PRESENTATION

Pacific Turbine Brisbane Limited ABN 99 098 390 991

1 PTB Business and Background

- Three divisions:
  - Δ specialist aircraft turbine engine repair and overhaul facility based at Brisbane Airport, Australia;
  - Δ trading globally in turbine engines and related parts;
  - Δ financing of turbine engines for customers.

- Raised approximately AUD 4 million in equity in November 2004 (pursuant to an information memorandum) and February 2005 (pursuant to a prospectus).

- Listed on Newcastle Stock Exchange Ltd.

- Raised $4.5 million in Unsecured Notes November 05 to March 06. The funding was raised to provide debt finance to continue expanding the Company's offshore engine rental pool.

- Trading performance is set out below. PTB earns strong after tax returns on average shareholders funds- 22.6% in the June 2005 year with the 2006 figure expected to be close to this. Over the medium term PTB expects to return shareholders an average of around 18 per cent per annum, inclusive of dividends.

Business Model

• Recurring Finance earnings: A key part of PTB's business model is to build its recurring earnings from its engine financing activities. These activities are earning returns of 20% to 30% per annum, including profits made on trading the rental pool.

• Constraints: Constraints have historically been bank finance, finance for off-shore operations and size of the rental pool. PTB listed on Newcastle Stock Exchange in March 2005 to facilitate raising equity capital. It has bank finance for most of its Australasian financing activities and the $4.5 million Note facility has provided funding for the off-shore operations. One of its strategies has been to seek to expand the size of the funding pool by acquisition, as well as organic growth. The Company believes that a larger receivables pool will enhance financing options.

• Proposed IAP Acquisition: meets the above criteria:

Δ IAP is a **highly complementary asset management company**

Δ Will enable expansion in:
(a) new engine types in which IAP has expertise
(b) aircraft in which IAP has airframe and in-house engineering expertise

Δ The IAP business has **strong return capabilities** similar to that of PTB

Δ The merger will create a larger and more diverse business and management team

Steve Ferris, the founder of IAP, is taking 80 per cent of the consideration as PTB scrip. He will hold approximately 25 per cent of the expanded group after further capital raising and the expected move to ASX around late November.

Trading Performance

		Dec 05 (half)	2005	2004
Total Revenue (excluding interest)	$000	8272(a)	10,864	10,621
EBITDA		1679	2,316	1,615
Depreciation and amortisation		(239)	(231)	(65)
EBIT		1440	2,085	1,550
EBIT margin		17.4%	19%	15%
Interest income		103	199	95
Interest Expense		(88)	(131)	(132)
Profit before tax		1455	2,153	1,513
Income tax		(432)	(643)	(470)
Profit after tax		1023	1,510	1,043

Issued capital (after listing in March 2005)	'000	11704	11704	n/a
Shareholders Funds	$000	8909	8436	3051
Market capitalisation at $1.60 per share	$000	18726	n/a	n/a
Average after tax return on shareholders funds		n/av	26.2%	41%

Note:
(a) Includes proceeds from disposal of rental engines

2 Proposed IAP Acquisition

Proposed IAP Acquisition
PTB has agreed to acquire IAP Group Australia Pty Ltd, subject to shareholder approval for approximately $12.9 million.

Cash $2.5 million; shares: approximately 6.9 million at $1.50 per share ex year ending June 06 final dividend

Timetable

- Completion of due diligence and finance interest: by early August
- Contracts signed and mail-out of Notice of Meeting (for approval of purchase)
- Share placement of $4.5 million ($2.5 million to vendor as part consideration; $2 million for group working capital)
- Acquisition completed by 29 September 2006 (after shareholder approval)
- Prospectus issued to raise $8 million for additional working capital to expand into new engine types and aircraft leasing and to facilitate move to ASX
- Monies raised under Prospectus and move to ASX expected around late November 2006

3 IAP Business Operations and Management

Business Operations

IAP was established in 1983. It has two separate trading operations:

- International Air Parts which trades in aircraft spare parts, buys, sells and leases aircraft and has some engineering capability; and
- Aeropelican Air Services, a long-established regional airline flying from Williamtown (Newcastle NSW) to Sydney.

International Air Parts

IAP's business can broadly be broken down into three. The three areas are complementary and are what makes this business an asset management company in the aviation sector.

- Spare parts supply
- Acquisition and sale of aircraft
- Aircraft rental and hire

Spare parts Supply

This is IAP's core business. It is by far the largest surplus spare parts dealer in the southern hemisphere. Most parts are acquired as redundant spares from airlines which have changed their aircraft types. These parts are then remarketed to other operators of that type. IAP considers its purchasing systems are well-honed over many years and its network of contacts enables maximum exposure both for purchasing opportunities and selling.

IAP also has a strong parts brokering business, particularly with its Asian contacts.

Acquisition and Sale of Aircraft

As a sideline to spares support IAP has bought and sold many aircraft The aircraft traded in this way range in size from an Islander to a Boeing 737 and Airbus A300. The Company's engineering operation at Bankstown airport has significant capability to perform aircraft refurbishment.

IAP also acquires aircraft and parts them out. For example it might acquire an aircraft in Indonesia, wreck it, sell some parts such as engines immediately to recoup the cost, and containerise the balance parts and ship them to its warehouse in Sydney for marketing.

All aircraft are acquired at a price underwritten by their parts value.

Aircraft Finance, Rental and Hire
IAP currently finances six Hawker Siddley 748's, three Metro 23's and one Embraer 110 P1 Bandeirante.

Engines
IAP's business has moved towards specialising in the following Rolls Royce engines:

- Tay turbo fan: used in FK 100 and a number of corporate jets
- Spey turbo fan: used in FK 28
- Dart prop jet: used in HS 748 and F27

Management

IAP has a staff of approximately 35 persons. They come from many backgrounds, ethnic group's and cultures.

Most senior personnel have been with the Company for over 10 years.

Employees are grouped broadly in the following functional areas:

- Parts purchase and sale
- Aircraft rental
- Warehouse
- Engineering
- Finance and accounting

Aeropelican

Aeropelican Air Services: acquired from the Administrator of Ansett in early 2002.

Commuter airline based at Williamtown Airport just north of Newcastle, NSW. It has operated for over 30 years and provides commuter services from Newcastle to Sydney's Kingsford Smith Airport.

Currently operated by using one Metro 23 and one EMB 110 Bandeirante.

Qantas affiliate airline with all reservations done through Qantas. Ground handling is subcontracted and Aeropelican employs around 30 persons.

4 Financials

- IAP profit Centres

Aircraft sales
Spares
Aircraft rentals
Engine sales
Brokered spares

- Long successful trading history

- IAP Trading 2005 to 2007 (forecast)

	$000	2007	2006	2005
Sales Revenue IAP			15516	11589
Sales Revenue Aeropelican			4932	5226
Total		n/av	20448	16815
Profit before tax (group)		2167	3256	898(a)
Profit after tax		1540(d)	2906(b)	898(b)

Notes:
(a) Includes abnormal profit of $1.9 million on sale of old Aeropelican fleet
(b) No tax expense in 2005 and small one in 2006
(c) Accounts for 2005 subjected to special purpose audit by Ernst & Young and adjusted for aircraft leases and depreciation by PTB management. Accounts for 2006 currently unaudited; adjusted for aircraft leases and depreciation by PTB management.
(d) 2007 forecast of $1.54 million after tax is based on business as it is with working capital restrictions. Its expected performance after merger with PTB is set out below.

Projected Trading Performance of PTB and IAP group

• Acquisition based on an earnings multiple of 8.4 times notional 2007 earnings of $1.54 million after tax. This is expected to be achieved from the business as it is in its current finance constrained mode.

• Introduction of working capital of approx. $2 million after settlement to have immediate profit impact.

• Further working capital introduction of $8 million in December (from proposed prospectus share issue at time of move to ASX) expected to earn 20 per cent before tax, a similar rate to that earned by PTB. Further deployment of capital is expected to be funded by debt at a cost of 11 per cent per annum.

Group NPAT expected for June 2007 year		$000	4211
Earnings per share (annualised rate) expected by June 2007		cents	21
Issued share capital after October/November prospectus issue		'000	26941
Market capitalisation at $1.60 per share		$000	43100
Approximate holdings of shareholder groups			
Founders of PTB	'000	7400	27.5%
Steve Ferris		6908	25.6%
Public Investors in PTB to date		4300	16%
Investors pursuant to August and November issues		8333	30.9%
Total		26941	100%

Current IAP Group Balance Sheet as at 30 June 2006

IAP Group currently has net assets of $7.7 million based on an assessment of fair market values by PTB management.

5 Expected benefits of Merger

- Virtually double PTB's size in a closely complementary business.

- Both parties bring value.

  PTB to add value with:
  - Systems and financial expertise
  - Capacity to refurbish sections of IAP parts stock to drive sales
  - Provision of engine rental and lease facilities for IAP range of engines

  IAP to add value with
  - Expertise in new sectors: IAP deals in entire airframes and has expertise in acquiring and parting out aircraft
  - Wide range of aviation contacts and in particular, strong relationships in Indonesia
  - Steve Ferris's capacity as an assesser of value and negotiator deal, thus doubling PTB's strike power in this area (and reducing risk)
  - Bringing new engine rental opportunities from new engine types: Tay, Spey and Dart
  - Bringing aircraft to finance book to increase mass for future funding
  - Expertise to exploit future opportunities with Boeing 737-300/400 types- see below.

- Over recent years IAP has been held back by lack of capital. It is expected that not only will access to capital enable additional profit opportunities to be exploited, but there will be occasions where providing an engine as a rental or lease (rather than its immediate sale) will provide significant additional and recurring profit opportunities.

- The people mix is good: PTB management has known and dealt with Ferris for a number of years. The parties have worked well together through the due diligence period.

- Future Opportunities with Boeing 737-300/400: in addition to its existing business, IAP has identified the Boeing 737-300/400 and the Airbus range as growth areas for its customer base. It has acquired and parted out five Boeing 737's and one Airbus thus building expertise.

APPENDIX: The Aviation Sector

The merged PTB-IAP business will be a part of the second and third tier of the Aviation sector.

Company research of the wider sector indicates that substantial growth is expected. Over the last 20 years Asia has seen massive growth in number of airlines.

There have been substantially different growth rates for different geographic areas and for different types of operator over the last 20 years:

Δ The growth of charter and low cost and regional airlines has exploded
Δ Geographically, the number of airlines in North America has declined marginally; Europe is close to double, Asia is up 230%, Africa 110%, Middle East 129% and Latin America 65%
Δ Outlook for new Aeroplanes for the next 20 years looks strong- from approx 16700 in 2004 to 35000 in 2024. 18500 of these will be for new or growth aircraft and 7200 will be for replacements
Δ Passenger traffic growth forecast at 6.2% per year; freight at 6.2% per year
Δ Of the expected demand for new regional aircraft, 3900 are expected to be regional jets, 15300 single aisle, 5600 twin-aisle and 900 wide bodied.