakelands Estate	Lakelands	2,500
Mundijong Estate	Mundijong	880
Oakford Estate	Oakford	1,000
Quattro: The New Queens Park	Queens Park	340
The Chase	Baldivis	190
The Village at Wellard	Wellard	2,700

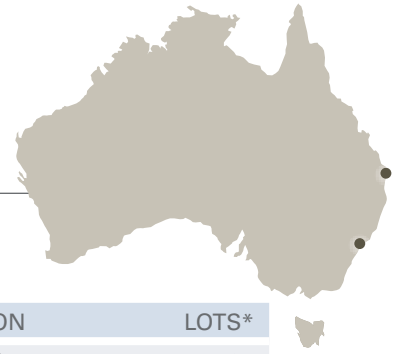


### VICTORIA

ESTATE	LOCATION	LOTS*
Brookland Greens	Cranbourne	965
Brimbank Gardens	Derrimut	2,100
Cardinia Lakes	Pakenham	760
Craigieburn South	Craigieburn	1,460
Cranbourne Central	Cranbourne East	700
Greenvale Lakes	Greenvale	1,300
Greenvale Rise	Greenvale	1,000
Innisfail Estate	Point Cook	1,540
Northbrook Gardens	Cranbourne West	730
Point Cook Gardens	Point Cook	1,050
Rockbank Estate	Rockbank	520
Tarneit Gardens	Tarneit	1,140
The Rise	Tarneit	660
The Parks at Innisfail	Innisfail	280
Truganina Industrial Estate	Truganina	30

\*Lot numbers based on original project.

# SOME OF THE PROJECTS CURRENTLY MANAGED AND MARKETED BY PEET LIMITED



## NEW SOUTH WALES

ESTATE	LOCATION	LOTS*
Picketts Valley	Picketts Valley	8



## QUEENSLAND

ESTATE	LOCATION	LOTS*
Cooroy Estate	Cooroy	170
Kaleentha Estate	Gladstone	600
Mitchelton Estate	Keperra	50
Riverbank Estate	Caboolture	750
Thornlands Estate	Thornlands	90
Trinity Waters	Beachmere	170
Warner Lakes	Warner	1,230

\*Lot numbers based on original project.



## AWARDS

PEET LIMITED  
HAS WON MANY  
AWARDS FOR ITS  
DEVELOPMENTS



<b>2006</b>		
Environmental/Rehabilitation/Conservation Project	The Village at Wellard	Landscape Industries Association (WA)
Award for Excellence Environmental Planning or Conservation	The Village at Wellard	Planning Institute of Australia (PIA) WA
Award for Sustainable Urban Development	Lakelands	Urban Development Institute of Australia (UDIA) WA
Finalist - Development of the Year	The Ridge	HIA GreenSmart Awards
Development of the Year - Western Australia	The Village at Wellard	HIA GreenSmart Awards
<b>2005</b>		
Development of the Year - Western Australia	Lakelands	HIA GreenSmart Awards
Special Commendation for Environmental Planning or Conservation	Lakelands	PIA (WA)
Special Commendation for Urban Planning Achievement	The Village at Wellard	PIA (WA)
Special Commendation for Urban Design - Plans & Ideas	The Village at Wellard	PIA (WA)
Special Commendation for Community Based Planning	The Village at Wellard	PIA (WA)
WA Planning Minister's Sustainability Award	The Village at Wellard	PIA (WA)
Environmental Excellence	Lakelands	UDIA (WA)
<b>2004</b>		
Finalist - Development of Year	Lakelands	HIA GreenSmart Awards
Finalist - Design Concept	Lakelands	HIA GreenSmart Awards
Excellence - Residential Development less than 250 lots	Atwell Waters	UDIA (WA)
Best Constructed Water Sensitive Urban Design for Greenfield Site	Point Cook Gardens	Stormwater Industry Assoc (Victoria)
Award for Environmental Excellence	Carramar	City of Wanneroo
<b>2002</b>		
Best Estate 200 - 400 Lots	Panorama	UDIA (Victoria)
<b>2001</b>		
Environmental Excellence - Western Australia	Brookwood	UDIA (WA)
Best Masterplanned Estate - Western Australia	Carramar	UDIA (WA)
<b>1997</b>		
Best Country Urban Development - Western Australia	Bayview Heights	UDIA (WA)
Finalist - Foreshore Management Plan	Ocean Lagoon	National Landcare Awards

# IMPORTANT GENERAL INFORMATION

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## GENERAL DISCLOSURES

The Directors and Company Secretary of Peet Beachtton Syndicate Limited are also Directors and Company Secretary of Peet Limited, a public company listed on the Australian Securities Exchange.

Other than as set out below or elsewhere in this Prospectus, no Director, proposed Director or 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, nor any promoter or stockbroker to the Company or Underwriter to the offer of shares has, or had within 2 years before the date upon which this Prospectus was lodged with the Australian Securities and Investments Commission, any interest in:

- (a) the formation or promotion of the Company;
- (b) the Properties acquired or proposed to be acquired by the Company in connection with its formation, promotion or the offer of the shares; or
- (c) the offer of the shares, and
  - no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:
    - (i) to any Director or proposed Director to induce him to become, or to qualify him as, a Director; or
    - (ii) for services rendered by any person mentioned above in connection with the formation or promotion of the Company or the offer of the shares.

## A. COMPANY MANAGEMENT, PROJECT MANAGEMENT AND MARKETING AGREEMENT

The Company has engaged Peet Limited to perform certain services under the Company Management, Project Management and Marketing Agreement (**Agreement**) and to act as Company Manager, Project Manager, Marketing Manager and Sales Manager for the Beachmere and Melton Projects. Peet Limited may appoint another company or companies, including a subsidiary or subsidiaries to perform its services under the Agreement.

The Agreement can be terminated in certain events including the failure by Peet to remedy or take steps to remedy any default within 30 days of being given notice specifying the default, providing the holders of 100% of the issued fully paid shares vote in favour of a resolution to do so.

The Company gives a charge over its interest in the Property to secure the payment of all money owing to Peet. Peet has the right to lodge a caveat under the Agreement to protect its rights under that Agreement.

The Company will indemnify Peet against all loss, liability, costs or expenses that Peet may incur arising out of the performance of its duties under the Agreement, except where that loss, liability, cost or expense arises directly out of Peet's wilful misconduct, bad faith or negligence. Peet Limited's maximum liability to the Company for any loss, liability, cost or expense arising out of Peet's wilful misconduct, bad faith or negligence is \$100,000. The Company shall also pay any costs, expenses, payments or bonds or make any guarantees or undertakings arising out of any such loss, liability, cost or expense.

## B. MANAGER'S FEES

Peet Limited is to earn certain fees as a percentage of sales income as set out below. For the most part these fees will only be payable by the Company as lot sales are finalised, that is, such fees are not paid until sales made are settled. This is a special and highly beneficial arrangement to preserve the funds of the Company pending receipt of revenue.

The gross sale price referred to in this section is the GST inclusive gross sale price and the fees quoted are exclusive of GST.

### Project Management Fee

3.5% of the gross sale price received from any sale and/or transaction on behalf of the Company.

The duties that it will perform under this Agreement encompass all steps to endeavour to ensure that lots are developed and are brought to the market place in a timely manner, including endeavouring to ensure that all development conditions imposed by the relevant authorities are complied with.

Based on the estimated gross realisations of \$102,552,619 from the sale of all lots, the Project Management Fee received by Peet Limited will be \$3,589,342 (excluding GST).

## IMPORTANT GENERAL INFORMATION

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### **Marketing Management Fee**

2.0% of the gross sale price received from any sale and/or transaction on behalf of the Company.

The Marketing Manager must endeavour to ensure the lots resulting from the Project are advertised, promoted and marketed by arranging suitable signage, advertising and other media products and the finished lots are presented for sale in a professional and attractive manner.

Based on the estimated gross realisations of \$102,552,619 from the sale of all lots, the Marketing Management Fee received by Peet Limited will be \$2,051,052 (excluding GST).

### **Sales Management Fee**

2.0% of the gross sale price received from any sale and/or transaction on behalf of the Company.

Peet Limited has the right to arrange that the Company employ a sales representative or appoint an agent to sell the lots for the Company. Should the Company employ such a representative or appoint such an agent then the Company will recoup any costs resulting from such by deducting those amounts (up to a maximum of 1.0% of gross sales price) from the fee payable to Peet Limited for the Marketing Management and Sales Management services.

The total fee payable to Peet for Marketing Management and Sales Management will be not less than 3.0% of the gross sale price received by the Company from any sale and/or transaction.

Based on the estimated gross realisations of \$102,552,619 from the sale of all lots, the Sales Management Fee received by Peet Limited will be \$2,051,052 (excluding GST).

### **Company & Asset Management Fee**

1.5% of the gross sales price received from any sale and/or transaction on behalf of the Company.

The duties that the Manager will perform for this fee as Company and Asset Manager include providing a registered office, providing company management services, providing staff, and software.

Based on the estimated gross realisations of \$102,552,619 from the sale of all lots, the Company & Asset Management Fee received by Peet Limited will be \$1,538,289 (excluding GST).

### **Secretarial Services**

Peet Limited will manage the day to day secretarial affairs of the Company and included in its duties are the management of the share register, bookkeeping, accounting and secretarial matters and endeavouring to ensure that the Company complies with all requirements of the Australian Tax Office and compliance with the Corporations Act and other laws. For these services, Peet will be paid \$40,000 per annum (or part thereof on a pro-rata basis) adjusted annually in accordance with increases in the Consumer Price Index.

### **Disbursements And General Expenses**

The Company must reimburse Peet for any disbursements, costs or expenses paid or incurred by Peet in the course of performing its duties under the Company Management, Project Management and Marketing Agreement. Peet Limited's corporate overheads will be met by Peet and not recovered from the Company.

## IMPORTANT GENERAL INFORMATION

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### Performance Fee

A Manager's performance fee will be payable to Peet Limited after the end of each financial year calculated as follows:

- i. for pre-tax profits derived from the Projects by the Company being up to 20.0% per annum of the funds raised by the Company pursuant to this Prospectus calculated over the life of the Projects on a simple interest basis, the Company will pay to the Manager a fee equal to one-tenth (1/10) of the pre-tax profits; and
- ii. for pre-tax profits derived from the Project by the Company being in excess of 20.0% per annum of the funds raised by the Company pursuant to this Prospectus calculated over the life of the Projects, the Company will pay to the Manager a fee equal to four-tenths (4/10) of such profits.

The performance fee is subject to profits exceeding any losses and is only due and payable after 30 June in each year conditional upon there being to that date, for the period since the date of allotment of the shares arising from this offer, a surplus of pre-tax profits in total over any losses in total. The performance fee shall be subject to final adjustment between the parties upon completion of the Projects so that the total fees paid and payable (if any) to the Manager shall be in accordance with the calculations set out in sub paragraphs (i) and (ii) above over the life of the Projects.

If at the end of the Projects the total performance fees paid to Peet Limited exceed what would have been paid if the performance fee had been payable to Peet Limited once only at the end of the Projects, Peet will be required to refund to the Company the amount of the excess.

The anticipated Performance Fee payable to Peet Limited will be \$1,668,061 - please refer to Profit Forecast on page 15.

### Asset Identification

2.0% of the total GST inclusive purchase price of the Properties.

The asset identification, negotiation and arrangement of purchase fee will be paid to Peet Limited upon allotment of shares issued pursuant to this Prospectus. Based on the purchase price of the properties of \$20,108,000 the Asset Identification Fee will be \$402,160.

## C. GUARANTEES AND WARRANTIES

No guarantees and/or warranties are made by either the Company or Peet Limited or their Directors, officers and other associated parties, as to the performance of the Projects or the Company.

## D. FOUNDATION SHARE

Peet Limited holds one fully paid ordinary share in the capital of the Company as a requirement of initial incorporation. The Directors, their families, associated trusts and superannuation funds reserve the right to subscribe for shares in Peet Beachton Syndicate Limited pursuant to this Prospectus.

## E. OPTION AGREEMENTS - BEACHMERE and MELTON

The Company has agreed with Peet Limited that Peet Limited has Options to purchase from the Company any or all of the residential sites (which under the relevant planning scheme will allow for the construction of four or more residential dwellings), aged persons housing sites, childcare/minding centre sites and commercial or other non-residential sites created within the Beachmere or Melton Projects. The Option Agreements are subject to Peet Limited exercising its Option to purchase the site or sites within two years of the issue of a Certificate of Title for any such site or before the settlement of the sale of the last lot developed by the Company, whichever shall be the earlier.

Should Peet Limited exercise any of its Options to purchase a site or sites, the purchase price shall be the average of two market valuations undertaken by a Valuer appointed by the President of the Australian Property Institute (Queensland or Victorian Division) on behalf of the Company and a Valuer appointed by Peet Limited. Settlement of the purchase shall be within three months of the date of exercise of the Option or within sixty days from the completion of both valuations, whichever shall be the later date.

Peet Limited has the right to assign this Option Agreement.

## IMPORTANT GENERAL INFORMATION

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### F. EXPERTS' FEES

Each of the experts named in the Corporate Directory have received and/or will be entitled to receive professional fees for preparing the reports and other services of a professional nature rendered in relation to this Prospectus. The fees payable to each of these consultants is referred to in the section entitled 'Costs of Property Acquisition and Issue'.

In addition Mills Oakley will be paid approximately \$26,300 (plus GST) and Home Wilkinson Lowry will be paid approximately \$30,000 (plus GST) for their professional services assisting in the acquisition of the Melton Property and Beachmere Property respectively. This cost is included in the costs of acquisition.

### G. INCORPORATION AND ACQUISITION COSTS

Since incorporation, the Company has incurred costs associated with incorporation, development planning and acquisition of both properties. As at 31 March 2007, the total of such costs was \$6,573,943 being payments relating to the acquisition of the properties of \$5,749,932, other acquisition costs of \$226,116, development planning costs of \$313,128, borrowing cost of \$244,205 and miscellaneous costs of \$40,562.

Upon the raising of the capital under this Prospectus, and in accordance with the Company Management, Project Management and Marketing Agreement, the Company intends to fully repay Peet Limited. No interest is payable on this amount.

### H. UNDERWRITING AND CAPITAL RAISING COORDINATION AGREEMENT

Peet Limited has agreed to underwrite the minimum subscription of 12,000,000 shares partly paid to \$0.50 upon subscription and also to underwrite the call for the \$0.50 per share instalment due on 15 June 2008, to the extent necessary to ensure the Company can achieve, following the call, a share capital of \$12,000,000.

The Underwriting and Capital Raising Coordination Agreement (the Underwriting Agreement) provides for Peet Limited to subscribe and pay for the number of shares necessary to take the total number of shares on issue to 12,000,000 (partly paid to \$0.50 per share) should there be any shortfall in the shares allotted pursuant to this Prospectus.

Subscription and payment by the Underwriter, should that eventuality be necessary, shall take place within two business days of receipt of notice from the Company of the shortfall shares to be subscribed for by the Underwriter.

The Underwriting Agreement provides for the Underwriter to underwrite the call for the \$0.50 per share instalment due on 15 June 2008 to the extent necessary to ensure that the Company can achieve a share capital of \$12,000,000. However, the Underwriter is only obliged to pay the calls, after the Company has attempted to obtain payment of the calls and attempted to sell the shares to a third party in accordance with the Company's Constitution and the Corporations Act. If the Underwriter pays any call on a share the share will be transferred to the Underwriter.

There are no provisions in the Underwriting Agreement whereby the Underwriter is entitled to be released from its underwriting obligation.

Pursuant to the Underwriting and Capital Raising Coordination Agreement, Peet Limited will earn a GST exclusive underwriting fee at the rate of 3.85% of the total shares issued multiplied by \$1.00 and a GST exclusive capital raising coordination fee at the rate of 2.85% of the total shares issued multiplied by \$1.00. Based on the minimum subscription of \$12,000,000, the Underwriting Fee will be \$426,000 and the Capital Raising Coordination Fee will be \$342,000. Should maximum subscription of \$15,000,000 be received, the Underwriting Fee will be \$577,500 and the Capital Raising Coordination Fee will be \$427,500.

## APPLICATION OF FUNDS RAISED

The Issue will raise equity to go toward the costs of acquiring the Beachmere and Melton properties and to pay the costs of the Issue. Borrowed funds will be applied to complete the funding of the purchase and acquisition costs, development, interest and holding costs.

### COSTS OF PROPERTY ACQUISITIONS AND ISSUE

The costs set out below, are net of GST (as this will be returned to the Company by the Australian Taxation Office).

	\$	\$
<b>Costs of Property Acquisitions</b>		
Purchase price <sup>(1)</sup>	19,576,421	
Legal fees, Manager's asset identification, negotiation and arrangement fee (including disbursements)	467,160	
Stamp duty on purchase (calculated on the GST inclusive price)	989,894	21,033,475
<b>Costs of Issue</b>		
Minter Ellison (Legal)	50,000	
Home Wilkinson Lowry (Property Lawyer - Beachmere)	2,000	
Mills Oakley (Property Lawyer - Melton)	6,250	
PricewaterhouseCoopers Securities Ltd (Investigating Accountant)	42,000	
Jones Flint Pike Pty Ltd (Consulting Town Planner - Beachmere)	7,500	
Environmental Resources Management Australia Pty Ltd (Consulting Town Planner - Melton)	15,000	
Cardno (QLD) Pty Ltd (Consulting Engineer - Beachmere)	12,000	
WBCM Pty Ltd (Consulting Engineer - Melton)	10,000	
Landmark White (Independent Valuer - Beachmere)	16,000	
CB Richard Ellis (V) Pty Ltd (Independent Valuer - Melton)	18,000	
MacroPlan Australia (Consulting Economist)	28,500	
Production and marketing including printing and advertising	62,600	
Postage, couriers and telephone service	37,000	
Research, general expenses and contingency	17,100	
Underwriting and capital raising coordination fees	804,000	
GST not recoupable on above items	66,595	1,194,545
<b>Total of Costs of Property Acquisitions and Issue</b>		<b>22,228,020</b>
<b>Funds Raised by this Issue</b>		<b>12,000,000</b>

<sup>(1)</sup> The purchase price includes any GST on the properties being purchased under the Margin Scheme provisions and excludes GST where the general provisions of the GST legislation apply.

### COMPANY ADMINISTRATION COSTS

The Company's administrative costs (exclusive of GST) for the first year are estimated below. These are expected to rise in line with CPI adjustments in subsequent years.

	\$
Audit, accounting and taxation advice fees	25,000
Valuation fees	9,000
Directors' fees	2,400
Stationery, mailing and general costs	25,000
Company Secretarial fee (incl. bookkeeping, accounting, share registry, secretarial and related office overheads)	40,000
	<b>101,400</b>

## HISTORICAL AND PRO FORMA BALANCE SHEETS

The following balance sheets include an extract from the historical unaudited accounts of the Company as at 31 March 2007, and for illustrative purposes set out the pro forma financial position of the Company following the completion of the transactions (the pro forma transactions) disclosed in Note 2 - Assumptions Used in Preparing the Pro Forma Balance Sheet.

	Notes	Historical Unaudited 31 March 2007 \$	Pro Forma 31 March 2007 \$
<b>Current Assets</b>			
Cash assets	3	1	91,355
Other assets	4	12,454	59,170
<b>Total Current Assets</b>		<b>12,455</b>	<b>150,525</b>
<b>Non-Current Assets</b>			
Deferred tax assets	5	9,013	358,363
Development property	6	20,359,870	21,633,078
Plant and equipment	7	4,535	4,535
<b>Total Non-Current Assets</b>		<b>20,373,418</b>	<b>21,995,976</b>
<b>Total Assets</b>		<b>20,385,873</b>	<b>22,146,501</b>
<b>Current Liabilities</b>			
Other payables	8	15,148,187	14,632,537
Interest bearing liabilities	9	5,258,572	2,350,000
<b>Total Current Liabilities</b>		<b>20,406,759</b>	<b>16,982,537</b>
<b>Total Liabilities</b>		<b>20,406,759</b>	<b>16,982,537</b>
<b>Net (Liabilities)/Assets</b>		<b>(20,886)</b>	<b>5,163,964</b>
<b>Shareholders' Equity</b>			
Contributed equity	10	(21,030)	5,163,820
Retained earnings		144	144
<b>Net Deficiency/Shareholders' Equity</b>		<b>(20,886)</b>	<b>5,163,964</b>

The balance sheets should be read in conjunction with the accompanying notes.

# HISTORICAL AND PRO FORMA BALANCE SHEETS

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the Balance Sheet and Profit Forecast of Peet Beachton Syndicate Limited are summarised below.

### (a) Basis of Accounting

The financial information has been prepared in accordance with the measurement and recognition (but not all the disclosure) requirements of applicable Accounting Standards and other mandatory professional requirements in Australia using the accrual basis of accounting including the historical cost convention and the going concern assumption.

The only activities conducted by the Company from the date of incorporation to the date of this Prospectus were the acquisition of the Weeroona Avenue, Beachmere property, to contract for the purchase of the other properties and to prepare for the initial Capital Raising. As such an Income Statement and Cash Flow Statement are not deemed material for investors and have therefore not been included in the financial information.

### (b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

### (c) Recoverable Amount and Impairment

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are considered impaired and written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use.

### (d) Contributed Equity

Contributed Equity is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### (e) Development Property

The acquisition cost of the Beachmere and Melton development properties represents the contract purchase price of the properties, plus the additional costs associated with the acquisition, including stamp duty and legal fees.

Development property is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

### (f) Revenue

Revenue on development projects is recognised in accordance with AASB 118: Revenue. In accordance with this standard, revenue is recognised after a number of conditions have been satisfied, including the transfer of the significant risks and rewards of ownership. Revenue will not be recognised on the sale of land until settlement occurs.

### (g) Income Tax

In accordance with AASB 112: Income Taxes, deferred tax balances will be determined using the Balance Sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Balance Sheet and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity will also be recognised directly in equity.

# HISTORICAL AND PRO FORMA BALANCE SHEETS

## 2. ASSUMPTIONS USED IN PREPARING THE PRO FORMA BALANCE SHEET

The pro forma Balance Sheet of Peet Beachton Syndicate Limited as at 31 March 2007 has been prepared as if the following transactions had taken place at that date:

- (a) receipt of \$6,000,000 through the issue of 12,000,000 ordinary shares at \$1.00 each, of which \$0.50 is payable with the application;
- (b) the estimated costs of the Capital Raising of \$1,164,500 including GST not recoverable are offset against contributed equity as incurred;
- (c) acquisition costs (including stamp duty, legal, asset identification and negotiating fees) totalling \$1,319,924 (including GST) are incurred;
- (d) cash is applied to repay amounts totalling \$5,908,647 being amounts previously advanced by a related party for the Manager's asset identification fee, acquisition legal costs, costs of the capital raising and repayment or borrowing.

## 3. CASH RECONCILIATION

	<b>Historical Unaudited 31 March 2007</b>	<b>Pro Forma 31 March 2007</b>
	\$	\$
Subscription for Foundation Share	1	1
Cash on Hand	-	-
Add Capital Raising under this Prospectus (12,000,000 \$1.00 shares, paid to \$0.50)	-	6,000,000
Less repayment of Borrowing	-	(2,908,573)
Less repayment of Loans from related parties	-	(1,321,698)
Less costs associated with Capital Raising	-	(1,164,500)
Less payment of Manager's Asset Identification Fee	-	(442,376)
Less payment of other acquisition costs	-	(71,500)
	1	91,353

## 4. OTHER ASSETS

GST recoverable	12,454	59,170
	12,454	59,170

## 5. DEFERRED TAX ASSETS

Deferred Tax Assets relating to Capital Raising Costs	9,013	358,363
	9,013	358,363

## 6. DEVELOPMENT PROPERTY

Purchase Price <sup>(1)</sup>	19,576,421	19,576,421
Other Acquisition Costs	226,115	1,499,723
Development Costs Capitalised	313,129	313,129
Capitalised Borrowing Costs	244,205	244,205
	20,359,870	21,633,478

<sup>(1)</sup>The purchase price includes any GST on the properties being purchased under the Margin Scheme provisions and excludes GST where the general provisions of the GST legislation apply.

# HISTORICAL AND PRO FORMA BALANCE SHEETS

## 7. PLANT AND EQUIPMENT

	Historical Unaudited 31 March 2007 \$	Pro Forma 31 March 2007 \$
Fixtures and Fittings - at cost	4,535	4,535
	4,535	4,535

## 8. OTHER PAYABLES

Loans from Related Parties	1,321,698	-
Other Payables	-	806,048
Balance of Development Property Purchase Price	13,826,489	13,826,489
	15,148,187	14,632,537

## 9. INTEREST BEARING LIABILITIES

NAB Overdraft Account	8,572	-
NAB Commercial Bill	5,250,000	2,350,000
	5,258,572	2,350,000

## 10. CONTRIBUTED EQUITY

### a) Issued and Paid up Capital

1 \$1.00 Ordinary Share, Fully Paid	1	1
12,000,000 \$1.00 Ordinary Shares, Partly Paid to \$0.50	-	6,000,000
	1	6,000,001

	Number of Ordinary Shares	\$
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### b) Reconciliation of issued and paid up capital

Actual Balance 31 March 2007	1	1
Issue of 12,000,000 \$1.00 Ordinary Shares, Partly Paid to \$0.50	12,000,000	6,000,000
	12,000,001	6,000,001
Less Capital Raising expenses (net of income tax benefit) <sup>(2)</sup>	-	(836,181)
Balance as per pro forma Balance Sheet	12,000,001	5,163,820

<sup>(2)</sup>The costs of the Capital Raising are shown as a deduction from equity in accordance with AASB 132 'Financial Instruments - Disclosure and Presentation'.

## 11. CONTINGENCIES AND COMMITMENTS

The Directors of Peet Beachton Syndicate Limited are not aware of any commitments or contingencies other than those commitments or contingencies described in this Prospectus (including the Material Contracts).

## 12. RELATED PARTY TRANSACTIONS

All related party transactions are detailed in the section of the Prospectus titled 'Important General Information' under the heading 'General Disclosures'.

## 13. SUBSEQUENT EVENTS

Following completion of the Capital Raising the Company will have working capital to be applied to future holding costs and general expenses. It is the intention of the Directors that a finance facility will be sought to fund further holding costs, the acquisition costs, development of the Property and general expenses on a staged basis as required. This has been foreshadowed and full details provided to the Company's Banker. Development funding for this type of project is generally available and the Directors believe they will be able to negotiate a facility with the Company's Banker. It is intended that the facility be secured by a First Registered Mortgage Debenture over the whole of the assets of the Company and a Registered First Mortgage over the Properties.

## CONSENTS

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The following persons have given, and have not at the date of this Prospectus, withdrawn their written consent to be named in this Prospectus and any electronic version of it in the form and context in which they are named, and to the inclusion of the following information in the form and context in which it is included. Save as stated, none of the persons has caused or authorised the issue of this Prospectus or have in any way been involved in the making of the Offer.

**Bosco Jonson Pty Ltd** has consented to be named in this Prospectus and any electronic version of it and to the inclusion of its Subdivision Concept Plan (drawing 561600AK dated 4 May 2007) in the form and context in which it is included and to any express references to that plan in the Prospectus in the form and context in which those references are included. Bosco Jonson Pty Ltd does not make any other statement in this Prospectus nor is any other statement based upon a statement by Bosco Johnson Pty Ltd.

**Cardno (QLD) Pty Ltd** has consented to be named in this Prospectus and any electronic version of it as Beachmere Consulting Engineer, and to the inclusion of its Engineering Report in the form and context in which that document is included and to any express references to that document in this Prospectus in the form and context in which those references are included. Cardno (QLD) Pty Ltd does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by Cardno (QLD) Pty Ltd.

**CB Richard Ellis (V) Pty Ltd** has consented to be named in this Prospectus and any electronic version of it as Melton Independent Valuer, to the inclusion of the Valuation Report in the form and context in which that document is included and to any express references to that document in this Prospectus in the form and context in which those references are included. CB Richard Ellis (V) Pty Ltd does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by CB Richard Ellis (V) Pty Ltd.

**Environmental Resources Management Australia Pty Ltd** has consented to be named in this Prospectus and any electronic version of it as Melton Consulting Town Planner, and to the inclusion of its Planning Report and concept plans in the form and context in which those documents are included and to any express references to those documents in this Prospectus in the form and context in which those references are included. Environmental Resources Management Australia Pty Ltd does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by Environmental Resources Management Australia Pty Ltd.

**Ernst & Young** has consented to be named in this Prospectus and any electronic version of it as the Company Auditor. In its capacity as Company Auditor, Ernst & Young does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by Ernst & Young.

**Home Wilkinson Lowry** has consented to be named in this Prospectus and any electronic version of it as Beachmere Property Lawyer, and to the inclusion of references to the Beachmere Property description and terms of the Beachmere Property purchase contracts in this Prospectus in the form and context in which those references are included. Home Wilkinson Lowry does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by Home Wilkinson Lowry.

**Jones Flint & Pike Pty Ltd** has consented to be named in this Prospectus and any electronic version of it as Beachmere Consulting Town Planner, and to the inclusion of its Planning Report and concept plans in the form and context in which those documents are included and to any express references to those documents in this Prospectus in the form and context in which those references are included. Jones Flint & Pike Pty Ltd does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by Jones Flint & Pike Pty Ltd.

**LandMark White** has consented to be named in this Prospectus and any electronic version of it as Beachmere Independent Valuer, to the inclusion of the Valuation Report in the form and context in which that document is included and to any express references to that document in this Prospectus in the form and context in which those references are included. LandMark White does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by LandMark White.

**MacroPlan Australia Pty Ltd** has consented to be named in this Prospectus and any electronic version of it as Consulting Economist, and to the inclusion of its Economic Research in the form and context in which that document is included and to any express references to that document in this Prospectus in the form and context in which those references are included. MacroPlan Australia Pty Ltd does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by MacroPlan Australia Pty Limited.

## CONSENTS

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**Mills Oakley Lawyers** has consented to be named in this Prospectus and any electronic version of it as Melton Property Lawyer, and to the inclusion of references to the Melton Property description and terms of the Melton Property purchase contracts in this Prospectus in the form and context in which those references are included. Mills Oakley Lawyers does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by Mills Oakley Lawyers.

**Minter Ellison** has consented to be named in this Prospectus and any electronic version of it as Solicitors to the Issue. Minter Ellison does not make any statement in this Prospectus nor is any statement in this Prospectus based upon a statement by Minter Ellison.

**National Australia Bank Limited** has consented to be named in this Prospectus and any electronic version of it as the Company Banker. National Australia Bank Limited does not make any statement in this Prospectus nor is any statement in this Prospectus based upon a statement by National Australia Bank Limited.

**Peet Limited** has consented to be named in this Prospectus and any electronic version of it as the Company Manager, Project Manager, Asset Manager, Sales Manager and Marketing Manager for the Company, and as the Underwriter and Capital Raising Coordinator for the Company, and to all other references to it acting in those capacities in the form and context in which it is named and those other references are included.

**Peet Limited** has caused or authorised the issue only of the sections entitled 'About the Manager', and under heading 'Australian Financial Services Licence' in the section entitled 'Important Notice' on the inside cover. Except as referred to above, Peet Limited does not make any other statement in this Prospectus nor is any other statement based upon a statement by Peet Limited.

**PricewaterhouseCoopers Securities Ltd** has consented to be named in this Prospectus and any electronic version of it as Investigating Accountant, and to the inclusion of the Investigating Accountant's Report and Financial Services Guide in this Prospectus in the form and context in which those documents are included and to any express references to those documents in this Prospectus in the form and context in which those references are included. The liability of PricewaterhouseCoopers Securities Ltd is limited to the contents of the Investigating Accountant's Report and Financial Services Guide.

**WBCM Pty Ltd** has consented to be named in this Prospectus and any electronic version of it as Melton Consulting Engineer, and to the inclusion of its Engineering Report in the form and context in which that document is included and to any express references to that document in this Prospectus in the form and context in which those references are included. In its capacity as Consulting Engineer WBCM Pty Ltd does not make any other statement in this Prospectus nor is any other statement in this Prospectus based upon a statement by WBCM Pty Ltd.

### **Statement of Company Banker**

The statement that National Australia Bank Limited is the Company Banker (the 'Statement') means that National Australia Bank Limited provides usual commercial banking services to the Company in accordance with the National Australia Bank Limited's general business policies and credit assessment procedures. Apart from this, National Australia Bank Limited makes no express or implied representation in relation to the Company, this Prospectus, or any other matter.

National Australia Bank Limited has only caused or authorised the issue of the paragraph in the section entitled 'Consents' headed 'Statement of Company Banker' and has not caused or authorised the issue of, and expressly disclaims and takes no responsibility for, any other part of this Prospectus.

## PRIVACY NOTIFICATION

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By filling out an Application Form to apply for shares, you are providing personal information to the Company and Peet Limited.

The Privacy Act 1988 (Cwth) regulates the way the Company collects, uses, disposes, keeps secure and gives people access to their personal information.

The Company has adopted the same 'Privacy Policy Statement' as Peet Limited.

The Company and Peet Limited are committed to respecting the privacy of your personal information and have adopted a privacy policy, which state how your personal information is managed. You can obtain a copy of the policy by writing to the Company or Peet Limited.

In this regard, it is advised as follows:

The Company and Peet Limited collect, hold and use personal information in order to process your application and if your application is successful, to administer your shareholding in the Company, including:

1. setting up and maintaining a register of Shareholders in accordance with the Corporations Act;
2. paying dividends to you;
3. communicating with you, such as sending you annual reports, notices of meetings and any other documentation which the Company wishes to send to you as a Shareholder;
4. carrying out general administration including monitoring, auditing, evaluating, modelling data, dealing with complaints and answering queries; and
5. complying with its legal and regulatory obligations.

If you do not provide the information requested in the Application Form, the Company and or the Underwriter may not be able to process or accept your application for shares.

Your personal information may be provided to the Company or Peet Limited's agents or service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be disclosed are:

1. registry for ongoing administration of the share register. Peet Limited is contracted by the Company to maintain the register;
2. printers and mail houses for the purposes of preparation and distribution of documents to you and for handling mail;
3. professional service providers such as lawyers, accountants, auditors, consultants and other professional advisers for the purposes of administering and advising on the shares and for any associated actions; and
4. other companies where the Company and Peet Limited believes it is more efficient to outsource services or functions to those companies.

Your personal information may be provided to certain third parties. The types of third parties that may be provided with your personal information and the circumstances in which your personal information may be disclosed are:

1. government, regulatory authorities or other people when permitted or required by law, such as ASIC or people inspecting the share register in accordance with the Corporations Act; and
2. in certain circumstances and with safeguards to respect your privacy, potential or actual purchasers of an interest in the Company or the Company's business or any part thereof.

You have the right to gain access to your personal information held by, or on behalf of, the Company or Peet Limited, subject to certain exemptions under the law. A reasonable fee may be charged for providing access to personal information. You can request access to your personal information by writing to:

The Privacy Officer (Mrs C Young)  
Peet Limited  
PO Box 7224  
Cloisters Square  
PERTH WA 6850  
Ph: 08 9420 1111  
Fax: 08 9481 4712

Any changes to the privacy policy or statements of the Company or Peet Limited will be posted on the Peet Limited website [www.peet.com.au](http://www.peet.com.au)

## MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

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The Directors consider that the contracts mentioned below and summarised in this Prospectus are material in terms of the offer ('Material Contracts') and, as such, may be relevant to a potential investor in the Company. Any intending investor may read the Material Contracts at the Company's registered office. The Material Contracts are:

1. Option Agreement relating to the Melton Property, between the Company and Peet Limited;
2. Option Agreement relating to the Beachmere Property, between the Company and Peet Limited;
3. Company Management, Project Management and Marketing Agreement;
4. Contracts of Sale for the acquisition of each property; and
5. Underwriting and Capital Raising Coordination Agreement.

Copies of the documents listed below will be available for inspection during normal business hours free of charge at the registered office of the Company for a period of 13 months after lodgement of this Prospectus at the ASIC:

- the Material Contracts;
- the consents;
- the Constitution of the Company;
- the Consulting Economist's report; and
- this Prospectus.

## DIRECTORS' AUTHORISATION

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The Directors of Peet Beachton Syndicate Limited have consented to the issue of this Prospectus.



Warwick Hemsley  
Director

# INDEPENDENT REPORTS

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## BEACHMERE

### CONSULTING TOWN PLANNER

JONES FLINT & PIKE PTY LTD

### CONSULTING ENGINEER

CARDNO (QLD) PTY LTD

### INDEPENDENT VALUER

LANDMARK WHITE BRISBANE PTY LTD

## MELTON

### CONSULTING TOWN PLANNER

ENVIRONMENTAL RESOURCES MANAGEMENT AUSTRALIA PTY LTD

### CONSULTING ENGINEER

WBCM PTY LTD

### INDEPENDENT VALUER

CB RICHARD ELLIS (V) PTY LTD

### CONSULTING ECONOMIST

MACROPLAN AUSTRALIA PTY LTD

### INVESTIGATING ACCOUNTANT

PRICEWATERHOUSECOOPERS SECURITIES LTD

# BEACHMERE CONSULTING TOWN PLANNER

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Reference: M2127-03

4 May 2007

The Directors  
Peet Beachton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



Dear Sirs,

## PROSPECTUSTOWN PLANNING REPORT - TRINITY WATERS - BEACHMERE, QUEENSLAND

### 1. PURPOSE OF REPORT

This town planning report is prepared for the inclusion in a prospectus to be issued by Peet Beachton Syndicate Limited.

### 2. PROPERTY DESCRIPTION

The Beachmere Project covers two (2) landholdings, each the subject of separate applications to Caboolture Shire Council.

The first landholding (Stage 1) has frontages to Fiona and Gillian Streets, Beachmere and is described as Lot 115 on RP 154306, Parish of Toorbul. The property contains an area of 10.61 hectares.

The second landholding (Stage 2) has frontage to Adam Court and Weeroona Avenue, Beachmere and is described as Lot 4 on RP 850609, Parish of Toorbul. The property contains an area of 7.99 hectares.

Both landholdings combine to create the Beachmere Project.

### 3. PROJECT LOCATION

The Beachmere Project is located at Beachmere, a bayside locality of Caboolture. Caboolture is a major urban centre located approximately 40 kilometres north along the Bruce Highway from the Brisbane Central Business District. From the Caboolture interchange on the Bruce Highway, the Beachmere Project is located approximately 10 kilometres to the east via the Caboolture - Beachmere Road. The business centre of Caboolture is located approximately 2 kilometres west of the Bruce Highway interchange.

The Beachmere Project has a combined frontage of approximately 510 metres to the Caboolture River. The location is shown on the Location Plan (refer to page 5 of this Prospectus), together with an inset of the concept for Trinity Waters.

Both landholdings have been excavated by previous property owners resulting in a modified landform including a waterbody on each site. The Beachmere Project adjoins existing residential housing on the east and south. To the north, the adjoining land is designated Rural.

### 4. BACKGROUND TO THE PROJECT CONCEPT

Because both landholdings were significantly modified and contained existing waterbodies, the preferred concept includes formalisation of those waterbodies into features which would considerably improve the urban setting. The resultant waterbody is intended to draw the Caboolture River influence into the development.

Importation of fill material to raise building sites above flood level will be necessary. Environmental and Hydraulic studies have been conducted on the site (refer to Beachmere Consulting Engineer report - page 49).

Due to the environmental significance of the Caboolture River estuary as a Fisheries Habitat and significant mangrove colonies along the foreshore, a decision was taken by the previous owners to create a controlled waterbody regulated by a weir as opposed to a navigable, tidal canal system. The weir utilises an existing river drainage channel and permits a controlled tidal interchange.

# BEACHMERE CONSULTING TOWN PLANNER

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## 5. DEVELOPMENT APPROVAL

Caboolture Shire Council, by letter dated 20th April, 2006 issued a Development Approval for the subdivision of **Stage 1** into eighty-eight (88) homesites contained within six (6) releases (1A - 1F).

Of the total number of sites in Stage 1, fifty-eight (58) lots are 600 square metres and larger designed generally with minimum twenty (20) metre wide frontages. Thirty (30) lots or 34% of lots in Stage 1 are in the range between 450 and 600 square metres with a minimum frontage of fifteen (15) metres.

The approved Plan of Layout for Stage 1 is M1681-2e. The approved Building Envelopes Plan is M1681-03c which includes guidelines for siting of houses on lots less than 600 square metres.

Caboolture Shire Council by letter dated 13th July, 2006 issued a Development Approval for the subdivision of **Stage 2** into sixty-four (64) lots in four (4) releases (2A - 2D). Release 2A gains road access via the extension of Weeroona Avenue while 2B forms the extension of Adam Court.

Of the total sites in Stage 2, forty-five (45) lots are greater than 600 square metres with a minimum frontage of 20 metres on regular shaped lots. Nineteen (19) lots or 30% of lots in Stage 2 are between 450 and 600 square metres. The approved Plan of Layout for Stage 2 is M1681-05e. The approved Building Envelope Plan is M1681-09c which includes guidelines for the siting of houses on lots less than 600 square metres.

The approved Beachmere Project contains 152 lots, new roadways, waterbody and esplanade parkland.

## 6. CURRENCY PERIOD FOR APPROVALS

In accordance with the Integrated Planning Act, the currency period for the Development Approval (DA) is two (2) years from the date of approval. Operational Works approval, dealing with engineering design matters, should be initiated within the initial two (2) year period. Operational works approval is valid for a further two (2) years.

<b>Stage 1</b>	20th April, 2006	Approval issued
	20th April, 2008	DA currency date
	20th April, 2010	Operational Works
<b>Stage 2</b>	13th July, 2006	Approval issued
	13th July, 2008	DA currency date
	13th July, 2010	Operational Works

## 7. APPROVED STREET NAMES

Caboolture Shire Council has issued street name approval for all new roads being opened on the Beachmere Project.

## 8. FURTHER APPROVALS

No further town planning applications or approvals are necessary to enable the development of the Beachmere Project, provided there are no substantial changes to the approved proposal plans.

## BEACHMERE CONSULTING TOWN PLANNER

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### 9. CONCLUDING COMMENTS

The Beachmere Project is an approved development comprising 152 housing sites adjacent to existing residential housing at Beachmere, Queensland. The Beachmere Project abuts the Caboolture River and provides landscaped public access to the foreshore areas.

The concept plan for the Beachmere Project provides a number of residential lots with direct water influence which is a unique feature when compared with other standard housing developments in the Beachmere area.

The Beachmere Project provides a mix of detached housing sites well situated in relation to employment opportunities in Caboolture and Brisbane and a variety of recreational pursuits in the Caboolture River and nearby Moreton Bay.

Development approvals are in place for both Stages 1 and 2 and we do not foresee any town planning issues which would prejudice the orderly development of the Beachmere Project.

Yours faithfully,  
Jones Flint & Pike Pty Ltd

A handwritten signature in black ink, appearing to read 'John Franklin', written over a light grey horizontal line.

John Franklin

### DISCLAIMER

Jones Flint & Pike Pty Ltd has consented to the inclusion of this report in the Prospectus, but is not providing advice about a financial product, or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services License. Jones Flint & Pike does not hold such a license and is not operating under any such license in providing this report. We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in Peet Beachton Syndicate Limited and have provided the report solely in our capacity as an independent professional advisor. We expect to receive a fee of \$9,500 plus GST for our professional services in providing this report.

# BEACHMERE CONSULTING ENGINEER

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Our Reference: 7900/54: sc

11 May 2007

The Directors  
Peet Beachton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



Dear Sirs,

## LOT 115 FIONA STREET AND LOT 4 WEEROONA AVENUE, BEACHMERE - ENGINEERING DUE DILIGENCE REPORT

Please find enclosed our servicing report for inclusion in the Prospectus to be issued by Peet Beachton Syndicate Limited.

### 1. PROPERTY DESCRIPTION

The Beachmere Property is bound by the Caboolture River and established mangrove forest to the west; and existing residential development to the south and east.

Past land use has created an undulating topography with an array of constructed drainage lines and low areas subject to periodic tidal inundation.

Two waterbodies that have previously been constructed on the site are connected to the Caboolture River. Marine vegetation, dominated by young mangroves and Saltwater couch (*Sporobolus virginicus*), occur around the perimeter of the constructed waterbodies and along the constructed drainage channels.

The remainder of the site supports introduced grassland with scattered native trees and sparse areas of saltmarsh and mangroves, which are subject to regular disturbance from vehicular activity.

### 2. SERVICING AND DEVELOPMENT

This report provides advice on the capability of the Beachmere Project being serviced for residential development. It is assumed that the development of the Beachmere Project will be in accordance with the existing approvals as described in the Beachmere Town Planning Report including:

- the construction of 152 residential lots ranging from 450 to 885 square metres;
- terrestrial parkland encompassing an area of approximately 2.5 hectares; and
- the reconstruction of an existing saline waterbody, subject to limited tidal influence, with an area of approximately 4.0 hectares.

### 3. KEY ENVIRONMENTAL & SITE CONSIDERATIONS

The Beachmere Project is located adjacent to a section of the Caboolture River which forms part of the Moreton Bay Ramsar wetland and the Deception Bay Fish Habitat Area. These highly valued environmental areas are protected via international agreements and the Queensland Department of Primary Industries and Fisheries (DPI&F).

The Beachmere Project will be designed in accordance with the conditions of the current Approval. The design will incorporate the existing environmental values of the Beachmere Project, and adjacent areas.

The development comprises the reconstruction of the two existing waterbodies on the site and weirs will be established to control tidal flows to the lakes. Excavation of material from the existing waterbodies will provide fill for the development area. The profile of the lake shoreline will be constructed to encourage natural regrowth of marine vegetation in strategic locations.

An environmental park with a board walk and educational material will be established to allow public access to the Caboolture River and enhance appreciation of the environmental values adjacent to the site.

# BEACHMERE CONSULTING ENGINEER

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All construction works will be managed in accordance with an approved Construction Environmental Management Plan (CEMP) to ensure compliance with relevant legislation. The CEMP outlines management strategies for the following elements.

- Community Awareness
- Earthworks Management
- Erosion and Sedimentation Control
- Water Quality
- Acid Sulfate Soil Management
- Flora and Fauna Management
- Air Quality
- Noise Management
- Waste Management
- Dangerous and Hazardous Materials Management
- Cultural Heritage Management

All construction works will be audited throughout their duration to ensure compliance with the provisions of the CEMP and development conditions.

## 4. PRINCIPAL ENGINEERING CONSIDERATIONS

### 4.1 EARTHWORKS

The development of the Beachmere Project will require approximately 170,000 cubic metres of earthworks including the re-construction of two existing waterbodies and preloading of selected allotments. The total project landform will require a net import of fill material, to raise the residential allotments to a level that is 500mm above the flood level of a 100 year ARI storm event to provide the required flood immunity.

The potential for acid sulfate soils on the Beachmere Project has been identified by an acid sulfate soil investigation undertaken by a respected geotechnical consultant in January 2005. The results of the field investigations indicate that most of the soils tested from the site are potential acid sulphate soils (PASS). The soils tested were generally found to have a low to moderate acid generating capacity, however a small proportion was found to have a high acid generating capacity. An Acid Sulfate Soil Management Plan has been prepared for the development which describes the required monitoring and testing of acid levels in both the soil and water bodies throughout the construction of the development. The proposed construction strategy has been developed with consideration of the requirements for the management of the potential acid sulfate soils within the property. An allowance for the treatment of this soil has been included in the preliminary cost estimate.

Geotechnical investigations of the proposed land reclamation area have also been completed to evaluate settlement and preloading requirements. Based on investigations to date, approximately 40% of the allotments are expected to require preloading. No allotments in stages 1E, 2B and 2D are expected to require preloading, and only two allotments in stage 2A are expected to require preloading. The information to date has been based on laboratory data and can only provide an estimate of expected field settlement. Hence, detailed monitoring of preloading during construction is necessary to determine the extent of preloading required. An allowance for ten months of preloading has been included in the development of the construction phases and preliminary cost estimate.

# BEACHMERE CONSULTING ENGINEER

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## 4.2 ACCESS

Access to the site will be via four existing roads: Fiona Street, Gillian Street, James Road and Weeroona Avenue, which all converge to Beachmere Road at the intersection with James Road and Egan Avenue.

Traffic management measures including concrete splitter islands and traffic calming devices will be incorporated into the road design for the development to meet the requirements of the Development Approval and have been included within the preliminary cost estimate.

Concrete footpaths will be provided throughout the development on one side of all internal minor collector roads and between selected lots in accordance with requirements of the Development Approval and Council standards.

## 4.3 STORMWATER

Stormwater from existing upstream developments is currently discharged via stormwater outlets into open drains which flow through the Beachmere Project. The existing waterbodies also receive runoff from external catchments and the Beachmere Project.

It is a condition of the current Development Approval that the Beachmere Project includes bio-retention basins in accordance with, and to achieve the water quality objectives defined in, the stormwater management report. The layout of the bio-retention swales for stages 2A and 2B has been revised during detailed design compared to the arrangement shown on the Plan of Layout. The revised layout incorporates the bio-retention swales within the typical road reserve width and thereby increases the size of three allotments within these stages. The remaining stages will be similarly revised during detailed design, prior to submission for operational works.

The stormwater drainage system will be designed to address the requirements of the current Development Approval.

## 4.4 WATER SUPPLY & SEWERAGE RETICULATION

Caboorture Shire Council is the responsible authority for water supply and sewerage reticulation.

The Development Approval requires the construction of water supply and sewerage reticulation to all of the proposed allotments within the Beachmere Project, including connections to the existing system. These requirements have been incorporated in the water supply and sewerage masterplans which have been developed for the Beachmere Project.

The Company is responsible for all costs associated with the connections and inspections of the proposed works. The preliminary cost estimate includes an allowance for these costs.

It is a condition of the Development Approval that external upgrade works to the existing water supply and sewerage infrastructure are completed prior to the release of survey plans for the first phase of the project. It is noted that these works are also scheduled on Council's Works Program, to be undertaken directly by the Council at its cost depending upon the timing of the development.

In this regard, Council has already completed the upgrade works to the water supply infrastructure outlined in the approval.

While the upgrade works to the Beachmere 01 sewerage pumping station and rising main are included in Caboorture Shire Council's Operational Plan and Budget 2006/2007, it is unlikely that these works will be undertaken by Council prior to the development requiring them. Hence, it is expected that these works will need to be completed by the Company, initially at its own cost.

## BEACHMERE CONSULTING ENGINEER

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However, the conditions of the Development Approval state the following: “The agreed cost of upgrading the pumping station BM01, rising main and the Beachmere water pumping station may be wholly or partly offset against water supply sewerage headworks contributions, in accordance with Council’s Policy for the determination of water and sewerage contributions.”

Based on our experience, and the fact that the works are included in the Works Program, we consider it very likely that the total cost of the external sewerage upgrading will be wholly offset against headworks contributions. While Council will provide no further surety than that outlined in the conditions of approval, we are confident that a suitable arrangement will be reached with Council in respect of offsetting the costs as a credit against headworks charges which would be otherwise payable.

The cost of the upgrade works to the Beachmere 01 sewerage pumping station and rising main is estimated to be \$250,000. This estimate is based on the capital costs as listed in Council’s Operational Plan and Budget 2006/2007, with a contingency of approximately 12.5% added. It is noted that the determination of the cost of the upgrade works will be subject to the design being finalised by Council.

The construction timeframe for these upgrade works is also subject to the release of the final design by Council. However, it is expected that the construction of the upgrade works could be completed within a period of six months.

The Company costs and offset against headworks contributions will be negotiated with Council during the Operational Works approval process for Phases 1 and 2 of the project.

### 4.5 ELECTRICITY & TELECOMMUNICATIONS

Energex is the principal authority responsible for the provision of electricity facilities to service the Beachmere Project. Telstra is the principal authority responsible for the provision of telecommunications facilities to service the project.

The adjoining residential development to the east and south of the project are currently serviced by both Energex (electricity) and Telstra (telecommunications).

Preliminary investigations indicate that there is insufficient capacity in the existing Energex network to provide the required supply. Hence, new padmount transformers will generally be required to provide supply to the Beachmere Project. However, special approval has been obtained from Council to upgrade an existing pole transformer to supply stage 2B.

The Telstra plant required to provide communications services to the project from the existing exchange line will include a Remote Integrated Multiplexer (RIM). In addition conduits will be installed for the required Telstra cables.

The preliminary cost estimate includes an allowance for infrastructure to provide Energex and Telstra services to the project.

In accordance with the conditions of the Development Approval, provision will be made for Telstra plant and Energex transformer locations as required to service the Beachmere Project. The areas allocated for the required plant and transformers will be in addition to the nominated road reserve width. These areas are not included in the approved Plan of Layout, however they will be incorporated in the operational works submission and are not expected to significantly impact on the lot calculations

# BEACHMERE CONSULTING ENGINEER

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## 5. CONSTRUCTION STRATEGY

The proposed construction phases for the development of the Beachmere Project have been determined with consideration of the following.

- Site access.
- Minimising the external works required in the early stages.
- Minimising access by construction traffic on completed roadways.
- Final edge treatments of waterbodies required to be constructed adjacent to blocks prior to sale.
- The requirement for preloading of selected blocks to reduce settlements.
- Minimising double handling of soil used in the preload operations.
- Use of preload material in final stages of the project.
- Stormwater management during construction.

The proposed phasing of construction works to complete the development of the Beachmere Project is described below.

**Phase 1** - Construction of Stage 2A and Lake 2. Stage 2A can be constructed with a minimum of external works and can be isolated from ongoing construction of the development. It is intended that the material excavated from Lake 2 will be treated and placed in Stages 2C and 1B as fill and preloading. The estimated construction period for Phase 1 works is six months.

**Phase 2** - Construction of Stage 2B. The estimated construction period for this phase is four months. Whilst Phase 2 could commence at the same time as Phase 1, the release of Titles for this Phase is dependant upon the construction of the sewerage infrastructure upgrade works being completed.

**Phase 3** - Construction of Lake 1 and Stages 2C and 2D. This will include the removal of preloading to Stage 2C, and the final construction of both stages. The removal of preloading from Stage 2C is dependant on the required settlement being achieved. It is intended that the material excavated from Lake 1 will be treated and placed as fill and preloading in Stages 1A, 1C and 1D. The estimated construction period for this Phase is seven months.

**Phase 4** - Construction of Stages 1B and 1E. This Phase will include the removal of preloading to Stage 1B, and the final construction of both stages. The removal of preloading from Stage 1B is dependant on the required settlement being achieved. The estimated construction period for Phase 4 is four months.

**Phase 5** - Construction of Stages 1A, 1C and 1D. This will include the removal of preloading and completion of earthworks prior to the final construction of the stages. The removal of preloading is dependant on the required settlement being achieved. The estimated construction period for Phase 5 is five months.

The release of Titles for each stage is expected to be one month following the completion of the construction works for the stage.

The proposed construction phases are preliminary only and are subject to the detailed design of the entire development. The development of the construction program is dependant on the results of detailed field investigations to determine the extent of preloading required within the project.

# BEACHMERE CONSULTING ENGINEER

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## 6. DEVELOPER CONTRIBUTIONS

Developer Contributions are payable in the Caboolture Shire Council for water and sewer headworks and have been calculated in accordance with current Council fees and charges.

The current Water Contribution rate for this land in the Lowland catchment is \$1,417 per equivalent person (EP). Council requires that the equivalent persons applicable for various lot sizes are 2.3 EP for lots under 500 square metres and 2.9 EP for lots between 500 square metres and 1000 square metres.

The current Sewer Contribution rate for sewerage to be treated at the Burpengary East Sewerage Treatment Plant (STP) is \$2,016 per equivalent persons. Council requires that the equivalent persons determined based on lot size are 2.4 EP for lots under 500 square metres and 3.0 EP for lots between 500 square metres and 1000 square metres.

The contribution for roads required by Council is \$750 per lot for the development.

The estimated headworks contributions for water, sewer and roads for the Beachmere Project have been determined based on the above rates. Based on the approved lot yield, headworks contributions have been calculated to be \$1,566,000 exempt from GST.

The headworks contributions for sewer for Phases 1 and 2 of the Beachmere Project, determined based on the above rates are estimated to be \$195,000. These estimated headworks contributions are equivalent to approximately 80% of the estimated cost of the sewerage upgrade works as described in Section 4.4. The costs to construct the required upgrade works, which are in excess of the headworks contributions for Phases 1 and 2 would subsequently be offset against the headworks contributions in Phase 3.

## 7. PRELIMINARY COST ESTIMATE

The preliminary cost estimate for the Beachmere Project is \$12,467,000 excluding GST. This estimate includes an allowance of \$800,000 for landscaping works, which has been determined by the Manager and the Landscape Architect as being a reasonable value for the proposed project based on the concept landscape design with consideration of the location and size of the Beachmere Project.

A contingency allowance of 12.5% has been included in the preliminary cost estimate. The contingency allowance is considered necessary due to the risk areas associated with the Beachmere Project, including variability in soil and weather conditions during construction.

## 8. APPROVAL REQUIREMENTS

Operational Works approval from Council is required prior to commencement of construction works on site. The following approvals are also required in conjunction with Operational Works due to the specific site conditions and construction works: Disturbance of Marine Plants; Building or Raising Waterway Barrier Works; Prescribed Tidal Works; and General Fisheries Permit.

As described previously a number of construction phases are proposed for the development of the Beachmere Project. Hence, all relevant approvals are required for the proposed construction phase prior to commencement of construction works on site.

The application for Operational Works for Phases 1 and 2 was submitted in early April 2007. It is proposed that an application for earthworks associated with the preloading to Stages 2C and 1B will be submitted in May 2007.

The minimum timeframe for the approvals process is anticipated to be three months. However, this timeframe is dependant on the timing and extent of any requests for information (RFI) which may be made by the assessment agencies.

# BEACHMERE CONSULTING ENGINEER

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The Beachmere Project involves disturbance to marine plants situated on the site, as defined by and protected under the Fisheries Act 1994. The raw economic cost to fisheries productivity resulting from the proposed loss/disturbance of marine plant communities and fisheries habitats has been estimated by Cardno to be \$866,000. However, a range of options for mitigation of impacts associated with loss/disturbance of marine plant communities and fisheries habitats are recognised by the Department of Primary Industries and Fisheries (DPI&F) policy, FHMOP 005 (2002). The fish habitat mitigation measures which are being incorporated into the design of the Beachmere Project are recognised by this policy. A draft report has been prepared by Cardno which details the proposed mitigation measures included within the Beachmere Project. This report will be formalised and submitted to DPI&F for its consideration as part of its full assessment of the project to determine the cost to fisheries productivity; and offset of proposed mitigation measures.

## 9. DEVELOPMENT PROGRAM

The Operational Works application for Phases 1 and 2, which include Lake 2, and Stages 2A and 2B, was submitted to Council in the first week of April 2007. Based on the expected approval timeframe, it is anticipated that tenders for the construction works could be invited during June 2007. Award of the construction contract could then follow after receipt of required approvals and assessment of tenders.

The construction period for Phase 1 is estimated to be six months. The release of Titles for Phase 2 - Stage 2B is dependant upon the construction of the sewerage infrastructure upgrade works being completed, as described previously within this report.

The design of future phases will continue to progress while the current submission is processed by Council. The operational works submission for the bulk earthworks including preloading for the remainder of the site is expected to be submitted during May 2007. It is intended that bulk earthworks and preloading construction will commence during Phase 1 construction works to utilise material from the construction of Lake 2 and minimise the possible delays to construction of future phases due to the required timeframes for preloading.

Operational Works applications will be made as the detailed design of the remaining phases are completed. The objective is to obtain Operational Works approvals for the remaining phases early so as to minimise the risk of delaying the development works.

## 10. GENERAL

The information in this report has been obtained as a result of informal discussions with officers from the relevant authorities and may differ at some future date when detailed Operational Works designs and applications for environmental approvals are submitted to the relevant bodies. Cardno cannot accept any responsibility if an authority changes its requirements after the date of this report.

Yours Faithfully

Dr Trevor Johnson  
Director  
for Cardno (Qld) Pty Ltd

## DISCLAIMER

Cardno (Qld) Pty Ltd has consented to the inclusion of this report in the Prospectus, but is not providing advice about a financial product, or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. Cardno (Qld) Pty Ltd does not hold such a licence and is not operating under any such licences in providing this report. We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in Peet Beachton Syndicate Limited and have provided this report solely in our capacity as an independent professional adviser. We have received a fee of \$6,500 for our professional services in providing this report.

# BEACHMERE INDEPENDENT VALUER

rm: 75535/36224

11 May 2007

The Directors  
Peet Beachton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



Dear Sirs,

**RE: "TRINITY WATERS" WEEROONA AVENUE, BEACHMERE QLD 4510.**

## 1.1 INSTRUCTIONS

We refer to your recent instructions requesting a summary of the formal valuation report for the above property for the purposes of inclusion in a Prospectus. This report provides a summary detailing the principal factors that were considered in reaching our opinion of market value as at the valuation date stated in this report; the description of the properties are as they existed as at the relevant valuation date; and the market commentary is current as at the date of this report.

## 1.2 VALUATION SUMMARY

<b>Property Address</b>	Weeroona Avenue and Fiona Street, Beachmere, Qld 4510.	
<b>Prepared for &amp; Purpose</b>	Peet Beachton Syndicate Limited for inclusion in a Prospectus.	
<b>Interest Valued</b>	Fee simple in possession.	
<b>Basis of Valuation</b>	<ul style="list-style-type: none"> <li>• Site value 'as is' with the benefit of the existing Development Approval.</li> <li>• Gross Realisation of the individual allotments 'as if complete'.</li> </ul>	
<b>Land Area</b>	Stage 1 (Lot 115 Fiona Street)	10.61 hectares
	Stage 2 (Lot 4 Weeroona Avenue)	<u>7.99 hectares</u>
	<b>Total</b>	<b>18.60 hectares</b>
<b>Valuation Approaches</b>	'As Is' - Direct Comparison and Residual Cash Flow Analysis. 'As If Complete' - Direct Comparison.	
<b>Date of Valuation</b>	19 April 2007	
<b>Market Value Stage 1 (Lot 115)</b>	\$5,000,000	Site Value 'As Is' with existing DA Consent Inclusive of GST.
<b>Market Value Stage 2 (Lot 4)</b>	\$4,300,000	Site Value 'As Is' with existing DA Consent Exclusive of GST.
<b>Valuer</b>	Russell Madden <b>DIRECTOR</b> <b>Certified Practising Valuer</b> <b>Registered Valuer No. 2093 Qld.</b>	

## 2. LAND DESCRIPTION

<b>Identification</b>	The land has been identified by reference to the street numbers, Registered Plans and Site Surveys.
<b>Topography</b>	Lots 115 and 4 are situated on a plain adjoining the Caboolture River. The sites themselves are undulating due to the waterbodies and part low lying land.
<b>Flood Status</b>	The lower lying parts of the Beachmere Property are subject to periodic tidal inundation. I am advised that the building pads for the proposed lots are to be filled 500mm above the Q100 flood level as part of the development.

# BEACHMERE INDEPENDENT VALUER

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## 2.1 PLANNING

### Consent Status

- Stage 1 (Lot 115) - Material Change of Use/Reconfiguring a Lot for an 88 lot residential subdivision was granted by Caboolture Shire Council on 20 April 2006.
- Stage 2 (Lot 4) - Material Change of Use - Development Permit and Reconfiguring a Lot for a 64 lot residential subdivision was granted by Caboolture Shire Council on 13 July 2006.

### Consent Term

Two years.

## 2.2 LOCALITY AND SURROUNDING DEVELOPMENT

- The Beachmere Property is located in the bay side township of Beachmere, approximately 40 radial kilometres north of the Brisbane City centre and approximately 10 kilometres east of Caboolture Central Business District.
- Immediately surrounding development comprises residential housing to the east and south. There is undeveloped land adjoining to the north.

## 2.3 ROAD SYSTEM, ACCESS AND EXPOSURE

- The Beachmere Property has access points from Weeroona Avenue, Adam Court, Gillian Street and Fiona Street.
- All roads are bitumen sealed, kerbed and channelled, two lane roadways providing good access to the property.
- The roads carry low levels of traffic.

## 2.4 SERVICES AND AMENITIES

- Electricity, reticulated water, sewerage, and telephone services are to be connected to the property.
- Local shopping amenities and primary school are available within approximately 800 metres to the north.
- Higher order retail and commercial services and facilities are located at Caboolture, approximately 10 kilometres east of the property.

## 3. PROJECT

### 3.1 GENERAL

The Beachmere Property is a proposed residential subdivision with Development Approval for 152 lots to be constructed over the two sites stages.

Stage 1 is to comprise a total of 88 lots. 58 of the lots will have areas above 600 square metres with minimum frontages of 20 metres. The remaining 30 lots comprise land areas between 450 square metres and 600 square metres with minimum frontages of 15 metres.

Stage 2 is to comprise a total of 64 lots with 46 lots having areas above 600 square metres and minimum frontages of 20 metres for regular shaped lots. The remaining 18 lots have areas between 450 square metres and 600 square metres.

### 3.2 CONSTRUCTION COSTS

I have been provided with an engineers report prepared by Cardno (Qld) Pty Ltd (dated 11 May 2007, reference number 7900/54).

## 4. RESIDENTIAL LAND MARKET OVERVIEW

The transitional phase in property since the end of the property boom in 2003 has lasted longer than expected. Evidence suggests that most markets are stable but some particular markets are very strong.

The residential vacancy factor indicates continued strong demand for residential rental accommodation. However, the greatest influence on the market is affordability. Added pressures of recent rises in interest rates and continued increases in build costs are pressuring the affordability of new built product.

Local selling agents report that both the owner occupier and investment markets are active but with a price point up to \$375,000 for detached housing. Over this price point sales become difficult.

# BEACHMERE INDEPENDENT VALUER



The residential vacant land market appears to have improved in the first three months of 2007 with agents marketing estates east of the Bruce Highway reporting a 'mini boom' for land under \$200,000. Sales have also been reasonable for land over \$200,000 that have a point of difference such as water frontage or water views.

## 4.1 SUPPLY

There is a large supply of residential land currently being marketed to the west of the Bruce Highway in the Caboolture area. However, this land is not considered to be in direct competition to the Beachmere Property due to location factors.

'Sandstone Lakes' at Ningi is the only residential estate I am aware of currently being marketed in the bayside areas east of the Bruce Highway. Of the 120 lots completed in Stage 1, 85 have reportedly sold since marketing commenced approximately 10 months ago. There are a further 460 lots planned for the estate as well as a shopping centre and child care centre. The estate is situated within approximately five kilometres of Bribie Island, one kilometre from access to the Pumicestone Passage and 10 kilometres north of Beachmere.

## 4.2 DEMAND

Local selling agents report that demand for Beachmere land currently outstrips supply due to a lack of product to sell. There are currently only six vacant lots listed for sale in the township. Vendors of these lots appear to be trying to capitalise on the current shortage by inflating their prices above market expectations. Hence the agents report that there is little interest in these lots.

A review of 'Sandstone Lakes' at Ningi indicates that demand for land in the bay side areas is healthy. The marketing agent reports that the majority of buyers are locals from within the Caboolture Shire.

There is a large supply of vacant residential land currently being marketed in and around Caboolture on the western side of the Bruce Highway. In addition there is the large 'North Lakes' estate at Mango Hill approximately 20 kilometres to the south. The Caboolture and North Lakes estates are not considered to provide direct competition due to the location and unique characteristics of the Beachmere Property.

'Sandstone Lakes' is considered to be the most comparable being situated on the eastern side of the Bruce Highway. The estate has reportedly achieved an average of 8.5 sales per month over the last 10 months which is attributed to its high exposure to the busy main road to Bribie Island and close proximity to amenities on Bribie Island. Further releases will add to the supply of land in the future providing competition for the Beachmere Property.

## 4.3 SUMMARY

In my assessment I have taken into account that the Beachmere Property will have a point of difference in the market place due to the existence of the waterbody and close proximity of the Caboolture River. There is also a short supply of land within the Beachmere township itself. Both factors and the ability of the developer to provide extensive professional marketing are considered to be positives for sales of allotments in the Beachmere Property.

## 5. RATIONALE

### 5.1 GENERAL

In assessing the current market value of the Beachmere Property, I consider the appropriate method of assessment to be reconciliation between the direct comparison and the residual cash flow analysis. The gross realisations have been assessed via the direct comparison method.

### 5.2 GST IMPLICATIONS

- The Beachmere Property will attract a payment of GST. GST will also be payable on disposal costs (i.e. agents fees, advertising expenses and legal costs) although these will be revenue neutral to a developer as a registered entity.
- I have been advised that Lot 115 is being purchased under the General Tax provisions of the GST legislation and therefore the developer must remit 1/11th of the gross realisations.
- I am advised that the Margin Scheme applies for Lot 4 and therefore the developer must remit 1/11th of the difference between the gross realisations and the purchase price.

# BEACHMERE INDEPENDENT VALUER



### 5.3 INDIVIDUAL LOT VALUE / GROSS REALISATION 'AS IF COMPLETE'

I have examined recent market activity and have had particular regard to the following sales evidence, which I consider set the parameters by which the value of the Beachmere Property may be determined.

Beachmere	Sale Date	Sale Price	Area m <sup>2</sup>	\$/m <sup>2</sup>
<b>1 Adam Court</b> Regular shaped corner allotment adjoining the proposed subject estate.	June 06	\$139,000	651	\$214
<b>21 Apollo Crescent</b> Slightly irregular shaped inside allotment in an established residential street.	May 06	\$145,000	604	\$240
<b>40 Apollo Crescent</b> Regular shaped corner allotment in an established residential street.	April 06	\$128,500	584	\$220
<b>72 Biggs Avenue</b> Regular shaped inside allotment in an established residential street and adjoining a lake to the rear.	May 06	\$225,000	677	\$332
<b>18 Coronation Avenue</b> Regular shaped inside allotment situated opposite beachfront property.	Aug 06	\$252,500	899	\$281
<b>4 Gira Close</b>	May 06	\$168,000	682	\$246
<b>5 Gira Close</b> Irregular shaped cul-de-sac allotments in a modern developing residential estate.	April 06	\$168,000	761	\$221
<b>11 Karora Road</b>	Sept 06	\$169,000	671	\$252
<b>12 Karora Road</b>	June 06	\$168,000	601	\$280
<b>14 Karora Road</b>	May 06	\$168,000	601	\$280
<b>19 Karora Road</b> Mixture of irregular and regular shaped inside allotments in a modern developing residential estate.	April 06	\$168,000	651	\$258
<b>3 Phillip Street</b> Regular shaped corner allotment in an established residential street located within 100 metres of the beach.	Nov 06	\$230,000	600	\$383
<b>3 Saint Smith Road</b>	May 06	\$140,000	637	\$220
<b>9 Saint Smith Road</b>	May 06	\$140,000	764	\$183
<b>11 Saint Smith Road</b> Three allotments within close proximity of each other located in a semi-established residential area approximately two kilometres south of amenities.	May 06	\$140,000	772	\$181
<b>6 Weeroona Avenue</b> Regular shaped corner allotment located in an established cul-de-sac close to the proposed subject estate.	May 06	\$129,000	624	\$207
<b>3 Yaraan Crescent</b>	May 06	\$168,000	758	\$222
<b>4 Yaraan Crescent</b>	July 06	\$168,000	652	\$258
<b>9 Yaaran Crescent</b>	May 06	\$168,000	743	\$226
<b>11 Yaraan Crescent</b>	Oct 06	\$165,000	649	\$254
<b>15 Yaraan Crescent</b> Irregular shaped cul-de-sac allotments in a developing modern residential estate.	June 06	\$165,000	633	\$261

In addition to the above evidence I have had regard to reported sales in the 'Sandstone Lakes' subdivision at Ningi. Lots with water views have reportedly sold between \$220,000 and \$275,000 and standard lots between \$165,000 and \$180,000. This estate is considered to be in an inferior position as it is not situated adjoining a river.

# BEACHMERE INDEPENDENT VALUER



After consideration of the above sales, the characteristics of the proposed development and prevailing market conditions, I have determined gross realisations for each stage 'as if complete' and subject to satisfactory compliance with Council regulations and other relevant statutory bodies, issue of individual title as follows:

## Stage 1

Stage Realisation	\$18,075,000 inclusive of GST
Number of Lots	88
Average Lot Price	\$205,398
Highest Lot Value	\$320,000
Lowest Lot Value	\$160,000
Median Lot Size	600m <sup>2</sup>
Largest Lot	885m <sup>2</sup>
Smallest Lot	450m <sup>2</sup>

## Stage 2

Stage Realisation	\$14,115,000 inclusive of GST
Number of Lots	64
Average Lot Price	\$220,547
Highest Lot Value	\$310,000
Lowest Lot Value	\$160,000
Median Lot Size	610m <sup>2</sup>
Largest Lot	829m <sup>2</sup>
Smallest Lot	452m <sup>2</sup>

This valuation has been prepared on the basis of current market conditions, which may potentially alter (i.e. strengthen or weaken) over the course of the development period, depending upon factors such as prevailing micro and macro economic conditions and the state of the Beachmere residential property market.

The lots are considered saleable at my valuations, given an appropriate marketing campaign and reasonable selling period, with an agent suitably experienced in the marketing of developments of this type. The above sales assume professional marketing by the developer and agent. A sales rate of five lots per month after the first five months of construction for the first stage and 30 presales and post construction sales rate of five lots per month for the second stage is considered to be achievable.

## 5.4 SITE VALUE

The most appropriate approach to the valuation of a residential redevelopment site is by way of reconciliation of the direct comparison method and a residual cash flow analysis.

### 5.4.1 Direct Comparison

This method involves the direct comparison of other comparable sites on either a rate per square metre or rate per lot value.

The relative merits of the Beachmere Property and each of the sales analysed are compared, having regard to matters such as location, aspect, topography and its effect on development, size of the land and scale of development, conditions of the development consent and relativity of time to current market conditions. This approach contains a high degree of value judgement when the sites are not directly comparable in one or a number of variables. In carrying out my investigations, I have identified several sites in the general locality, which in my view set the parameters by which the value of the subject property may be determined.

## BEACHMERE INDEPENDENT VALUER



The following site sales are considered the more noteworthy from my market investigations:

Address	Sale Date	Sale Price	Area (ha)	\$/ha	\$/lot
<b>Ashgrove Drive, Cooroy.</b>	8/06	\$12,620,000	25.63	\$492,392	\$72,529
Amalgamation of three properties located on the western verge of Cooroy, adjoining the eastern side of the Bruce Highway. Sold with Development Approval for 174 residential allotments. Irregular shaped site with a gentle contour down from northern boundary. Southern boundary adjoins a relatively new residential estate.					
<b>Village Way, Little Mountain.</b>	7/06	\$2,500,000	4.153	\$601,974	\$65,789
Near level irregular shaped allotment sold with D.A. for a 38 residential subdivision which has since been completed. Lots range in sizes of between 650 square metres and 1,016 square metres. Site is located on the western edge of Little Mountain in relatively close proximity to the proposed Caloundra Mooloolaba By-pass which is currently under construction.					
<b>56 Anderson Road, Morayfield.</b>	3/06	\$1,082,000	2.02	\$535,644	\$54,125
A regular shaped inside allotment improved with a lowset three bedroom dwelling. A development application has been submitted for a 20 lot subdivision with 2,024 square metres of parkland. The property is designated 'Residential A' being within the 'Central' planning area under the Caboolture Shire Council.					
<b>24 - 34 Pitt Road, Burpengary.</b>	2/06	\$3,130,000	7.46	\$419,571	\$55,893
An amalgamation of two allotments that combine to form an irregular shaped inside parcel. The site has a slight crossfall and is situated in an expanding residential area. Purchased with Development Approval for the construction of a 56 allotment subdivision. This subdivision is known as 'Wattle Park' and is nearing completion of construction.					
<b>Memorial Drive, Eumundi.</b>	2/06	\$5,900,000	14.61	\$403,833	\$65,555
Amalgamation of two properties forming an irregular shaped site located on the north eastern side of Eumundi. The site exhibits a moderate slope down from south eastern corner becoming gentle slope for the majority of the site. The western boundary is located adjacent to the Bruce Highway. Sold with Development Approval for 90 residential lots.					
<b>7 Weeroona Avenue, Beachmere.</b>	8/06	\$4,252,632	7.99	\$532,244	\$66,447
Subject Site Stage 2.					

The above sales represent a cross section of residential subdivision sites, with dollar per lot values showing a range of \$54,125 to \$72,529 and dollar rate per hectare of site area between \$403,833 and \$601,974.

### 5.4.2 Residual Cash Flow Analysis

This method of assessment determines a price that could be paid for the property, given the expected gross realisations from the individual sale of the completed lots and the cost and charges of the proposed development, assuming normal market profit expectations, with cognisance of all the known characteristics of the property and the inherent risks involved in its proposed development.

A residual cash flow analysis has been prepared based on values assessed previously in this report. Cash flow projections are forecasts based on available information and are exposed to fluctuating economic and property market conditions.

From the cash flow analysis it appears that a premium is being paid for Stage 2 (Lot 115 Fiona Street) which is considered reasonable given that the contract is not due to be completed until September 2008. This delayed settlement will provide savings on interest and land holding costs which are unable to be accounted for in this assessment.

# BEACHMERE INDEPENDENT VALUER

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## 6. QUALIFICATIONS AND ASSUMPTIONS

The flooding information noted has been obtained from the Due Diligence Committee appointed by Peet Limited. This information has been relied upon in my assessment of value and no responsibility is accepted for the accuracy of the flooding information provided. Should the information prove incorrect in any material respect, the matter should be referred to me for review of the valuation as deemed appropriate.

Whilst I have physically identified the boundaries of the property on inspection and there do not appear to be any encroachments, I am not a qualified surveyor and no warranty can be given without the benefit of an identification survey.

The planning information noted has been obtained from Due Diligence Committee appointed by Peet Limited. This information has been relied upon in my assessment of value and no responsibility is accepted for the accuracy of the planning information provided. Should the information prove incorrect in any significant respect, the matter should be referred to me for review of the valuation as deemed appropriate.

No soil tests or environmental studies have been made available for my perusal. Therefore, it should be noted that my valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problems be known or arise then the valuation should be referred to me for comment and review of the valuation as deemed appropriate.

This valuation is for the use only of Peet Beachton Syndicate Limited and for the specific purpose for which it has been requested.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

Neither the valuer nor LandMark White Brisbane Pty Ltd has any pecuniary interest giving rise to a conflict of interest in valuing the property.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period including as a result of general market movements or factors specific to the particular property. We do not accept liability for losses or damage arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any affect on the valuation.

A handwritten signature in black ink, appearing to read "Russell Madden".

Russell Madden  
**DIRECTOR**  
Certified Practising Valuer  
Registered Valuer No. 2093 Qld.

A handwritten signature in black ink, appearing to read "John McEvoy".

John McEvoy AAPI  
**MANAGING QLD STATE DIRECTOR**

LMW has consented to the inclusion of this report in the Prospectus, but is not providing advice about a financial product, or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. LMW does not hold such a licence and is not operating under any such licence in providing this report. We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in Peet Beachton Syndicate Limited and have provided this report solely in our capacity as an independent professional adviser. We have received a fee of \$12,000 for our professional services in providing this report.

# MELTON CONSULTING TOWN PLANNER

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Our Reference:0056918 PROSPECTUS FINAL3.DOC

7 May 2007

The Directors  
Peet Beachton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



Dear Sirs,

## RE: NO'S 491, 513 & 535 COBURNS ROAD & 601 MINNS ROAD, MELTON WEST TOWN PLANNING REPORT

### 1. INTRODUCTION

Environmental Resources Management Australia (ERM) has been commissioned by Peet Beachton Syndicate Limited (the Company) to prepare this report for No's 491, 513 and 535 Coburns Road and 601 Minns Road, Melton West (Melton Property) for inclusion in the Prospectus to be issued by the Company.

ERM is a multi disciplinary company, providing consulting services in a broad range of environmental and land development disciplines, including town planning.

This report considers and provides a professional opinion on the Subdivision Concept Plan prepared by Bosco Jonson Pty Ltd (DWG 561600AK; 4 May 2007) with respect to town planning considerations. The plan has been prepared for the Melton Property and illustrates a potential yield of 525 residential lots, being 524 standard lots and one Integrated Housing site with potential for 15 dwellings. Should a 1.63 hectare lot for a Neighbourhood Activity Centre be pursued (Stage 10), the total lot yield decreases to 497 residential lots, being 496 standard lots and one Integrated Housing site with a potential for 15 dwellings.

In summary, the Melton Planning Scheme and all relevant supporting documents identify the land as being suitable for urban development. The Melton Property's location within the Urban Growth Boundary (UGB) make it likely that the Melton Property will be rezoned to Residential 1 Zone (R1Z) with a Development Plan Overlay (DPO), Development Contributions Plan Overlay (DCPO), and possible application of the Floodway Overlay (FO) along Arnolds Creek to facilitate development in accordance with the Subdivision Concept Plan.

This has been generally supported in discussions with officers at Melton Shire Council.

### 2. LOCATION

The Melton Property is located in the Shire of Melton, 38 kilometres north west of the Melbourne Central Business District. The Shire of Melton is predominantly rural, with the majority of the population living within the township. The Melton Property lies on the northern boundary of the Melton township, 3 kilometres from the town centre.

The Melton Property is surrounded by a combination of rural and residential uses, with a variety of community facilities and services provided in the town centre.

MacPherson Park, approximately 1 kilometre to the north of the Melton Property provides for a regional public open space facility.

Directly abutting the Melton Property to the south is a recently developed residential subdivision.

The eastern boundary of the Melton Property abuts Coburns Road. Coburns Road provides a link to town centre services and the Western Freeway. Land on the opposite side of Coburns Road is privately held in rural lots of approximately 15 hectares, and for the large part, has also been identified for future residential development within the UGB.

# MELTON CONSULTING TOWN PLANNER

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The western end of the Melton Property's northern boundary adjoins Minns Road, which forms the northern boundary of the UGB. Notably, the Melton Township Strategy Plan recently adopted by the Melton Shire Council allows for long term residential development of land north of the Melton Property, indicating that this land use outcome will be considered by Council in any long term review of the UGB.

The western boundary of the Melton Property also abuts the UGB and adjoining rural land.

### 3. THE MELTON PROPERTY

The Melton Property currently consists of four individual properties - No's 491, 513, and 535 Coburns Road and 601 Minns Road. These properties have a combined area of 43.12 hectares and a frontage of over 500 metres to Coburns Road, and almost 200 metres to Minns Road.

The Melton Property is relatively flat with the exception of land within the vicinity of Arnolds Creek, a drainage line which runs along the western boundary.

The Melton Property has been developed for horse training purposes and accordingly, features training tracks, a small number of dwellings and associated outbuildings. The land is predominantly pastured.

### 4. PLANNING POLICY CONTEXT

The following provides an overview of planning scheme controls and strategic documents which affect the proposed development of the Melton Property. Further details regarding the Melton Planning Scheme and Victorian planning system are available on the Department of Sustainability and Environment's website.

#### 4.1 STATE PLANNING POLICY FRAMEWORK

The State Planning Policy Framework has a number of clauses that are relevant to the proposed development of the Melton Property for residential purposes, as follows:

Clause 12 - Metropolitan Development - This clause seeks to achieve a more compact city and better management of metropolitan growth. It establishes the need for an urban growth boundary and identifies growth areas, both of which the Melton Property is included within. Clause 12 also establishes the need for a structure plan to be in place prior to zoning land for urban development.

Clause 14 - Settlement - This clause seeks to ensure that there is a sufficient supply of land for residential and other uses, with development occurring in an orderly manner, through the use of structure plans.

Clause 15 - Environment - This clause provides for the protection of existing environmental features, and sets out to ensure that land use and development is energy efficient.

Clause 16 - Housing - This clause seeks to ensure that subdivisions and residential development are cost efficient in infrastructure use, provide a range of lot sizes, and convenient and safe access to community facilities.

Clause 18 - Infrastructure - This clause seeks to ensure the integration of land use planning with the provision of infrastructure, to include transport options, education facilities, and water, sewerage and drainage infrastructure. It also provides for developer contributions to infrastructure.

Clause 19 - Particular Provisions - In relation to new residential subdivision, this clause aims to ensure the creation of attractive, liveable and sustainable neighbourhoods.

# MELTON CONSULTING TOWN PLANNER

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## 4.2 LOCAL PLANNING POLICY FRAMEWORK

There are a number of local policies that form part of the Melton Planning Scheme that are of particular relevance to the proposed use and development of the Melton Property, as follows:

Clause 22.01 - Residential Land Use Policy - This clause relates predominantly to future residential development, and promotes the creation of a diversity of housing choices, appropriately located to meet the evolving needs of the community.

Clause 22.03 - Recreation, Open Space and Networks Policy - This clause seeks to ensure that adequate public open space is provided for passive and active recreation, in suitable locations linked with other open space.

Clause 22.04 - Urban Development Policy - This clause relates to the provision of urban land in an orderly and timely manner, and promotes residential design which benefits the community.

## 4.3 ZONING AND OVERLAY CONTROLS

The Melton Property is located within the Farming Zone of the Melton Planning Scheme. The most northern and western boundaries of the Melton Property abut the UGB.

There are no Overlays applying to the Melton Property.

## 4.4 PARTICULAR PROVISIONS

Particular Provisions of the Melton Planning Scheme with specific relevance to the proposed use and development of the Melton Property are as follows:

Clause 52.01 - Public Open Space Contribution and Subdivision - This Clause establishes the requirement for a public open space contribution to be made upon the subdivision of land.

Clause 56 - Residential Subdivision - This Clause sets out design and service provision requirements for planning permit applications for residential subdivision.

## 4.5 MELTON TOWNSHIP STRATEGY PLAN

The Melton Township Strategy Plan (the Strategy) was adopted by the Melton Shire Council in February 2007. The Strategy identifies the Melton Property as one of a number of areas suitable for residential development. It also identifies land north of the existing UGB as being appropriate for future residential development, and the potential for a Neighbourhood Activity Centre on the corner of Coburns Road and Minns Road.

The Strategy will be an important resource for the Council as part of any future review of the UGB, when such a review is deemed necessary by the State Government.

## 5. SUBDIVISION CONCEPT PLAN

The Subdivision Concept Plan prepared by Bosco Jonson Pty Ltd (DWG 561600AK; 4 May 2007) provides an indicative layout of how the Melton Property may be developed taking into account the opportunities and constraints of the site and the previously mentioned planning controls. Other layout solutions are possible.

It is important to note that until a structure plan for Melton West has been finalised and adopted by the Melton Shire Council, the location of roads, land uses and public open space cannot be accurately determined. The preparation of the structure plan will involve the input of the Growth Areas Authority (GAA), Melton Shire Council and land owners. It is a process that needs to be complete prior to the detail consideration of the Subdivision Concept Plan for the Melton Property.

# MELTON CONSULTING TOWN PLANNER

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As a result of detailed assessment by Council and referral authorities, the structure plan process and changes in market requirements, it is reasonable to expect amendments to be made to the Subdivision Concept Plan. Notwithstanding this, based on an interpretation of existing planning policies, and in consideration of future planning requirements, the Subdivision Concept Plan provides a reasonable illustration of the intended site layout, including indicative lot yields, road network, and public open space provision based on the information currently available about the site.

The Subdivision Concept Plan proposes a total lot yield of 525 residential lots, being 524 standard lots and one Integrated Housing site with potential for 15 dwellings. The average residential lot size indicated is 510 square metres, with 288 lots being between 500 square metres and 599 square metres and 151 lots being between 400 square metres and 499 square metres.

The proposed road network allows for the main entrance to the estate from Coburns Road. A boulevard treatment is proposed, leading to the larger park area, then to the Arnolds Creek reserve. A secondary access is also proposed from Coburns Road, north of the main entrance. Additional access points are located on both Minns Road and the residential subdivision to the south.

A total of 4.66 hectares is proposed to be contributed to public open space, including areas which can be used for active and passive recreation, and which form part of the drainage strategy.

A feature of the proposed public open space is the linear reserve proposed along Arnolds Creek on the Melton Property's western boundary. This reserve will connect into other reserves to the south, facilitating planning objectives relating to the accommodation of storm water run off and the provision of a network of recreation paths.

Another notable feature of the public open space is the parcel that is part of the entry boulevard of the subdivision.

An opportunity for a Neighbourhood Activity Centre (1.63 hectares) is identified for the north east corner of the Melton Property. This has been indicated on the Subdivision Concept Plan (Stage 10) and is in accordance with Council's objective to locate a Neighbourhood Activity Centre in this vicinity as outlined in the Strategy. The suitability and size of the potential Neighbourhood Activity Centre is dependant upon the timing and outcomes of future reviews of the UGB. The provision of a Neighbourhood Activity Centre would lower the total lot yield to 497 residential lots, being 496 standard lots and one Integrated Housing site with potential for 15 dwellings.

ERM has undertaken a review of the proposed Subdivision Concept Plan, including an assessment against Clause 56 of the Melton Planning Scheme relating to residential subdivision, and is of the opinion that this plan is a reasonable representation of one possible option for the subdivision of the Melton Property.

## 6. PLANNING PROCESS

In order for a planning permit application for a residential subdivision of the Melton Property to be considered, a planning scheme amendment is first required to rezone the site from Farming Zone to Residential 1 Zone. The Melton Shire Council has indicated that a Development Plan Overlay and Development Contributions Plan Overlay will also be applied to the Melton Property during the same process to enable for the orderly subdivision of the site (and greater structure plan area) and appropriate sharing of infrastructure costs.

The structure plan for Melton West is currently being prepared by Council, with active involvement by the GAA and Peet Limited. Other land owners will also be invited to participate.

In discussions to date, Council has indicated general agreement to the future residential subdivision of the Melton Property, although a detailed assessment by all relevant departments has not been undertaken. Final approval of a Planning Scheme Amendment is also subject to the approval of the Minister for Planning.

# MELTON CONSULTING TOWN PLANNER



The primary factors influencing the timely release of the Melton Property for development can be summarised as follows:

- Council's resourcing capacity;
- The length of the process involved for preparing and adopting a structure plan for Melton West as well as facilitating a planning scheme amendment to rezone the Melton Property, preparing and approving a Development Plan, development contributions plan and first stage planning permits;
- Whether Council will agree to consider a rezoning request, Development Plan proposal, development contributions plan and planning permit application concurrently or as separate and discrete processes;
- Whether an independent advisory panel is required to consider submissions to the Planning Scheme Amendment to rezone the land; and
- The influence and expediency of the GAA in becoming involved with site specific matters, assisting with the structure plan process and setting development contributions arrangements.

Based on the information currently available and discussions with the Melton Shire Council and GAA, it is reasonable to assume that the overall planning approval timeframe will take approximately 18 months. However, based on the abovementioned unknowns the process could be delayed.

## 7. CONSIDERATION OF OTHER MATTERS

### 7.1 DEVELOPMENT CONTRIBUTIONS

The Shire of Melton will require developer contribution arrangements to be implemented for the proposed development of the Melton Property for items such as the upgrade of those sections of Coburns Road and Minns Road that abut the site and the provision of community facilities/services. These items and the level of associated developer contribution will be identified during the planning process.

The Melton Property will also be subject to the State Government Development Contributions levy which intends to introduce more uniformity into the application of development contributions. At present the details of the implementation of this levy have not been announced, however the Melton Property Consulting Engineer has made an allowance for these contributions within its report, please refer to page 74.

### 7.2 SUB-CONSULTANTS REPORTS

#### Ecology

A flora and fauna assessment of the Melton Property has been undertaken by a practising ecology consultant. A summary of key findings is provided below:

#### Flora

No flora species of state or national conservation significance were recorded to occur on the site during the study. The majority of the study area was found to consist of remnants of the Plains Grassland Ecological Vegetation Class (EVC), however, due to past disturbance of the EVC, it is considered unlikely that the site will be required to undergo a formal Net Gain assessment. Regardless, it is recommended that offsets for native grasses and trees which will be cleared as a result of the development be considered. It is recommended that this could be achieved through the planting of indigenous species as part of the landscaping of road and recreation reserves.

#### Fauna

The Melton Property currently supports habitat for a range of native fauna species. No fauna species of state or national significance were recorded during the site assessment.

# MELTON CONSULTING TOWN PLANNER

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## Heritage

A practising heritage/archaeological consultant has undertaken a desktop heritage due diligence study of the Melton Property to verify the results of previous assessments and review the implications of the development of the site.

It is reported that there has been no prior archaeological assessment of the Melton Property, and that there are no existing heritage listings.

## Aboriginal Heritage

It is considered 'probable' that stone artefacts will be identified on the Melton Property through detailed survey, sub-surface testing, and monitoring of construction works. All Aboriginal archaeological sites are protected by law, and can be disturbed only with the consent of the relevant Aboriginal community.

It is recommended that a program of sub-surface testing be undertaken across the site, with emphasis on the area within 200 metres of Arnolds Creek to manage risk of potential unidentified Aboriginal sites.

## European Heritage

Although there are currently no identified constraints to development of the Melton Property in relation to European Heritage, a formal notification process and lodgement of a survey report will be a minimum requirement.

## Economic

A practising economic consultant has undertaken a retail market assessment of the proposed Neighbourhood Activity Centre.

The amount of floor space which is supportable for the proposed Neighbourhood Activity Centre is dependant upon whether or not the UGB is moved.

If the UGB is moved north in accordance with Council's Melton Township Strategy Plan in 2009, it is considered that a total floor space of around 6,830 square metres, including a full line supermarket, could be supportable at the Melton Property around 2015.

If the UGB remains unchanged, the possible total floor space of 3,695 square metres may be supportable by 2015.

## 8. CONCLUSION

A structure plan for Melton West is required to be prepared and approved, and the Melton Property rezoned, before residential development of the land can occur.

Nevertheless, the Melton Planning Scheme and all relevant supporting documents identify the land as being suitable for residential development.

Furthermore, considering the Melton Property's location within the UGB and meetings with the Melton Shire Council and GAA, it is considered likely that a structure plan for Melton West will be approved and concurrently the site will be rezoned to Residential 1 Zone (R1Z) with a Development Plan Overlay (DPO), Development Contributions Plan Overlay (DCPO), and possible application of the Floodway Overlay (FO) along Arnolds Creek.

It is envisaged that the Melton Property will be developed predominantly for residential purposes, with some potential for a small Neighbourhood Activity Centre.

## MELTON CONSULTING TOWN PLANNER

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In addition to the rezoning, the development of the Melton Property will be influenced by, inter alia, finalisation of a structure plan for Melton West, future revisions of the UGB, detailed traffic, drainage and environmental studies, and due planning process.

Based on our current understanding of the Melton property, planning policies, and Council's expectations, it is considered that:

- 525 residential lots, being 524 standard lots and one Integrated Housing site with potential for 15 dwellings, or
- 497 residential lots, being 496 standard lots and one Integrated Housing site with potential for 15 dwellings and a small Neighbourhood Activity Centre, is a reasonable expectation of the future subdivision of the Melton Property.

Yours sincerely,

for Environmental Resources Management Australia Pty Ltd

A handwritten signature in black ink, appearing to read 'Maugan Bastone', written over a circular stamp or seal.

Maugan Bastone  
Principal Planner

### DISCLAIMER

Environmental Resources Management Australia Pty Ltd has consented to the inclusion of this report in the Prospectus, but is not providing advice about a financial product, or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services License. Environmental Resources Management Australia Pty Ltd does not hold such a license and is not operating under any such license in providing this report. We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in the Peet Beachton Syndicate Limited and have provided this report solely in our capacity as an independent professional advisor. We have received a fee of \$15,000 for our professional services in providing this report.

# MELTON CONSULTING ENGINEER

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8 May 2007

The Directors  
Peet Beachtton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



Dear Sirs,

**PROPOSED RESIDENTIAL DEVELOPMENT  
491, 513 & 535 COBURNS ROAD & 601 MINNS ROAD, MELTON WEST  
URBAN INFRASTRUCTURE ENGINEERING FEASIBILITY REPORT AND COST ESTIMATE  
WBCM REF: 3794-01**

This Urban Infrastructure Engineering Report and Estimates of Development Costs for the land at 491, 513 & 535 Coburns Road and 601 Minns Road, Melton West has been prepared for inclusion in a Prospectus to be issued by Peet Beachtton Syndicate Limited.

WBCM Pty Ltd provides property and land development consulting services, town planning - development approval specialist services, urban infrastructure design, contract administration and inspection services for residential, industrial and commercial development projects, having been an established consulting engineering and town planning practice since 1969.

This Report is based on the Subdivision Concept Plan prepared by Bosco Jonson Pty Ltd, dated 4 May 2007 (Drawing No. 561600AK) for a 525 lot residential development, being 524 standard lots and one Integrated Housing site with potential for 15 dwellings, on 43.12 hectares of land in Melton West (Subdivision Concept Plan).

## 1. URBAN INFRASTRUCTURE SERVICING

This section provides servicing information and advice for the proposed residential development of the Melton Property.

The following services information has been obtained from preliminary advice by the responsible service and statutory authorities and may be subject to variation upon finalisation of development plans and submission of formal applications.

### 1.1 LOCATION, ROADS AND DRAINAGE

#### 1.1.1 Location and Topography

The Melton Property consists of four lots with a total area of 43.12 hectares. Three of these lots have frontage to Coburns Road and one has frontage to Minns Road.

There is a watercourse shown as Arnolds Creek along the western boundary of the lot fronting Minns Road. This watercourse is the eastern branch of the main Arnolds Creek and is not well defined through the site. A detailed levels and features survey by Bosco Jonson shows that it is located partly within the adjacent lot to the west.

The Melton Property has a gentle fall south from Minns Road, with average grades of about 1 in 40 to 1 in 60 (1 metre of fall in 40 or 60 metres length). The site contours are shown on the Subdivision Concept Plan.

#### 1.1.2 Drainage

Melbourne Water is the responsible authority for the provision of major drainage facilities and the Shire of Melton is responsible for minor drainage works and road drainage.

#### Melbourne Water

Melbourne Water has advised, and their web site shows, that the site is now within the Arnolds Creek Drainage Scheme (Interim) area for drainage contributions. The interim development contributions that will be effective for standard residential development in this area from 5 May 2007 are \$21,000 per hectare for hydraulic contributions and \$11,000 per hectare for water quality contributions.

As the details of the Arnolds Creek Scheme have not yet been set by Melbourne Water, there is currently no information about whether full water quality treatment will be required on site or whether some treatment may be offset by payment of the Melbourne Water contributions.

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These contributions are for regional water quality works undertaken by Melbourne Water elsewhere within the overall catchment to offset pollutions loads not treated within a specific development.

Melbourne Water manages a Stormwater Quality Offsets Program which allows flexibility for developers where best practice performance objectives cannot be achieved on site or where water quality works are planned as part of a Drainage Scheme.

Investigations and development of the Drainage Scheme by Melbourne Water has recently commenced. Accordingly, as the details are not finalised, an allowance has been made in the development costs for payment of the full hydraulic contributions on the basis that no on-site detention will then be required. An allowance has been made for construction of wetlands or similar water treatment facilities for the site to achieve best practice performance objectives.

Preliminary advice from Melbourne Water on the possible range of contribution rates for the new Arnolds Creek Drainage Scheme indicates that the final Drainage Scheme Contribution rate could be in the order of \$50,000 to \$70,000, which includes both hydraulic and water quality components.

Following an assessment of possible Drainage Scheme costs for this catchment and based on previous experience an allowance of \$56,000 per hectare has been adopted for the Estimate of Development Costs. Allowance has been made for 50% reduction in stormwater quality contributions as a result of the on-site treatment included plus reimbursement of the cost of Drainage Scheme works such as Arnolds Creek upgrading and major pipe drains.

In our opinion, and taking into account the current status of the preparation by Melbourne Water of the Drainage Scheme, this is considered to be a reasonable allowance at this time.

## Shire of Melton

There are Council drains in the area, but to date no detailed information has been obtained from Council concerning the location and extent of the drainage infrastructure in the vicinity of the site.

The existing development to the south of the site should have been designed to cater for stormwater flows from the upstream catchment, including this development. A site inspection has shown that there are existing underground drainage facilities, and there are significant Drainage Reserves provided downstream of the subject site.

However, there could be limitations to the amount of discharge allowed from the site and this would then require the installation of on-site detention storage to limit the outflows.

Under the new Sustainable Neighbourhood provisions (Clause 56) of the State Planning Policy Framework, the Council is responsible for determining whether stormwater treatment must be provided on site. Council has not advised its position in relation to the Clause 56 provisions.

Council requires that underground drainage be constructed within the development to cater for 1 in 5 year stormwater events. The cost of underground drainage to Council standards has been included in the estimate of development costs for each stage, and allowance has also been made for the construction of water quality works such as wetlands, swales and bio-retention systems.

Storm events up to 1 in 100 year frequency within the site are accommodated within the road reserves or other floodways where necessary, with all lots having at least 300mm freeboard above the 100 year flood levels in the road reserves and 600mm adjacent to Melbourne Water drainage channels (Arnolds Creek).

In order to ensure that stormwater flows from the development site do not result in any problems downstream, the Public Open Space Reserves have been located to allow for their possible use as detention storage areas. Allowance has been made in the Subdivision Concept Plan prepared by Bosco Jonson Pty Ltd for a reserve that will cover Arnolds Creek along the western boundary of the site.

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This reserve has been sized to allow for the estimated 1 in 100 year flows from the external catchment to the north of Minns Road. It should be noted that, as the exact requirements for the watercourse have not been determined by Melbourne Water at this time, it may be necessary to amend the width(s) and/or location to meet their requirements following the issuing of formal development conditions. The area allowed on the plan is considered to be reasonable based on information received to date.

It is expected that, as the area north of Minns Road is outside the current Urban Growth Boundary (UGB), any future development proposals would be required to include detention capacity to limit outflows to the existing rural flows.

Design of the floodway will be prepared to maximise the use of the reserve along Arnolds Creek as a Public Open Space.

### 1.1.3 Roads

As noted above, the Shire of Melton is responsible for minor drainage works and roads. Accordingly, any new road and drainage works necessary for the development of the Melton Property must be in accordance with Council's design and construction standards.

The road layout has been prepared by the Melton Consulting Town Planner, ERM Australia, in accordance with advice from a prominent traffic engineering consultant.

Internal roads are in accordance with current Shire of Melton cross sections, and allow for a bus route through the site and appropriate traffic calming measures. This road layout and relevant Council cross sections are used in the preparation of the Estimate of Development Costs.

We understand from a report from the traffic engineering consultant that Coburns Road is not currently in a Road Zone and accordingly is controlled by Council.

Coburns Road provides direct freeway access to the south and performs a main arterial road function (north-south) for this area. Following investigations with Council, ERM have adopted an allowance for a 10 metre widening of Coburns Road in the Subdivision Concept Plan. We consider this to be an adequate allowance based on similar requirements for developments that have occurred to the south of the Melton Property.

The cost of providing two new standard "T" intersections on Coburns Road to allow access into the Melton Property has been included in the estimate of development costs, plus a new intersection on Minns Road.

Based on our experience in land development in the locality, we believe that it is reasonable to assume that the Indicative State Government Contribution Levy of November 2005 is applicable to the development of the Melton Property (Category 3) and a figure of \$80,000 per hectare has been adopted.

An allowance has also been made for the payment of a Local Development Contribution to the Shire of Melton, with a figure of \$2,625 per lot adopted in accordance with adjacent developments.

Due to Council's policy in relation to the setting of these contributions on a site specific basis, it is not possible to provide a definitive figure for this Contribution and it may be that there is an overlap of the Council and State Government Levies.

On this basis it is reasonable to assume that the upgrading of the two external roads, Coburns and Minns Roads, will be funded using either the Council Development Contributions or the State Development Contribution Plan.

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## 1.2 URBAN INFRASTRUCTURE SERVICES

### 1.2.1 Reticulated Water Supply

Western Water is the responsible authority for the provision of reticulated water supply facilities.

Asset information provided by Western Water shows a 375mm diameter and a 150mm diameter water main on the eastern side of Coburns Road for the full site frontage, with a 300mm diameter water main on the southern side of Minns Road. There are Western Water storage tanks located in Minns Road approximately 1,300 metres from the Coburns Road intersection.

Western Water has now provided a formal Feasibility Study for provision of water and sewerage services to the Melton Property.

This report confirms that the existing water supply facilities will be adequate for the proposed development, and that a 225mm diameter watermain will need to be installed through the development between the existing 300mm main in Minns Road and the 375mm main in Coburns Road.

It should be noted that there is an existing 100mm diameter watermain within the frontage of two of the lots fronting Coburns Road. We are of the opinion it is unlikely that this will need to be retained and Western Water have been requested to confirm this.

Under the current Essential Services Commission regulation of contributions for water supply and sewerage land development works, New Customer Contributions are limited to \$515 per lot, unless the upgrading or extension of external facilities results in additional costs. In the case of this development it appears that no such upgrading costs will be incurred.

### 1.2.2 Reticulated Sewerage

Western Water is also the responsible authority for the provision of reticulated sewerage facilities for the Melton Property. There is existing sewerage reticulation to the south of the site, with a 300mm sewer close to the south west corner. There is also a 225mm diameter sewer at the south east corner of the site and a 150mm diameter sewer within the rear of existing lots abutting the southern boundary of the site for a distance of approximately 250 metres from the end of the 225mm diameter sewer.

The formal Feasibility Study for provision of water and sewerage services to the site also confirms that the existing sewer reticulation facilities immediately adjacent to the site will be adequate for the development of the Melton Property.

Under the current Essential Services Commission regulation of contributions for water supply and sewerage land development works, New Customer Contributions are limited to \$515 per lot and the upgrading or extension of external facilities does not appear necessary.

### 1.2.3 Electricity

Powercor is the responsible authority for the provision of electricity facilities in this area. There are existing overhead and underground electricity cables in Coburns Road to service adjacent developed areas.

Advice was received from Powercor in their letter dated 9 February 2007 (Ref: 122035) that existing external electricity supply facilities for the site will be adequate for the proposed development, and that the provision of four 315kVA kiosk substations will be required within the site.

Where possible the reserves for these substation sites will be located within POS reserves but may need to be put within a lot(s) if necessary. This will not result in the loss of any lots but will reduce the lot area of any lot affected.

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## 1.2.4 Gas

Origin Energy (Envestra) is the responsible authority for the provision of gas facilities in the locality. There are existing gas supply mains in the vicinity of the Melton Property which should provide an adequate gas supply.

Under current supply policy, gas mains are normally installed to residential developments at no cost to the developer. The developer is required to undertake trenching and backfill for the gas mains, as well as conduits under roads. The cost of these works is included in the development cost estimate.

## 1.2.5 Telecommunications

Telstra is the responsible authority for the provision of telephone facilities to the Melton Property. There are existing local facilities adjacent to the site to service existing residential developments, and we consider there to be adequate provision for extension and connection of Telstra facilities to the Melton Property.

The developer is required to undertake trenching and backfill for the Telstra conduits and the installation of pits, both of which are supplied by Telstra. The cost of these works is included in the development cost estimates.

## 1.3 FEES, CHARGES AND PUBLIC OPEN SPACE

### 1.3.1 Council Fees and Development Contribution Levy

Council is permitted under the Subdivision Act of 1988 to charge fees for the certification of plans of subdivision, checking of engineering design plans (calculated at 0.75% of the cost of works to be taken over by Council) and for supervision of works that will be taken over by Council (2.5% of the cost of works). The payment of these fees has been included in the cost estimate.

An allowance has been made for the payment of a Development Contribution to Melton Shire Council of \$2,625 per lot. We note that the Melton Planning Scheme does not currently appear to show any Development Contribution Plan Overlay over the Melton Property or surrounding area, although an update of the draft Plan from June 1998 for the Melton Township area was prepared in August 1999 but this has not been formally adopted.

The weighted average contribution shown in the updated draft Plan, across the four Melton sub areas, was \$3,605 in 1999.

We have been advised that Melton Council have imposed a levy of \$4,500 per lot on the existing development immediately to the south of the Melton Property, and \$3,000 for the development to the south of that.

Due to Council's policy in relation to the setting of these contributions on a site specific basis, it is not possible to provide a definitive figure for this Contribution and it may be that there is an overlap of the Council and State Government Levies.

On the basis that there is likely to be some overlap between the State Development Contribution Levy and the Council Development Contribution we consider it reasonable to adopt a lower figure of \$2,625 per lot for this estimate. This is based on a recent permit issued by from Council in March 2005 for a site in Exford Road, Melton South, but this matter will need to be confirmed by Council.

### 1.3.2 State Development Contribution Levy

The establishment and implementation of the State Development Contribution Levy is the responsibility of the new Growth Area Authority (GAA), an independent Statutory authority recently established by the State Government.

At this time the GAA has not determined or advised the required level of contributions for any area and the only available information sources are the Department of Sustainability and Environment (DSE) website and publications.

From this information it is assumed that the State Government Contribution Levy of November 2005 (Category 3) is applicable to the property, for land brought within the Urban Growth Boundary after 2005.

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The amount of \$80,000 per developable hectare has been allowed in the estimate, based on DSE advice of the expected per hectare value of contributions as published in "A Plan for Melbourne's Growth Areas" of November 2005. Note that the range given in the DSE publication was \$75,000 to \$80,000.

### 1.3.3 Public Open Space

The Subdivision Concept Plan has approximately 4.66 hectares, or 10.8% of the total site area, as Public Open Space.

The Estimate of Development Costs has been prepared on the basis that no additional land or cash contributions in lieu will be required, given that the Council requirement is for a minimum of 9% of the total site area.

## 2. WBCM PTY LTD ESTIMATED DEVELOPMENT COSTS

### 2.1 ESTIMATED DEVELOPMENT COSTS

Development Cost Estimates have been prepared for the overall development site and also for each of the ten proposed stages, based on the Subdivision Concept Plan prepared by Bosco Jonson Pty Ltd.

The overall development area of 43.12 hectares has 524 standard residential lots and one Integrated Housing site with potential for 15 dwelling units, with an average yield of approximately 12.18 lots per gross hectare, taking the Integrated Housing site as one lot only. The proposed development stages comprise from 41 to 65 lots each, with the largest being Stage 4.

On the basis of the information available, our knowledge of the area and advice from relevant service authorities, the estimate for the works associated with the development including roads, drainage, water supply and sewerage, for the overall 525 lots, is approximately \$43,912 per lot (excluding GST), while the cost for each of the stages separately is as follows:

Stage 1.....	62 lots	.....	\$69,021
Stage 2.....	41 lots	.....	\$36,463
Stage 3.....	57 lots	.....	\$38,040
Stage 4.....	65 lots	.....	\$40,460
Stage 5.....	45 lots	.....	\$37,587
Stage 6.....	50 lots	.....	\$35,142
Stage 7.....	64 lots	.....	\$43,957
Stage 8.....	41 lots	.....	\$44,080
Stage 9.....	52 lots	.....	\$46,926
Stage 10.....	48 lots	.....	\$41,085

The estimated costs included in this document are opinions based on written and verbal advice obtained from various but usually reliable sources, base map information and other preliminary data. The final costs may vary upon survey, design, receipt of tenders, formal advice from the relevant authorities and contract variations resulting from latent conditions. Planning fees, legal fees, agents fees, rates, taxes, holding costs and other costs not listed in this estimate may also apply and should be allowed for separately.

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### 3. DEVELOPMENT PROGRAM

The estimated timeframe for development of the first stage of the Melton Project is based on typical approval times for typical development projects in this municipality and adjacent areas and has regard to the rezoning time frame noted in the Melton Town Planning Report.

The first stage is proposed to comprise 62 lots (including the Integrated Housing site) with access from Coburns Road, as shown on the Subdivision Concept Plan with the subsequent nine stages as shown.

#### Stage 1 Development Program

- |    |   |           |
|----|---|-----------|
| 1. | Planning approvals including rezoning, preparation and approval of Local Structure Plan, preparation and approval of the Development Plan, issuing of Planning Permit | 18 months |
|----|---|-----------|

Within this 18 month time frame the following activities (2, 3 and 4) will be completed so that construction can commence as soon as possible after the Planning Permit is issued.

- |    |   |          |
|----|---|----------|
| 2. | Preparation and lodging of Plan of Subdivision (1 month)  |          |
| 3. | Obtaining service authority conditions (2 months)   |          |
| 4. | Detailed Engineering Design and submission to Council for approval (2 months)   |          |
| 5. | Council approval to engineering plans, calling tenders for road, drainage, water and sewer works and certification of Plan of Subdivision | 2 months |
| 6. | Construction Phase  | 5 months |
| 7. | Obtaining releases from authorities and Statement of Compliance from Council  | 1 month  |
| 8. | Registration of Titles  | 1 week   |

Based on the above program it is reasonable to assume that the Stage 1 development could be commenced by early 2009 and titles for the lots in Stage 1 obtained by the end of 2009.

Stage 1 has ready access to all services and does not require the construction of any external infrastructure or service extensions in order to be developed. It is located in the most economical area for commencement of works and does not require any works in relation to Arnolds Creek or the upgrading of Minns Road.

Development of subsequent stages is expected to take between six and eight months per stage overall, including a construction period of five months, depending on the number of lots involved and extent of external works such as road upgrading necessary. The timing of stages can overlap and run concurrently, if required to meet marketing objectives.

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#### 4. SUMMARY AND CONCLUSIONS

The investigations carried out confirm that the Melton Property has availability and access for connection to all necessary services, and these services can readily accommodate the proposed development of 524 lots and one Integrated Housing site. No access is required through any other properties for the provision of services to the site, except where a small number of sewer property services are to be connected into the existing sewer abutting the southern boundary.

The development costs are in accordance with the expected range for similar projects in the Melton and adjacent areas.

Stage 1 can be commenced immediately after development approvals are obtained and engineering designs approved by Council. This is expected to occur about March 2009.

In our opinion the Melton Property is suitable for immediate residential development, following rezoning and issuing of relevant approvals and permits.

#### DISCLAIMER

WBCM Pty Ltd has consented to the inclusion of this report in the Prospectus but is not providing advice about a financial product or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. WBCM Pty Ltd does not hold such a licence and is not operating under such a licence in providing this report.

We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in Peet Beachton Syndicate Limited and have provided this report solely in our capacity as an independent professional advisor. We have received a fee of \$9,900 for our professional services in providing this report.

Yours faithfully

A handwritten signature in black ink, appearing to read "Rob Mitchell".

Rob Mitchell  
Dip CE, FIE Aust, CP Eng, AAIM  
Managing Director  
WBCM Pty Ltd

# MELTON INDEPENDENT VALUER

## Valuation Summary



<b>Property: (The Property)</b>	493, 513 & 535 Coburns Road and 601 Minns Road Melton West Vic 3338
<b>Client: (Our Client)</b>	The Directors Peet Beachtton Syndicate Limited Level 7, 200 St Georges Terrace Perth WA 6000
<b>Purpose:</b>	Acquisition and Prospectus Purposes
<b>Interest Valued:</b>	Unencumbered Freehold
<b>Basis of Valuation:</b>	Market Value subject to vacant possession and ongoing occupancy of parts for limited time.
<b>Land Area:</b>	43.12 hectares
<b>Town Planning:</b>	The Properties are in a 'Farming' Zone under the provisions of the Melton Planning Scheme. The properties are expected to be rezoned to Residential in at least 18 months.
<b>Brief Description:</b>	The Property is currently a total of four individual 'hobby farms'. The Property is one of the few areas to the north of Melton suitable for future residential development located within the Urban Growth Boundary. The Property is considered a short to medium term development opportunity.
<b>Tenancy Profile:</b>	Land is currently owner occupied.
<b>Major Issues:</b>	Rezoning of land will increase land value.
<b>Market Comments:</b>	The Property is well positioned and is likely to be rezoned for residential use in at least 18 months. The immediate area is considered to be the next logical progression for residential development.
<b>Risk Assessment:</b>	
<u>Strengths</u>	<ul style="list-style-type: none"> <li>• Substantial road frontage</li> <li>• Surrounded by future and existing residential development</li> <li>• Potential to be rezoned to 'Residential 1' in approximately 18 months</li> <li>• The level of future residential development in the surrounding area is limited due to the Urban Growth Boundary</li> </ul>
<u>Weakness</u>	<ul style="list-style-type: none"> <li>• Requires rezoning to residential</li> </ul>
<u>Opportunities</u>	<ul style="list-style-type: none"> <li>• Rezoning to residential will enhance value further</li> </ul>
<u>Threats</u>	<ul style="list-style-type: none"> <li>• Rezoning period being extended</li> <li>• Rise in interest rates or downturn in economy</li> </ul>
<b>General Comments:</b>	Strong demand exists in this area given the restrictions on development land inside the Urban Growth Boundary under Melbourne 2030. The area has proven popular with developers due to the relatively level land in the location and the expected improved road networks when the Deer Park Bypass is completed.
<b>Critical Assumptions:</b>	No soil contamination exists on site that would reduce the development potential of the land.  There are no flora or fauna or archaeological issues that would restrict the proposed development potential of the land as noted in the Melton Consulting Town Planner's report.  The information contained in the Consultant Town Planner's and Consultant Engineer's reports provided to us are accurate.
<b>Valuation Approach:</b>	Direct Comparison Approach & Residual Analysis
<b>Date of Valuation:</b>	3 April 2007 being the date of inspection
<b>Assessed Value:</b>	\$9,200,000 Nine Million Two Hundred Thousand Dollars  This valuation is exclusive of GST.
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.</i>
<b>Prepared By:</b>	CB Richard Ellis (V) Pty Ltd
<b>Per:</b>	Bruce Kerr AAPI Certified Practising Valuer Associate Director - Valuation & Advisory Services

# MELTON INDEPENDENT VALUER

## Assumptions, Disclaimers, Limitations & Qualifications



<b>Valuation Subject To Change:</b>	Premise 1 - Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.
<b>Our Investigations:</b>	Premise 2 - This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations.
<b>Assumptions:</b>	Premise 3 - Assumptions are a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or our instructions. The risk that any of the assumptions adopted in this document may be incorrect should be taken into account. CB Richard Ellis does not warrant or represent that the assumptions on which this valuation is based, whether in respect of GST or any other matter, are accurate or correct.
<b>Information Supplied By Others:</b>	Premise 4 - This document contains a significant volume of information which is directly derived from other sources, without verification by us including, but not limited to tenancy schedules, planning documents and environmental or other expert reports. We confirm that we are not instructed to verify that information. Further, the information is not adopted by CB Richard Ellis as our own, even where it is used in our calculations. Where the content of this document has been derived, in whole or in part, from sources other than CB Richard Ellis, CB Richard Ellis does not warrant or represent that such information is accurate or correct.
<b>Future Matters &amp; GST:</b>	Premise 5 - To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis at the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of the GST is now known, however, specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the Valuation Rationale section of this document. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and, in appropriate cases, amendment.
<b>Site Details:</b>	Premise 6 - A current survey has not been provided. This valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.
<b>Property Title:</b>	Premise 7 - We have conducted a brief title search only. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.
<b>Environmental Conditions:</b>	Premise 8 - In the absence of an environmental site assessment relating to the subject property, we have assumed that the site is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our assessment for site remediation works. However, it is important to point out that our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, we reserve the right to review our assessment assessed herein, should we deem it to be necessary.
<b>Town Planning:</b>	Premise 9 - It is assumed that information provided to us by the relevant expert is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.
<b>Lot Areas:</b>	Premise 10 - We have assumed that the lot areas provided by the Consulting Town Planner have been calculated in accordance with the Subdivision Concept Plan. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
<b>Development Costs:</b>	Premise 11 - The development cost is based on the Consulting Engineer's estimates of development costs.
<b>Research &amp; Market Comment:</b>	Premise 12 - In preparing our market comment we have had regard to the demand and supply projections prepared by Macroplan Australia and we would refer you to page 90 of the Prospectus for a copy of this report.
<b>GST:</b>	Premise 13 - This valuation has been based on the assumption that the general tax rule will apply in relation to the purchase of the subject property and that any future purchaser of the property would be able to claim the GST input tax credits, ie, they are registered tax entities.
<b>Standard of Development:</b>	Premise 14 - We have assumed that the land will be developed as a high quality development in comparison with other estates in the area and will better the standard of residential development in the area.
<b>Marketing:</b>	Premise 15 - We have assumed that the estate continues to be appropriately developed and marketed so to ensure that either a continuous supply of allotments are available to the market and that the development is undertaken to maximise returns. Further, we have assumed that the future pricing and marketing strategies ensure that the property remains competitive in the market place in the future.

# MELTON INDEPENDENT VALUER

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## 1.2 INSTRUCTIONS

We refer to correspondence dated 3 April 2007 received from Peet Limited confirming our appointment as the Independent Valuation expert for the issue of a Prospectus for the Property of 491, 513 & 535 Coburns Road and 601 Minns Road, Melton West Vic 3337.

## 1.3 EXTENSION OF LIABILITY & CONFIDENTIALITY

Use by, or reliance upon this document by anyone other than Peet Beachton Syndicate Limited is not authorised by CB Richard Ellis and CB Richard Ellis is not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

CB Richard Ellis (V) Pty Ltd has consented to the inclusion of this report in the Prospectus, but is not providing advice about a financial product, or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. CB Richard Ellis (V) Pty Ltd does not hold such a licence and is not operating under any such licence in providing this report. We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in Peet Beachton Syndicate Limited and have provided this report solely in our capacity as an independent professional adviser. We have received a fee of \$18,000 plus GST for our professional services in providing this report.

## 1.4 VALUER'S INTEREST

We hereby certify that the valuer:

1. has no interest, financial or otherwise, in the Property subject to appraisal or with the parties with whom the purchaser is dealing, including the selling agent (if any)
2. is independent to the transaction

## 1.5 MARKET VALUE DEFINITION

The Australian Property Institute (API) has adopted the international definition of Market Value, namely:

'Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion'.

## 1.6 QUALIFICATIONS

This valuation report is provided subject to the assumptions, qualifications and limitations detailed throughout this report and to those included within the Limitations & Disclaimers section of this report.

## 2. SITE DETAILS

More detailed information relating to the site is provided in the Prospectus and we refer you to that information. We however provide the following brief synopsis.

### 2.1 LOCATION

Suburb:	Melton West, Victoria 3337
Situation:	The Melton West Property is situated on the western side of Coburns Road south of the Minns Road intersection. The property also enjoys a secondary frontage to the south side of Minns Road located to the west of Coburns Road.
Location:	Approximately 38 radial kilometres north-west of Melbourne's Central Activities District.
Surrounds:	The Property is situated in a growing area within the Municipality of Melton, which has seen substantial residential development over the past 3 - 4 year period.  The major future competition will come from the east along Minns Road and further south-west around Bulmans Road.

# MELTON INDEPENDENT VALUER



Surrounds (continued):	<p>The subject Property is located near the intersection of Coburns Road and Minns Road, with recreational uses such as Navan Park, Melton Waves, Melton Indoor Recreation Centre, Melton West Tennis Club and Arthur Westlake Memorial Reserve all within a 4 kilometre radius.</p> <p>The Melton Town Centre is located approximately 3 radial kilometres south-east of the subject Property providing the main retail precinct for the area. In addition the Woodgrove Shopping Centre and Coburns Central Shopping Centre is located approximately 3 kilometres north of the subject Property.</p>
Education:	<p>Educational Institutions are located:</p> <p>Mowbray College - 1.7 kilometres east</p> <p>Kurunjang Secondary College - 1.8 kilometres east</p> <p>Melton West Primary School - 2.5 kilometres south</p> <p>Melton Secondary College - 3 kilometres south</p> <p>Wedge Park Primary School - 2.5 kilometres south-west</p> <p>Catholic Regional College - 3 kilometres south-west</p> <p>St Catherines Catholic Primary School - 3.2 kilometres south-west</p> <p>Coburn Primary School - 4.2 kilometres south</p> <p>Victoria University - 5.4 kilometres south</p>
Transport:	<p>Major public transport in the area includes bus services operating along Coburns Road and the Melton Railway Station is located approximately 5.0 kilometres to the south of the subject Property. Major vehicular access is provided via Coburns Road which provides access to the Melton Town Centre and the Western Freeway some 3.5 kilometres south of the subject Property.</p>

## 2.2 SITE & SERVICES

The Property comprises 4 individual Certificate of Titles.

Shape:	<p>The property is Irregular in shape and from reference to the various plans of subdivision, the overall Property has the following approximate dimensions:</p> <p>Coburns Road frontage: 505.80 metres</p> <p>Minns Road frontage: 186.22 metres</p> <p>Southern Boundary: 786.04 metres</p> <p>Western Boundary: 687.53 metres</p> <p><b>Total site area: 43.12 hectares approximately</b></p> <p>Note - we recommend a survey be conducted to confirm the above dimensions and areas.</p>
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We expect that the standard residential services of electricity, water, gas and telephone are to be provided to the land at the time of future development as per advice provided by WBCM Pty Ltd, refer page 70 of the prospectus.

# MELTON INDEPENDENT VALUER

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## 2.3 LEGAL DETAILS

The Property is contained within 4 individual Certificate of Titles, which have been searched on the 5 April 2007.

### Title 1

#### Real Property Description (Freehold)

Described as Lot 1 on Plan of Subdivision 80278 and more particularly described in Certificate of Title Volume 8716 Folio 634.

#### Encumbrances, Caveats and Notices

- Caveat in favour of Peet Limited in its capacity as purchaser via instrument number AE699800H dated 31 October 2006.

#### Dealings in the last 125 days

Nil.

### Title 2

#### Real Property Description (Freehold)

Described as Lot 2 on Plan of Subdivision 80278 and more particularly described in Certificate of Title Volume 8716 Folio 635.

#### Encumbrances, Caveats and Notices

- Caveat in favour of Peet Limited in its capacity as purchaser via instrument number AE699822W dated 31 October 2006.

#### Dealings in the last 125 days

Nil.

### Title 3

#### Real Property Description (Freehold)

Described as Lot 3 on Plan of Subdivision 80278 and more particularly described in Certificate of Title Volume 8716 Folio 636.

#### Encumbrances, Caveats and Notices

- Caveat in favour of Peet Limited in its capacity as purchaser via instrument number AE707925X dated 3 November 2006.

#### Dealings in the last 125 days

Nil.

### Title 4

#### Real Property Description (Freehold)

Described as Lot 1 on Title Plan 89095X and more particularly described in Certificate of Title Volume 9505 Folio 016.

#### Encumbrances, Caveats and Notices

- Caveat in favour of Peet Limited in its capacity as purchaser via instrument number AE707876J dated 3 November 2006.

#### Dealings in the last 125 days

Nil.

### Transaction History

The Properties are currently being purchased by Peet Beachton Syndicate Limited as nominee via contracts of sale dated 9, 17 & 18 August 2006 for a total consideration of \$9,798,000 divided as follows:

Address	Date	Settlement
491 Coburns Road	9 August 2006	9 August 2007
513 Coburns Road	17 August 2006	17 August 2007
535 Coburns Road	18 August 2006	17 August 2007
601 Minns Road	9 August 2006	9 February 2008

# MELTON INDEPENDENT VALUER



Based on our understanding of the terms the cash equivalents of the contracts are summarised as follows:

Title	Volume	Folio	Sale Price	Area	Cash Equivalent	Rate per Ha
1	8716	634	\$2,300,000	10.12	\$2,120,000	\$209,545
2	8716	635	\$2,300,000	10.12	\$2,120,000	\$209,545
3	8716	636	\$2,300,000	10.12	\$2,120,000	\$209,545
4	9505	016	\$2,898,000	12.75	\$2,570,000	\$201,646
<b>Totals</b>	-	-	<b>\$9,798,000</b>	<b>43.12</b>	<b>\$8,930,000</b>	<b>\$207,096</b>

The sale prices noted in the above table are exclusive of GST, and any GST payable on the supply of the land will be payable by the purchaser.

We are advised that only one of the vendors (Title 3 above) is registered or required to be registered for GST and that transaction is being assessed using the margin scheme, and that the purchaser is entitled to adopt the margin scheme on the other three titles.

We are advised the GST inclusive price of Title 3 is \$2,510,000 subject to the value of that lot as at 1 July 2000. The vendor is responsible for the commissioning of such valuation.

We are informed that the GST inclusive price for the four lots is \$10,008,000 based on the adoption of the margin scheme.

Further advice provided indicates the properties are being acquired adopting the GST Margin Scheme provisions and therefore they can be on sold under those provisions on a GST inclusive basis.

## 2.4 ENVIRONMENTAL CONDITIONS

We note the following observations

### Environmental Consideration

Is the subject property known to be a contaminated site?	Search of the EPA Priority Sites register indicates the site is not listed as a priority site. Nor is in the vicinity of a site listed on the Priority sites register.
Any potential contaminants noted on site?	No, however the Property has been vacant now for a number of years, and has been used for agricultural purposes in the past.
Is it likely that the past / existing land use could result in site or ground water contamination?	Given the Property has been utilised for agricultural purposes the possibility of contamination having previously occurred exists.
Are we aware of any existing or previous surrounding land uses which may have caused site or ground water contamination?	We are unable to comment on past practices in particular to the possible use of chemicals associated with the farm uses. Refer to 'Recommendation' below.
<b>Recommendation</b>	Whilst we do not purport to be experts within this field no significant contamination concerns or practices were identified by the Valuer (other than those stated above) when undertaking the onsite inspection.  However, given the historical use of the Property for farming purposes, we recommend it would be prudent to undertake a Preliminary Site Assessment prior to acting upon this advice.
<b>Note</b>	The Priority Sites Register does not list all sites that are known to be contaminated in Victoria. A site should not be presumed to be free of contamination just because it does not appear on the Priority Sites Register.

# MELTON INDEPENDENT VALUER

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## 2.5 TOWN PLANNING

We refer to the planning report prepared by Environmental Resources Management Australia Pty Ltd (refer page 63 of this Prospectus).

This Consulting Town Planner's report indicated the land is currently zoned Farming (FZ) under the Melton Planning Scheme and is likely to be rezoned to Residential. As part of the report it states "it is reasonable to assume that the overall planning approval timeframe will take approximately 18 months. However based on the abovementioned unknowns the process could be delayed".

Our assumption is therefore that the land is capable of rezoning to Residential in approximately 18 months at this point of time, although acknowledging the process could be delayed.

## 2.6 NET GAIN AND ARCHAEOLOGICAL CONSIDERATIONS

In the absence of any detailed reports we have assumed that there will be no significant flora and fauna or archaeological areas identified on the site that would affect the Property's development potential.

We do note however, the identification of such flora and fauna or archaeological areas may reduce the lot yield and/or value of the land.

## 3. DEVELOPMENT PROPOSAL

### 3.1 PROPOSED DEVELOPMENT

The Subdivision Concept Plan as described by Bosco Jonson Pty Ltd indicates a potential yield of 524 standard residential lots and an Integrated Housing Site with a potential for 15 dwellings. It provides for a predominantly residential development of the Property, interspersed with areas of public open space, environmental buffers and an alternative option for a commercial precinct in lieu of the proposed Stage 10.

A diversity of housing opportunities are to be provided with the preliminary lot budget ranging in size from 300 square metres to 899 square metres. The overall average lot size is expected to be 510 square metres excluding the Integrated Housing Site, which has an area of 5,700 square metres.

The Subdivision Concept Plan is indicative of the yield that could be reasonably expected even though the exact open space areas and movement networks will be subject to review.

Please refer to page 11 of the Prospectus for further details.

# MELTON INDEPENDENT VALUER



## 4. MARKET COMMENTARY

### 4.1 FUTURE RESIDENTIAL MARKET COMMENTARY

We have relied on information contained in the Macroplan Australia Pty Ltd in assessing the potential for this land. The report shows Melton should continue to experience both population and price growth into the future. We would refer you to that document at pages 90 to 97 of this Prospectus.

### 4.2 CURRENT RESIDENTIAL MARKET

At the current time, the major estates are summarised in the following table.

#### Summary of Estates in Melton

Estate Name	Marketing Agent	Development Status	Total Expected Lots	Distance To Subject	Comments
Botanica Springs	-	Commenced	2,000	5.2 kilometres south-west	Development has commenced, with some 220 lots sold in the last 18 months. The estate comprises water features and is targeted to subsequent home buyers.
Westlake	Oliver Hume	Established	-	3.4 kilometres south-west	Considered to be of higher quality compared to your normal Melton estate, situated within a great location close to Woodgrove Shopping Centre, and easy access to the Western Highway.
Micasa Rise	Woods Real Estate	Nearing Completion	350	south of subject property	Micasa Rise is a established housing estate. The estate is currently marketing the final stage with only some 44 lots left on the market. The estate has a variety of lot sizes ranging from 388 up to 1,200 square metres to cater for the first and second home buyers.
Highfield Park	Jim Ryan	Nearing Completion	150	400 metres south-east	Highfield Park is a small estate with only 180 lots (approx), the estate is targeted at the subsequent home buyer and ultimately a higher standard of properties exist.
Rosemont	Oliver Hume	Established	132	800 metres south	The estate is another small development with only 132 home sites, the estate is close to parklands and lakes and adjoins the east of Arnolds Creek, the estate is covered with design guidelines and covenants.
Thoroughbred Park	GBL Property Consultants	Established	965	2 kilometres east	Thoroughbred Park offers a lage variety of lot sizes from 500 up to 1,500 square metres. The estate offers residents a balance between city convenience and country lifestyle.
Victoria Grove	GBL Property Consultants	Nearing Completion	178	2.4 kilometres south-east	Victoria Grove comprises a smaller estate offering home sites ranging from 502 up to 869 square metres, the estate only holds 178 lots and suits the first and second home buyers.
Sovereign Gardens	Oliver Hume	Nearing completion	-	4 kilometres south-west	The estate is of high standards with lots up to 1,000 square metres. The estate only has 18 lots left on the market.
<b>Total</b>			<b>3,775</b>		

# MELTON INDEPENDENT VALUER



The most recent asking prices within the estates which we feel will offer the most competition to the property are summarised below;

## Summary of asking prices in Melton

Estate	Range	No. of Lots	Lot Sizes			Asking Prices			Mean \$/m <sup>2</sup>
			Minimum	Maximum	Mean	Minimum	Maximum	Mean	
Micasa Rise	300 - 399	1	397	397	397	\$69,500	\$69,500	\$69,500	\$175
	600 - 699	8	629	699	675	\$82,500	\$92,500	\$86,250	\$128
	700 - 799	11	703	795	729	\$82,500	\$92,500	\$86,591	\$118
	800 - 899	8	802	835	817	\$84,500	\$105,000	\$88,938	\$109
	900 - 999	5	924	992	960	\$92,500	\$105,000	\$97,800	\$102
	1,000 - 1,999	11	1,001	1,430	1,094	\$97,500	\$125,000	\$106,045	\$97
Westlake	500 - 799	3	586	799	674	\$85,372	\$95,800	\$89,391	\$120
	800 - 849	9	801	840	813	\$93,850	\$97,800	\$95,683	\$116
	850 - 899	6	864	894	876	\$94,000	\$98,800	\$97,317	\$108
Brookfield	600 - 699	2	679	686	683	\$88,000	\$88,000	\$88,000	\$128
	700 - 729	5	709	726	716	\$90,000	\$92,000	\$91,000	\$126
	730 - 899	5	709	726	716	\$88,529	\$93,000	\$91,106	\$112
Botanica Springs	500 - 599	6	576	595	589	\$76,000	\$105,000	\$91,000	\$129
	600 - 649	9	610	646	627	\$74,000	\$105,000	\$82,111	\$118
	650 - 699	9	654	691	669	\$78,000	\$106,000	\$97,111	\$115
	700 - 799	9	654	691	669	\$79,000	\$120,000	\$89,889	\$109
Rosemont Estate	200 - 399	8	280	383	313	\$72,500	\$75,000	\$73,750	\$237
	400 - 499	2	455	487	471	\$80,000	\$81,500	\$80,750	\$172
	500 - 599	11	520	593	556	\$79,000	\$86,000	\$83,682	\$151
	600 - 639	11	608	629	611	\$86,000	\$88,500	\$86,318	\$141
	640 - 699	9	640	696	656	\$86,000	\$89,000	\$87,889	\$134
	700 - 999	5	713	770	746	\$86,500	\$98,000	\$92,900	\$115
Thoroughbred Park	300 - 399	14	313	326	315	\$62,500	\$62,500	\$62,500	\$199
	400 - 599	17	412	594	560	\$68,000	\$82,000	\$79,000	\$142
	600 - 649	32	600	645	610	\$81,500	\$83,500	\$82,969	\$136
	650 - 999	11	651	918	721	\$77,500	\$97,500	\$82,929	\$124
	700 - 999	4	744	918	812	\$85,000	\$97,500	\$89,375	\$110
	1,000 - 1,199	8	1,047	1,166	1,080	\$100,000	\$108,000	\$106,250	\$93
	1,200 - 1,299	12	1,082	1,268	1,150	\$108,000	\$118,000	\$111,208	\$90
Victoria Grove	400 - 499	8	450	497	463	\$70,000	\$70,000	\$70,000	\$141
	500 - 599	13	502	594	544	\$74,000	\$100,000	\$82,038	\$141
	600 - 699	12	609	682	625	\$82,000	\$105,000	\$84,583	\$123
	700 - 899	4	702	833	749	\$84,000	\$90,000	\$85,750	\$108
<b>Total</b>		<b>288</b>							
<b>Averages</b>					<b>687</b>			<b>\$87,564</b>	<b>\$129</b>

# MELTON INDEPENDENT VALUER



The most recent sales within the estates which we feel will offer the most competition to the Property are summarised below;

## Summary of sales in Melton

Estate	Range	No. of Lots	Lot Sizes			Selling Prices			Mean \$/m <sup>2</sup>
			Minimum	Maximum	Mean	Minimum	Maximum	Mean	
Micasa Rise	400 - 699	4	419	695	599	\$73,000	\$100,000	\$90,750	\$154
	700 - 749	9	720	748	737	\$82,000	\$102,000	\$90,722	\$123
	750 - 799	5	750	799	765	\$83,500	\$102,000	\$90,500	\$118
	800 - 999	6	819	963	929	\$83,500	\$99,000	\$92,583	\$100
Westlake	300 - 499	5	339	480	415	\$70,000	\$79,500	\$74,600	\$183
	500 - 599	8	504	595	569	\$79,000	\$99,000	\$86,944	\$153
	600 - 699	6	600	651	627	\$72,000	\$92,300	\$85,383	\$136
	700 - 799	6	701	792	745	\$94,500	\$94,500	\$89,333	\$120
	800 - 999	12	800	915	850	\$74,000	\$112,000	\$98,500	\$116
Botanica Springs	500 - 599	3	578	578	578	\$68,000	\$68,000	\$68,000	\$118
	600 - 699	12	606	691	644	\$71,000	\$105,000	\$78,167	\$122
	700 - 799	8	700	757	731	\$80,000	\$87,000	\$83,625	\$114
Thoroughbred Park	700 - 799	5	714	798	777	\$85,000	\$89,500	\$87,300	\$112
	800 - 999	3	807	929	850	\$81,000	\$100,000	\$90,333	\$107
	1,000 +	6	1,096	1,284	1,180	\$108,000	\$121,000	\$112,333	\$95
Victoria Grove	400 - 599	2	432	569	501	\$67,500	\$72,000	\$69,750	\$141
	600 - 699	3	654	698	678	\$72,000	\$148,000	\$121,667	\$178
	700 - 899	3	736	879	822	\$86,000	\$105,000	\$97,000	\$118
	900 - 999	3	914	960	931	\$90,000	\$92,000	\$90,667	\$97
<b>Total</b>		<b>109</b>							
<b>Averages</b>					<b>733</b>			<b>\$89,377</b>	<b>\$127</b>

### 4.3 ESTIMATED LOT PRICES

Based on our analysis of the current residential market we believe it is reasonable to assume that if the lots were ready to be developed and marketed, as at 3 April 2007, the average selling price would be:

Average Lot Price \$90,000 per lot inclusive of GST assuming a high estate presentation.

Average Lot Price \$83,313 per lot excluding GST (assuming margin scheme as per advice from Peet Limited).

Long Term Average Sales Rate would vary between 6 to 8 lots per calendar month. Our calculation based on the entire life of the project equates to 6.92 lots per calendar month once development commences. For the purpose of providing a rounded number we consider an overall average of 7 lots per calendar month as being reasonable.

We have also considered the value of the Integrated Housing Site. We are of the opinion the current value of the site assuming it was available for sale at the date of valuation would be \$750,000 exclusive of GST.

We note that we have been informed by Peet Limited that it is anticipated some 36 lots will be presold to builders. Our assumption as to presales relies on this assumption and we have assumed a total 50 lots of the first 61 residential lots in Stage 1 would be presold.

# MELTON INDEPENDENT VALUER



We note that it is expected to be at least 18 months to obtain planning approval for the Property and the above figures are based upon current market information and we make no representation as to future lot prices and sales rates for the subject Property.

We note Macroplan Australia Pty Ltd in their report indicates land price growth of between 5% to 8% per annum for the five year period 2006 - 2011 is not considered unreasonable for Melton West.

## 5. VALUATION RATIONALE

### 5.1 INTRODUCTION

We have utilised as our primary approach to value the direct comparison method in assessing the value of the subject Property due to the expected delay in obtaining planning approval.

Given the available sales evidence of unzoned englobo land, in similar locations, to base an assessment of the land value on we consider this to be the most appropriate method assessment of value for the Property.

We are unaware of any recent similar sales in Melton and as a result have considered sales in other areas.

### 5.2 RURAL LAND SALES

To assess the market value of the residential component of the subject Property on an 'As Is' basis, we have considered a cross section of the development site sales which have occurred, the most relevant evidence considered is detailed below.

#### Englobo Sales

Address	Sale Date	Sale Price	Cash Equivalent	Land Area (Hectare)	Rate \$/hectare	Zoning
100 - 112 Leakes Road, Truganina	Mar-06	\$2,295,811	\$2,295,811	7.839	\$292,870	Rural
111 Leakes Road, Truganina	Mar-06	\$3,570,000	\$3,570,000	12.19	\$292,863	Rural
131 Leakes Road, Truganina	Mar-06	\$4,363,768	\$4,363,768	14.9	\$292,870	Rural
145 Sayers Road, Truganina	Aug-06	\$9,500,000	\$9,500,000	18.78	\$505,857	Rural
270 Sayers Road, Truganina	Aug-06	\$6,000,000	\$5,210,000	12	\$434,167	Rural
280 Sayers Road, Truganina	Jul-06	\$5,000,000	\$4,190,000	12	\$349,167	Rural
260 Sayers Road, Truganina	Jan-06	\$6,450,000	\$5,670,000	12	\$472,500	Rural
680 Tarneit Road, Tarneit	Sep-05	\$4,600,000	\$4,600,000	12.14	\$378,913	Rural
Lot 20 Wollahra Rise, Wyndham Vale	Jun-06	\$3,100,000	\$3,100,000	12.14	\$255,354	Rural
200 Berwick - Cranbourne Road, Clyde	Mar-06	-	\$5,764,000	15.35	\$375,505	Rural
280 Berwick - Cranbourne Road, Clyde	Mar-06	-	\$7,537,000	20.79	\$362,530	Rural
53 Craig Road, Cranbourne South	Mar-06	\$19,129,500	\$17,820,000	64.51	\$276,236	Farming
302 Berwick - Cranbourne Road, Clyde North	Dec-06	\$60,000,000	\$42,385,000	115	\$368,565	Rural
<b>Minimum</b>	<b>Sep-05</b>		<b>\$2,295,811</b>	<b>7.839</b>	<b>\$255,354</b>	
<b>Maximum</b>	<b>Dec-06</b>		<b>\$42,385,000</b>	<b>115</b>	<b>\$652,207</b>	

In comparison to the above sales the subject is considered to be inferior due to:

- The location of the land in being in a satellite city.

These sales provide a rounded range from \$255,000 to \$300,500 per hectares of site area.

If we make subjective allowances to the sales to reflect the factors this provides an amended range of \$200,000 to \$225,000 per hectare for the subject Property.

# MELTON INDEPENDENT VALUER



The Property was purchased for a cash equivalent price of \$207,096 per hectare, say \$210,000 per hectare of site area.

On balance the cash equivalent of the sale price is less than those indicated by the other sales.

Therefore we believe the value for the property ranges from \$200,000 to \$225,000 per hectare, excluding GST, and adopting the approximate mid point, the Property's value is summarised below:

#### Direct Comparison Methodology

Lower End of Range	43.1 Hectares @ \$200,000 per Ha	\$8,620,000
Upper End of Range	43.1 Hectares @ \$225,000 per Ha	\$9,697,500
Adopted Value	43.1 Hectares @ \$212,500 per Ha	\$9,158,750
	<b>But Say</b>	<b>\$9,200,000</b>

We have therefore assessed the market value of the land at \$9.2 million exclusive of GST subject to conditions and specific assumptions noted within this report. We note this compares to the cash equivalent of the sales of \$8.93 million exclusive of GST. The increased value reflects the time elapsed since the contracts were signed and the preliminary works completed involved in the rezoning process.

#### 5.3 HYPOTHETICAL DEVELOPMENT

We have also completed a hypothetical development which indicates that as at present day a development would not provide an economic return. However given the expected delay required to gain planning approval we would envisage an increase in lot prices based on advice provided by the Consulting Economist's forecast.

We however, are not able to provide future expectation as part of our valuation and refer you to the project forecast returns prepared by the Manager refer page 15 of the Prospectus

#### 5.4 CONCLUSION

In conclusion we believe the value of the property as an englobo development site is reflected by a value of \$200,000 to \$225,000 per hectare of land area. This indicates a value range of \$8.6 to \$9.7 million rounded. Therefore we have assessed the current Market Value of the property 'As Is' to be \$9,200,000 exclusive of GST or the approximate mid point of the above range.

We are informed that as the properties are being acquired adopting the GST Margin Scheme provision they can be on sold under those provisions on a GST inclusive basis.

# CONSULTING ECONOMIST

11 May 2007

Peet Beachton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



The Directors

## OVERVIEW / PURPOSE

1. MacroPlan Australia has been commissioned by Peet Beachton Syndicate Limited to undertake research to assess the economic and market context for future residential developments in Melton West (west of Melbourne) in Victoria and in Beachmere, Caboolture (north of Brisbane) in Queensland.

## STRUCTURE AND CONTENT

2. This report analyses the subject sites in the context of national, regional and local trends. A range of demand and supply drivers are considered. These include:
  - Demand drivers (such as population and economic growth);
  - Supply drivers (such as land supply and dwellings); and
  - Property market performance (such as price growth).

## AUSTRALIA

3. Australian Bureau of Statistics (ABS) projections have Australia's current resident population of 20.1 million growing to approximately 25 million by 2026 (0.96% per annum, see Table 1).
4. The highest rates of growth are expected in our State capital cities, resulting in further concentration of Australia's population, coupled with significant coastal demand and development on both the Eastern and Western Sea Boards.

Table 1. Population Growth Estimates for Australia - States and Territories

	2006	2026	Annual Growth Rate (%)
New South Wales	6,834,313	7,972,529	0.77%
Sydney	4,300,839	5,041,250	0.80%
Victoria	5,068,142	5,966,357	0.82%
<b>Melbourne</b>	<b>3,671,939</b>	<b>4,430,288</b>	<b>0.94%</b>
Queensland	4,043,428	5,502,554	1.55%
<b>Brisbane</b>	<b>1,853,465</b>	<b>2,583,710</b>	<b>1.67%</b>
Australia (a)	20,555,326	24,873,272	0.96%

Source: ABS (2006)

5. The Australian economy has entered its 16th consecutive year of expansion. Consistent economic growth has seen unemployment fall to a 30 year low (4.5%) which in turn has fuelled consumer spending and economic expansion. The demand for labour has created a national labour shortage which may apply pressure on wages and inflation.
6. The RBA's inflation forecast, as presented in the *Statement on Monetary Policy* in early February 2007, was that underlying inflation would decline slightly over the next two years to around 2¾% down from an earlier RBA forecast of 3% in 2007 and 2008. However, "this outlook is still higher than ideal" according to the RBA, being at the top end of the RBA's 2-3% inflation band target. Although there is some uncertainty regarding the future direction of interest rates<sup>1</sup>, MacroPlan expects inflation to remain stable in the short to medium term (albeit at the top of the RBA's 2-3% inflation band target) and interest rates to remain on hold for the foreseeable future.
7. Australia is experiencing a national shortage of housing stock. Rental price growth is expected to increase due to the undersupply of housing stock. Rental price growth is expected to supplement continued pressure on rents (and yields) which will attract investors back into the market.

<sup>1</sup> Monetary policy has been relatively stable recently, with the RBA leaving the cash rate target at 6.25% since November 8 2006.

## CONSULTING ECONOMIST

- Housing affordability continues to decline in Australia. Although interest rates remain low, continued house and land price growth (caused by infrastructure cost pressures, lagged provision particularly within State capital city fringe locations, and ironically low interest rates) has seen affordability deteriorate further in recent months. Affordability is now almost at record lows, making it increasingly difficult for first home buyers to enter the market.

### VICTORIA

- Victoria's population is now over 5 million with population growth being driven by a robust economy, excellent transport and infrastructure network, and lifestyle opportunities. In the year to June 2006, Victoria's population grew faster than the national average (1.4% compared to 1.3% respectively) attracting the second largest number of people in 2005-06 (over 68,500).
- Victoria's population growth continues to be driven by both natural increase and overseas migration. Overseas migration, in particular, is a valuable source of skills and talent for the State with overseas migrants attracted to the State because of its strong economy and good lifestyle opportunities.
- Melbourne's Urban Growth Boundary (UGB) was extended by the Victorian Government in November 2005 although there is still significant fragmentation of land holdings and limited supply of high quality developable land.
- The Victorian State Budget 2007-2008 contained a range of beneficial policies targeting housing affordability including extending the \$3,000 First Home Bonus ("Bonus") to June 2009 and increasing the Bonus to \$5,000 (starting from 1 January 2007) where the property is a newly constructed home.

### MELTON WEST

- The Melton Property is located in the suburb of Melton West in the Local Government Area (LGA) of Melton (see Figure 1). The Shire of Melton is in the Western Melbourne region, a rapidly expanding residential and business growth area.
- The Melton township is approximately 36 kilometres outside of Melbourne's CBD, with the Melton West Property approximately 38 kilometres west of Melbourne's CBD in the middle of the Melton Caroline Springs growth corridor, which is one of the five growth corridors identified by the Victorian Government in the Melbourne 2030 Plan.<sup>2</sup>

Figure 1. Melton West Location



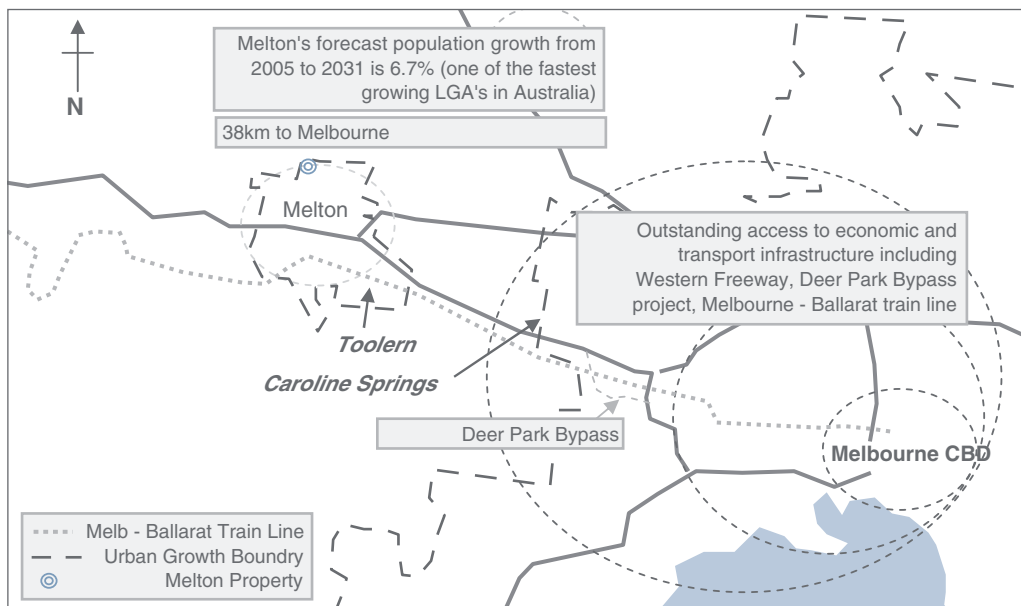
Source: MacroPlan (2007)

<sup>2</sup> Melton's future development is supported by the Victorian Government which has categorised Melton as a key growth area. In 2005 the State Government released a blueprint for the development of various Urban Growth Corridors which will support 33,000 - 37,000 additional households in the whole of Melbourne.

## CONSULTING ECONOMIST

15. Melton provides excellent access to economic and transport infrastructure (including the Melbourne to Ballarat fast train). Although access is an issue for some buyers, current and planned infrastructure improvements in the road network are expected to greatly improve Melton's accessibility to Melbourne and, therefore, the Shire's attractiveness as a place to live, work and invest.
16. Melton is expected to benefit significantly from the construction of the \$331 million Deer Park Bypass, a 9.3 kilometre four lane freeway between the Western Highway at Caroline Springs and the Western Ring Road at Sunshine West (see Figure 2). The bypass is scheduled for completion in late 2009 and is expected to reduce travel times significantly, possibly by up to 15-20 minutes at peak times.
17. Melton Shire has experienced a significantly higher level of population growth over the period 1991 to 2006 (114%) compared to adjacent municipalities such as Hume (41%) and Wyndham (86%) and Metropolitan Melbourne (17%) and Victoria (15%) as a whole. Strong population growth within Melton is a key driver of housing demand in Melton West. More recently, in 2005-2006 compared to 2004-2005, Melton had the fourth largest population increase (6,814) of all Australian LGAs and was the fastest growing Victorian LGA (8.9%).
18. Melton's population is forecast to increase at an average annual rate of 3.8% per annum between 2001 and 2031 while, over the same period, the population of Victoria and Melbourne is projected to increase at an average annual rate of 0.9% per annum. This population growth is underpinned by future infrastructure provision (see Figure 2) and housing affordability.

Figure 2. Melton - Location and Key Drivers of Growth



Source: MacroPlan (2007)

19. Building approvals in the Shire of Melton have risen significantly from 1995-1996 to 2004-2005 reflecting strong demand and developer interest in the area. Building applications have averaged 2,234 per annum from 2002-2003 to 2004-2005.
20. Medium and higher density living is becoming increasingly accepted within the Melton area. Low density housing remains, however, the most common housing option preferred by Melton residents.

## CONSULTING ECONOMIST



21. Consistent price growth has been a key feature of the Melton property market. Residex data<sup>3</sup> suggests that annual price growth over the last 10 years to the December quarter 2006 was over 6% per annum for Melton West and over 8% per annum for Melton and Melton South (see Table 2).
22. 2006 - 2016 population growth within Melton is expected to be between 4% and 6% per annum, with Melton West being the principle growth hub in percentage terms (see Table 3).

Table 2. House Sales Data (Melton and Surrounds)

	Post Code	No of Sales		Median Value		Capital Growth
		Last Qtr	Year	Current	Last Year	Last Ten Years
Melton	3337	124	448	\$192,000	\$192,000	8.26%
Melton South	3338	55	194	\$172,500	\$178,000	8.52%
<b>Melton West</b>	<b>3337</b>	<b>26</b>	<b>90</b>	<b>\$240,000</b>	<b>\$242,500</b>	<b>6.23%</b>

Source: Residex (2007) and MacroPlan (2006).

23. Melton housing prices remain affordable relative to other parts of Melbourne. Housing affordability is a competitive advantage of the Melton property market which should see interest in the area remain strong from both buyers and developers.

Table 3. Summary Table (Melton)

	1996	2001	2006	2016	CAGR (96-01)	CAGR (01-06)	CAGR (06-16)
<b>Population</b>							
Australia	18,348,078	19,437,945	20,555,326	22,808,485	1.16%	1.12%	1.05%
Victoria		4,804,726	5,077,209	5,574,755	NA	1.11%	0.94%
Melbourne SD		3,471,625	3,681,263	4,059,682	NA	1.18%	0.98%
Melton		52,830	83,114	139,530	NA	9.49%	5.32%
Melton East		13,942	39,728	61,765	NA	23.30%	4.51%
Melton (S)		52,830	77,481	116,435	NA	7.96%	4.16%
<b>Melton West</b>		<b>38,888</b>	<b>43,386</b>	<b>77,765</b>	<b>NA</b>	<b>2.21%</b>	<b>6.01%</b>
Hume (C)		135,986	150,624	169,980	NA	2.07%	1.22%
Wyndham (C)		87,141	118,230	162,936	NA	6.29%	3.26%
<b>Land Sales - Melton</b>							
Median Price*	\$52,250	\$72,000	\$134,000		6.62%	13.23%	5-8%*
No of Sales*	474	3,085	1,548		45.44%	-12.88%	3-5%
<b>Unemployment</b>							
Australia	8.2 %	6.8%	4.9%	4.9%	-3.74%	-6.25%	0.00%

Source: Various including ABS (2007), APM (2007) and Victorian Valuer General (2007). \*2006 Land sales uses 2005 data as 2006 estimates were preliminary. CAGR (Compound Average Growth Rate). Refers to the 5 year period between 2006 and 2011.

<sup>3</sup> Residex Pty Limited (Residex) is dedicated to providing quality information on the real estate market to governments, financial institutions, valuers, real estate agents, accountants, solicitors and individuals. Residex collects data from various Government Departments. The Residex database cannot be matched by any public or private organisation in terms of accessible historical data. Residex provides information on all aspects of the real estate market including: price; rental yield; growth in prices; analysis of market movements; mortgage design; financial transaction structuring; raising and placing of funding facilities; loan risk profiles; statistical consulting and research. Residex is consultant and adviser to state and federal governments on housing related issues including the development of financial instruments to provide funding for housing needs. Residex is endorsed by the Real Estate Institute of NSW to provide property sales information to their members.

## CONSULTING ECONOMIST

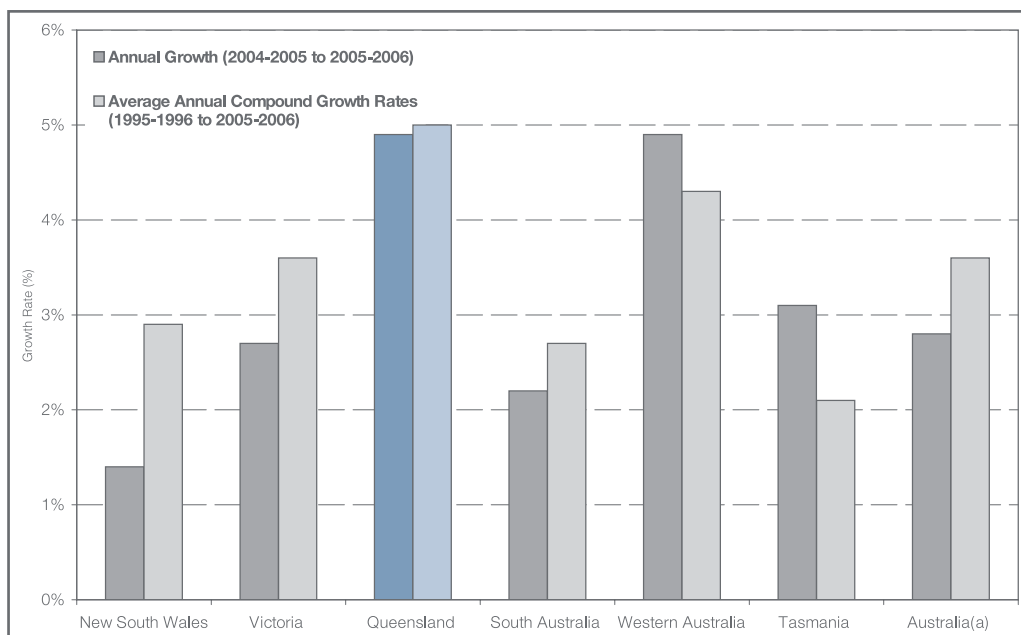


24. Based on our assessment, land price growth of between 5 - 8% per annum for the subsequent five year period (2006-2011) is not unreasonable for Melton West. This is due primarily to the strong demand for affordable property which is close to a strong economic, employment and infrastructure network.
25. Whilst forecasting property values assumes a wide variety of factors and conditions, continued economic growth in the region, combined with sustained increases in the population and improvements in infrastructure, should see price growth remain robust.
26. The forecasts and projections in this report are based on assumptions about circumstances and events that have not yet transpired and they are therefore subject to variations that may arise as future economic and market factors actually occur. As a result, we cannot provide any assurance that the forecasts and projections contained in this report will be achieved.

### QUEENSLAND

27. Queensland's economy and property market continues to grow significantly fuelled by strong population growth, the resources boom and a vibrant tourism sector.
28. Queensland's economy grew faster than all States (and the nation as a whole) in the decade to 2005-06 (see Figure 3).
29. The Queensland Government's 2006-07 Mid Year Fiscal and Economic Review, released in early January 2007, estimates that the outlook in 2006-07 is stronger than forecast in the June 2006 State Budget (4.75% compared to 4.25% annual growth). Strong economic growth is expected to continue into the future and should help to ensure a buoyant property market.

Figure 3. State Economic Growth - (1995-1996 to 2005-2006)



Source: ABS (2006)

## CONSULTING ECONOMIST

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30. The Queensland Government is currently undertaking an \$11.6 billion infrastructure development program in order to ensure the continued economic growth within the state. This includes \$4.2 billion on projects throughout regional Queensland. In addition there is provision for \$66 billion over the next 20 years to be spent on the development of roads, rail, public transport and energy in South East Queensland.
31. New dwelling approvals fell for the second year in a row after three years of growth in Queensland reflecting a range of factors including a tightening land supply situation. Shortfalls in supply (relative to demand) will continue to see price growth in Queensland remain robust in the short to medium term.
32. Housing construction costs in Queensland are increasing at a slower rate relative to most other States and Territories. The ABS Project Home Price Index for Queensland increased at a subdued rate, rising less than 6.5% in the year to the September quarter 2006.

### BEACHMERE, CABOOLTURE

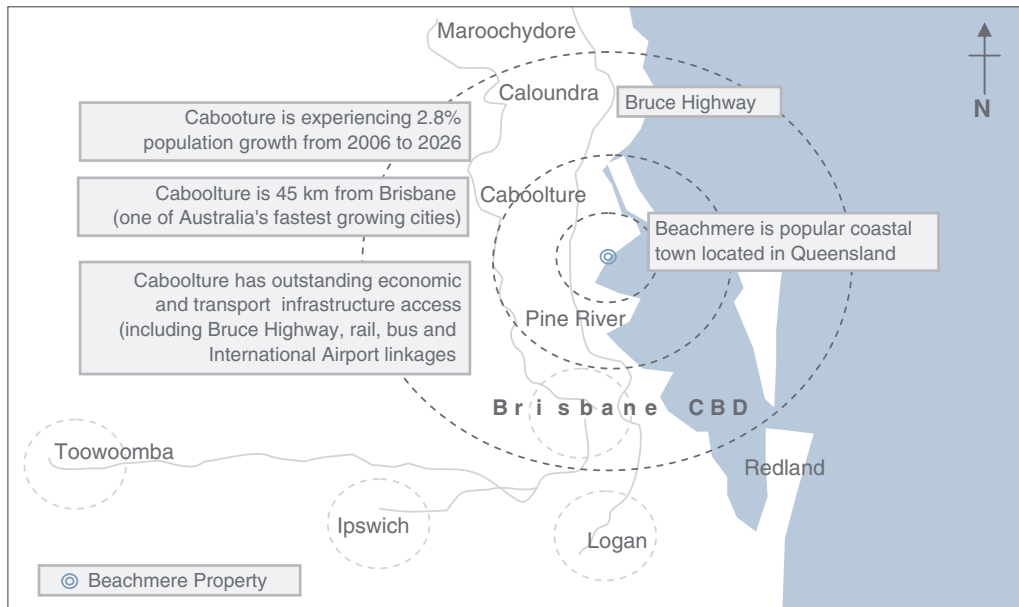
33. The Beachmere Property is located in the LGA of Caboolture. Beachmere is a coastal township, located on the shoreline of Deception Bay and in the south-eastern coastal fringe of Caboolture Shire.
34. Beachmere is a 40-minute drive from Brisbane Airport and 30 minutes from the Sunshine Coast. In addition, it is only 10 minutes from the Bruce Highway and central Caboolture from which rail and bus services connect the town to Brisbane.
35. The population of the Shire of Caboolture is expected to grow significantly over the next 20 years at approximately 2.2% per annum until 2026, with the population increasing from 131,166 to 193,485 over the period (see Table 5). This will outstrip the population growth of Brisbane (1.6%) and Queensland (1.6%) as a whole.<sup>4</sup>
36. Caboolture has experienced strong economic growth in recent years which has seen unemployment fall sharply. Caboolture's unemployment rate has fallen from nearly 16% in 1997 to its current level (just over 6.7%).
37. Public and private investment will drive growth in the Caboolture region in the future. Some of the key projects include the \$880 million Northeast Business Park, which has been declared of state significance, providing 9,000 full time jobs when complete. The project will include a 760 hectare integrated business, residential and recreational precinct.
38. Other significant investments include the recently commenced \$54 million Caboolture Central Project, the \$7 million Beachmere Village Shopping Centre and Tavern (which has recently been granted development approval) and the expansion of the Morayfield Principal Activity Centre (PAC). Commercial investment in the PAC has been strong to date with the opening of the Morayfield Mega Centre and the expected completion of the Baylink Business Park.
39. A further \$2.4 million has been allocated by the Caboolture Shire Council to refurbish the Beachmere Town Centre which will also include improvements in local open space and traffic management.
40. The Shire of Caboolture approved 1,703 residential lots for the year to June 2006 (a significant number showing the level of demand and developer interest) with the number of lots registered in Caboolture in the June Quarter of 2006 increasing by 23.7% on the same period the year prior. The trend has been for new lots to be significantly smaller in size than what was traditionally associated with the area, with nearly 40% of all new lot approvals being between 500-650 square metres.

<sup>4</sup> Data for Brisbane is for the Brisbane Statistical Division

# CONSULTING ECONOMIST



Figure 4. Beachmere and Caboolture - Location and Key Drivers of Growth



MacroPlan (2007)

Table 4. Pricing data for Beachmere (Jan 2005 to Jan 2007)

	500m		1km		Beachmere	
	No.	Median	No.	Median	No.	Median
Detached Dwellings	24	\$228,750	99	\$250,000	270	\$270,000
Land	6	\$144,500	40	\$166,000	47	\$167,000

Source: Australian Property Monitors (2007) and MacroPlan (2007)

- Table 4 shows house and land sales data for the Beachmere area from January 2005 through to the end of January 2007. Over the 24 months detached dwellings within 500 metres of the Beachmere Property yielded a median price of \$228,750.
- The Beachmere land sales median is higher when the radius is extended to take in properties located within 1 kilometre of the Beachmere Property (due to potential waterfront aspect and large lot sizes). MacroPlan note the small number of sales (6) for the 500 metre catchment does not necessary reflect the market average.

## CONSULTING ECONOMIST



Table 5. Summary Table (Beachmere)

	1996	2001	2006	2016	CAGR (96-01)	CAGR (01-06)	CAGR (06-16)
<b>Population</b>							
Australia	18,348,078	19,437,945	20,555,326	22,808,485	1.16%	1.12%	1.05%
Queensland		3,628,946	4,015,722	4,677,780	NA	2.05%	1.54%
Caboolture		114,338	132,882	167,114	NA	3.05%	2.32%
Beachmere		3,229	3,406	3,582	NA	1.07%	0.51%
<b>Land Sales - Beachmere</b>							
No of Sales	21	31	40	NA	8.10%	5.23%	6-8%*
Median Price (\$)	45,000	39,000	168,000	NA	NA	33.92%	10-12%
Median Land Size	1,012	800	649	NA	NA	-4.10%	NA

Source: Various including ABS (2007) and APM (2007).

43. Based on our assessment, land price growth of between 6 - 8% per annum for the subsequent five year period\* is not unreasonable for Beachmere. This is due primarily to the strong demand for coastal property which is close to a strong economic, employment and infrastructure network.
44. Whilst forecasting property values assumes a wide variety of factors and conditions, continued economic growth in the region, combined with sustained increases in the population, should see price growth remain robust.
45. The forecasts and projections in this report are based on assumptions as previously commented on about circumstances and events that have not yet transpired and they are therefore subject to variations that may arise as future economic and market factors actually occur. As a result, we cannot provide any assurance that the forecasts and projections contained in this report will be achieved.
46. A copy of this economic report has been lodged with the Australian Securities and Investment Commission (ASIC). The information in the economic report is incorporated by reference into this Prospectus. Peet Beachton Syndicate Limited will provide a copy of the economic report free of charge to any person who requests a copy during the offer period. Alternatively, a copy of the economic report can be obtained by contacting ASIC.

**DISCLAIMER**

47. MacroPlan Australia Pty Ltd has consented to the inclusion of this report in the Prospectus but is not providing advice about a financial product, or the suitability of the investment as set out in the Prospectus. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence.
48. MacroPlan Australia does not hold such a licence and is not operating under any such licence in providing this report. We have been retained by Peet Beachton Syndicate Limited and no other party to provide this report. We do not have a financial interest in Peet Beachton Syndicate Limited and have provided this report solely in our capacity as an independent professional adviser. We have received a fee of \$27,000 for our professional services in providing this report.

Yours faithfully

Andrew Iles  
 Director, Development Advisory Group  
 MacroPlan Australia Pty Ltd

## INVESTIGATING ACCOUNTANT

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18 May 2007

The Directors  
Peet Beachton Syndicate Limited  
Level 7, 200 St Georges Terrace  
Perth WA 6000



Dear Sirs,

### INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL AND FORECAST FINANCIAL INFORMATION

This Report has been prepared for inclusion in a Prospectus ('the Prospectus') to be issued on or about 18 May 2007 inviting participants to invest in Peet Beachton Syndicate Limited ('the Syndicate').

The rights and obligations of investors under the Syndicate are set out in the Prospectus. Expressions defined in the Prospectus are afforded the same meaning in this Report.

The nature of this Report is such that it should be given by an entity which holds an Australian Financial Services License under the Financial Services Reform Act 2001. PricewaterhouseCoopers Securities Ltd is wholly owned by the partners of PricewaterhouseCoopers and holds the appropriate Australian Financial Services Licence.

### SCOPE

You have requested PricewaterhouseCoopers Securities Ltd to prepare an Investigating Accountant's Report ('this Report') covering the following financial information:

#### Historical Financial Information

- (a) the unaudited balance sheet of the Syndicate as at 31 March 2007 as set out on pages 37 to 40 of the Prospectus;
  - (b) the proforma balance sheet of the Syndicate as at 31 March 2007 assuming that the proposed capital raising and a number of related transactions had taken place at that date, as described on pages 37 to 40 of the Prospectus;
- (collectively, 'the Historical Financial Information'); and

#### Forecast Financial Information

- (c) the profit forecast, sensitivity analysis and forecast returns for the Syndicate as set out on pages 15 to 17 of the Prospectus (collectively referred to as 'the Forecasts').

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Historical Financial Information or the Forecasts to which it relates for any purposes other than for which it was prepared.

### SCOPE OF REVIEW OF HISTORICAL FINANCIAL INFORMATION

The Directors of the Syndicate are responsible for the preparation and presentation of the Historical Financial Information. The balance sheet of the Syndicate as at 31 March 2007 has been extracted from the unaudited management accounts of the Syndicate. The Directors have determined that no adjustments are required to be made to this information to make it reflective of the business going forward.

We have conducted our review of the Historical Financial Information in accordance with Australian Auditing and Assurance Standard AUS902 'Review of Financial Reports'. We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- (a) examination of work papers, accounting records and other documents;
- (b) a review of the assumptions used to compile the proforma balance sheet;
- (c) a comparison of consistency in application of the recognition and measurement principles of applicable Accounting Standards, other mandatory professional reporting requirements and the accounting policies adopted by the Syndicate; and
- (d) inquiry of the Directors and management.

## INVESTIGATING ACCOUNTANT

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These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### REVIEW STATEMENT ON HISTORICAL FINANCIAL INFORMATION

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe:

- (a) the Historical Financial Information does not fairly represent the balance sheet of the Syndicate as at 31 March 2007 in accordance with:
  - (i) the accounting policies of the Syndicate; and
  - (ii) the recognition and measurement principles prescribed in applicable Accounting Standards and other mandatory professional reporting requirements in Australia;
- (b) the proforma transactions do not form a reasonable basis for the pro forma financial information;
- (c) the proforma balance sheet of the Syndicate as at 31 March 2007 has not been properly prepared on the basis of the proforma transactions;
- (d) the proforma balance sheet is not presented fairly in accordance with:
  - (i) the accounting policies of the Syndicate and the basis of preparation set out on page 38 of the Prospectus; and
  - (ii) the recognition and measurement principles prescribed in applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

### SCOPE OF REVIEW OF FORECAST FINANCIAL INFORMATION

The Forecasts have been prepared to provide investors with a guide to the profitability and the range of possible financial returns attributable to an investment in the Syndicate. The Directors are responsible for the preparation and presentation of the Forecasts, including the best estimate assumptions on which the Forecasts are based, as set out on pages 12 to 14 of the Prospectus.

Our review of the Forecasts was performed in accordance with Australian Auditing and Assurance AUS 902 'Review of Financial Reports'. Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary to adequately evaluate whether the best estimate assumptions provide a reasonable basis for the Forecasts. These procedures included discussions with the Directors and management of the Syndicate and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best estimate assumptions do not provide a reasonable basis for the preparation of the Forecasts and whether, in all material respects, the Forecasts are properly prepared on the basis of the assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Syndicate disclosed on page 38 of the Prospectus so as to present a view of the Syndicate which is consistent with our understanding of the Syndicate's current and future operations.

The Forecasts have been prepared by the Directors to provide investors with a guide to the Syndicate's potential future financial performance based upon the achievement of certain economic, operating, development and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of forecasts. Actual results may vary materially from the Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out on pages 18 to 20 of the Prospectus.

Our review of the Forecasts that are based on best estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the Prospectus.

## INVESTIGATING ACCOUNTANT

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### REVIEW STATEMENT ON THE FORECASTS

Based on our review of the Forecasts, which is not an audit, and based on an investigation of the reasonableness of the Directors' best estimate assumptions giving rise to the Forecasts, nothing has come to our attention which causes us to believe that:

- (a) the Directors' best estimate assumptions set out on pages 12 to 14 of the Prospectus do not provide a reasonable basis for the preparation of the Forecasts;
- (b) the Forecasts are not properly compiled on the basis of the Directors' best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Syndicate disclosed on page 38 of the Prospectus; and
- (c) the Forecasts are unreasonable.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Syndicate. If events do not occur as assumed, actual results achieved by the Syndicate may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

### SUBSEQUENT EVENTS

Having regard to the scope of our Report, to the best of our knowledge and belief, there have been no material items, transactions or events subsequent to 31 March 2007 that are not otherwise disclosed in the Prospectus which require comment on, or adjustment to, the information referred to in this Report or which would cause such information to be misleading or deceptive.

### INDEPENDENCE OR DISCLOSURE OF INTEREST

Neither PricewaterhouseCoopers nor PricewaterhouseCoopers Securities Ltd has any interest in the outcome of this issue other than in the preparation of its Investigating Accountant's Report and participation in due diligence procedures for which normal professional fees will be received.

### FINANCIAL SERVICES GUIDE

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

A handwritten signature in black ink, appearing to read "Roger Port", is written over a light blue horizontal line.

Roger Port  
Authorised Representative

# INVESTIGATING ACCOUNTANT

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## APPENDIX A

### PRICEWATERHOUSECOOPERS SECURITIES LTD FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 18 May 2007

#### 1. ABOUT US

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ('PwC Securities') has been engaged by Peet Beachton Syndicate Limited ('the Syndicate') to provide a report in the form of an Investigating Accountant's Report in relation to the issue of 12 million shares at \$1 each (the 'Report') for inclusion in the Prospectus to be dated on or about 18 May 2007.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

#### 2. THIS FINANCIAL SERVICES GUIDE

This Financial Services Guide ('FSG') is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

#### 3. FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

#### 4. GENERAL FINANCIAL PRODUCT ADVICE

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

#### 5. FEES, COMMISSIONS AND OTHER BENEFITS WE MAY RECEIVE

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are approximately \$44,000 excluding GST.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

#### 6. ASSOCIATIONS WITH ISSUERS OF FINANCIAL PRODUCTS

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

PricewaterhouseCoopers is the auditor and provides advisory services to Peet which is involved in issuing this Prospectus.

## INVESTIGATING ACCOUNTANT

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### 7. COMPLAINTS

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Industry Complaints Service, an external complaints resolution service. You will not be charged for using this service.

### 8. CONTACT DETAILS

PwC Securities can be contacted by sending a letter to the following address:

Mr Roger Port  
Authorised Representative  
PricewaterhouseCoopers Securities Ltd  
GPO Box D198  
PERTH WA 6840

# APPLICATION FORMS

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# GUIDE TO COMPLETING THE APPLICATION FORM

The securities to which this Application Form relates are ordinary shares. Further information about investing in the shares is contained in the Prospectus. No shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. During the offer period, a paper copy of the Prospectus, any supplementary document and the Application Form will be provided to you, at no charge, upon request by telephoning the Toll Free No. 1-800-689-778.

1. Determine the number of shares you wish to apply for. The Application must be for a minimum of 5,000 shares and thereafter in multiples of 1,000 shares.

2. Calculate the amount that will need to be provided with your application at the price of \$0.50 per share.

Attach your 'Not Negotiable' cheque(s) payable to 'Peet Beachtton Syndicate Limited'.

Your cheque should be in Australian currency and be drawn on a branch of a bank trading in Australia. Sufficient cleared funds should be held in the relevant account(s), as cheque(s) returned unpaid are likely to result in your Application being rejected and a dishonour fee being charged.

Please pin (not staple) your cheque to the Application Form.

3. Please insert the full names of the Applicants. Note that ONLY legal entities are allowed to hold shares. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to Peet Beachtton Syndicate Limited. At least one full given name and the surname is required for each natural person.

Please refer to the table below for further detail.

4. If the application is made on behalf of a trust or superannuation fund, circle 'yes' and insert the trust or superannuation fund name where instructed, in accordance with the table below.

The name of the beneficiary or any other registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable names below.

Please refer to the table below for further detail.

5. Enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For joint applicants, only one address need be entered.

6. Enter your telephone number. This is not a requirement but it will assist us if further information is required in respect to your Application.

7. Enter your Tax File Number ('TFN') or Australian Business Number ('ABN'). Collection of TFN's and ABN's is authorised by taxation laws. Quotation of your TFN or ABN is not compulsory and will not affect your Application. However, if no TFN or ABN is quoted any interest or unfranked dividends may be taxed at the highest marginal tax rate plus the Medicare Levy.

**Before completing the Application Form, applicant(s) are advised to read the Prospectus. By lodging the Application Form, the applicant(s) agree(s) that this application is made upon and subject to the terms of the Prospectus, agree(s) to take any number of shares that may be allotted to the applicant(s) pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate.**

## LODGEMENT OF APPLICATIONS

Return the Application Form with cheque(s) attached to:

### MAILING ADDRESS:

Peet Beachtton Syndicate Limited  
PO Box 7224, Cloisters Square or PO Box 7225, St Kilda Road  
Perth WA 6850 Melbourne VIC 8004

### PRIVACY NOTICE

Before completing this Application Form please refer to the Privacy Notification section of the Prospectus, which explains how the personal information you provide on this form may be handled. By completing and submitting this Application Form you acknowledge that you have read, understood and agreed to your personal information being handled in a manner consistent with the Prospectus.

### SIGNATURES

#### Individual Applicants

The application must be signed by the individual, or the individual's Attorney or duly authorised agent. A copy of the relevant Power of Attorney or agent's authority (in each case signed by the individual appointing the Attorney or agent), must accompany the application.

#### Company Applicants

Application by companies must be executed in accordance with Section 127(1) or (2) of the Corporations Act. Alternatively, the application may be signed by an Attorney of the company appointed pursuant to a Power of Attorney executed in accordance with Section 127(1) or (2). A copy of the relevant Power of Attorney must accompany the application.

### Correct forms or registrable names(s)

Type of Investor	Correct Form	Samples of Incorrect Form
<b>Individual</b> Use given name(s), not initials	Mr John Alfred Smith	J A Smith
<b>Joint</b> Use given name(s), not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
<b>Companies</b> Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
<b>Trusts</b> Use trustee(s) personal name(s) Do not use the name of the trust	Ms Janet Smith <Janet Smith Family A/C>	Janet Smith Family Trust
<b>Deceased Estates</b> Use executor(s) personal name(s) Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
<b>Partnerships</b> Use the partners' personal names Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
<b>Clubs/unincorporated bodies/business names</b> Use office bearer(s) personal name(s) Do not use the name of the club etc.	Miss Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
<b>Superannuation funds</b> Use the trustee of fund Do not use the name of the fund	Mr John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Insert name(s) of any joint Applicant(s) and/or account description using <> as indicated above in designated space(s) on the Application Form.

# CORPORATE DIRECTORY

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## THE COMPANY

Peet Beachtton Syndicate Limited  
ACN 117 351 514  
Level 7, 200 St Georges Terrace  
PERTH WA 6000  
or  
Level 1, 436 St Kilda Road  
MELBOURNE VIC 3004

## REGISTERED OFFICE & SHARE REGISTRY

Level 7, 200 St Georges Terrace  
PERTH WA 6000

## DIRECTORS OF THE COMPANY

Tony Lennon, Chairman  
Warwick D Hemsley  
Anthony J Lennon

## COMPANY SECRETARY

Dom Scafetta

## COMPANY, PROJECT, ASSET, SALES & MARKETING MANAGER & UNDERWRITER

Peet Limited  
Level 7, 200 St Georges Terrace  
PERTH WA 6000  
or  
Level 1, 436 St Kilda Road  
MELBOURNE VIC 3004  
[www.peet.com.au](http://www.peet.com.au)

## SOLICITORS TO THE ISSUE

Minter Ellison  
Level 49, 152-158 St Georges Terrace  
PERTH WA 6000

## COMPANY BANKER

National Australia Bank Limited  
500 Bourke Street  
MELBOURNE VIC 3000  
and  
50 St Georges Terrace  
PERTH WA 6000

## INVESTIGATING ACCOUNTANT

PricewaterhouseCoopers Securities Ltd  
QV1  
250 St Georges Terrace  
PERTH WA 6000

## COMPANY AUDITOR

Ernst & Young  
11 Mounts Bay Road  
PERTH WA 6000

## CONSULTING ECONOMIST

MacroPlan Australia Pty Ltd  
Level 4, 107-109 Flinders Lane  
MELBOURNE VIC 3000

## BEACHMERE CONSULTING TOWN PLANNER

Jones Flint & Pike Pty Ltd  
PO Box 6  
MAROOCHYDORE QLD 4558

## BEACHMERE CONSULTING ENGINEER

Cardno (QLD) Pty Ltd  
PO Box 388  
TOOWONG QLD 4066

## BEACHMERE INDEPENDENT VALUER

LandMark White Brisbane Pty Ltd  
PO Box 5440  
MAROOCHYDORE QLD 4558

## BEACHMERE PROPERTY LAWYER

Homes Wilkinson Lowry  
Level 13  
175 Eagle Street  
BRISBANE QLD 4000

## MELTON CONSULTING TOWN PLANNER

Environmental Resources Management Australia Pty Ltd  
Level 3, Yarra Tower  
World Trade Centre  
18-38 Siddeley Street  
DOCKLANDS VIC 3005

## MELTON CONSULTING ENGINEER

WBCM Pty Ltd  
Level 4, 210 Kings Way  
SOUTH MELBOURNE VIC 3205

## MELTON INDEPENDENT VALUER

CB Richard Ellis (V) Pty Ltd  
Ground Floor, Nexus Corporate Park  
37 Dunlop Road  
MULGRAVE VIC 3170

## MELTON PROPERTY LAWYER

Mills Oakley Lawyers Pty Ltd  
St James Building,  
Level 4, 121 William Street  
MELBOURNE VIC 3000

**PEET** | *Syndicates*

**Peet Limited**

ACN 008 665 834

Level 7, 200 St Georges Terrace Perth WA 6000

Telephone (08) 9420 1111 | Facsimile (08) 9481 4712

[www.peet.com.au](http://www.peet.com.au)