

Pacific Turbine announces \$16 million aircraft acquisition

Pacific Turbine Brisbane Limited ('PTB' or 'Company') today announced that it had entered into an agreement to acquire the aircraft and associated parts of the UK companies, Emerald Airways Limited and Emerald Airways Engineering Limited ('Emerald') for approximately AUD 16 million.

The assets being acquired comprise 5 British Aerospace ATP's, 14 HS 748's, 10 Shorts 360's and their related spare parts along with a lease of an engineering facility at the Blackpool Airport. The ATP and HS 748 aircraft are assets which IAP Group Australia Pty Ltd ("IAP") has a long-term history of trading and managing. PTB merged with IAP in September 2006.

The acquisition fits with the group's aviation asset management niche. The group provides aircraft inventory support, encompassing:

- global supply of aviation parts; and
- global aircraft and engine financing and sales.

The deposit for the acquisition has been paid and completion is expected in two stages in October and November 2006.

The acquisition is being funded by a combination of an AUD 10 million debt facility and AUD 6 million equity. PTB has today finalised a subscription agreement under which it is placing 1,937,500 shares at \$1.60 to raise \$3.1 million. The issue is to sophisticated investors and is subject to shareholder approval at PTB's AGM. The balance of the equity funds will come from the Company's cash reserves. Additional short term working capital will be provided by a loan from IAP founder, Steve Ferris.

Steve Ferris, Managing Director of the IAP division and Executive Director of PTB, will move two staff members to the UK and supervise an expected 18 month period during which the Emerald aircraft will be refurbished as required and marketed either for rental/lease or outright sale. During this period, excess parts will be shipped back to IAP's warehouse in Australia for processing and, in due course, marketing.

The Company expects a number of the Emerald aircraft and engines will be deployed as part of its expanding finance arm.

The Company's planned transition from Newcastle Stock Exchange to Australian Stock Exchange in the second half of 2006 is still on track with a Prospectus being prepared for the previously announced share issue.

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