finbar
developing better lifestyles

23 December 2010

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SAM
MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

Dear Shareholder

Finbar Group Limited - Share Purchase Plan

On 7 December 2010 Finbar Group Limited (**Finbar** or **Company**) announced that it had successfully raised approximately $28.67 million before costs by way of a placement to professional and sophisticated investor clients of Bell Potter Securities Limited (**Bell Potter**) (**Placement**).

At the same time Finbar announced the establishment of a share purchase plan (**SPP**) to raise $16.94 million, which is being fully underwritten by Bell Potter (subject to shareholder approval in accordance with the ASX Listing Rules). The notice of meeting seeking shareholder approval is **enclosed** with this letter.

Also **enclosed** with this letter are the terms and conditions of the SPP, together with an Application Form to participate in the SPP.

Share Purchase Plan

The SPP provides an opportunity for eligible shareholders, being shareholders who were recorded on the Company's share register at 5.00pm (WST) on 6 December 2010 and who had a registered address in Australia or New Zealand (**Eligible Shareholders**), to acquire Finbar shares at $1.15 per share (being the same issue price as under the Placement).

Eligible Shareholders will be entitled to acquire up to $15,000 of Finbar shares without paying any brokerage or other transaction costs. This is subject to Finbar's right to scale back applications if it considers it appropriate.

The price at which Finbar shares are being issued under the SPP represents a discount of approximately 12.6% from the volume weighted average closing price for all Finbar shares traded on the ASX during the 5 trading days prior to the announcement of the SPP on Tuesday, 7 December 2010.

Participation in the SPP is entirely at your option. The offer to participate is non-renounceable, which means that you cannot transfer your right to purchase shares under the SPP to anyone else.

Use of funds

Funds raised from the Placement and the SPP will be used to accelerate Finbar's Karratha development plans by bringing forward the construction of stage two of Finbar's 292 unit *Pelago* project and for potential new Perth project opportunities which will provide a further boost to Finbar's development pipeline.

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Underwriting
As announced by the Company on 7 December 2010, the Company has appointed Bell Potter to exclusively manage the SPP and underwrite the subscription and sale of the shares offered pursuant to the SPP.

All valid applications received by the Company will be deemed to have been accepted in full by the Company and will go in relief of the obligations of the underwriter in respect of the underwritten shares. Bell Potter will receive a fee of 4% of the total equity raised pursuant to the SPP.

Application
If you wish to apply for the shares offered under the SPP, you can do so by making a BPAY payment or completing the enclosed Application Form and providing your payment so that it is received by Computershare Investor Services Pty Ltd, **by no later than 5.00 pm (WST) on Friday, 28 January 2011**.

Full details of the SPP, including key dates, are set out in the enclosed terms and conditions.

Before deciding whether to participate in the SPP, you should read the enclosed terms and conditions of the SPP and consider obtaining you own independent advice from a broker or financial or other professional adviser.

If you have any questions in respect of the SPP, please contact the undersigned on telephone 08 9474 4460, facsimile 08 9474 4458 or email ed@finbar.com.au.

Yours sincerely

Edward Bank
Company Secretary
Finbar Group Limited

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Share Purchase Plan

Terms and Conditions

Finbar Group Limited ACN 009 113 473 (**Finbar**) is pleased to provide Eligible Shareholders with the opportunity to participate in the Finbar Share Purchase Plan (**SPP**) by subscribing for up to $15,000 worth of new fully paid ordinary shares in Finbar (**New Shares**) at a purchase price of $1.15 per New Share without incurring brokerage or other transaction costs. Details of the terms and conditions of the offer and the key dates are set out below:

1. Key Dates

1.1 The Key Dates for the SPP are as follows:

Record Date	5.00pm (WST) Monday, 6 December 2010
SPP announced to ASX	Tuesday, 7 December 2010
SPP Opens	Tuesday, 28 December 2010
SPP Closes	5.00pm (WST) Friday, 28 January 2011
Allotment of New Shares	Friday, 4 February 2011
Holding statement expected to be dispatched to shareholders	Friday, 4 February 2011

1.2 These dates are subject to change and are indicative only. Finbar reserves the right to vary any of the above dates and times without notice to Eligible Shareholders. Any variation will be notified to the Australian Securities Exchange (**ASX**).

2. Who is eligible to apply?

2.1 You are eligible to subscribe for up to a maximum of $15,000 worth of New Shares under the SPP if you were recorded as holding fully paid ordinary shares in Finbar (**Shares**) at 5:00 pm (WST) on 6 December 2010 (**Record Date**) with a registered address either in Australia or New Zealand (**Eligible Shareholder**) unless:

(1) you hold Shares on behalf of another person who resides outside Australia and New Zealand and do not hold Shares in any other capacity; or

(2) you are in the United States or you are a “U.S. Person” (as defined in Regulation S under the United States Securities Act of 1933) or acting on account of a US Person.

2.2 Finbar has determined that it is not practical for holders of Shares with registered addresses in other jurisdictions to participate in the SPP.

2.3 If you are the only registered holder of Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings) you may only apply for one maximum parcel of New Shares.

2.4 If you are recorded with one or more persons as the joint holder of Shares, that joint holding is considered to be a single registered holding for the purposes of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple holdings, the joint holders may only apply for one maximum parcel of New Shares.

2.5 If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of $15,000 worth of New Shares for each Participating Beneficiary, subject to you certifying in writing to Finbar a number of matters relating to each Participating Beneficiary (**Custodian Certificate**).

2.6 If you are a custodian, please contact Computershare Investor Services Pty Ltd to obtain the form of Custodian Certificate that you are required to submit on 1800 195 862.

If you hold Shares as a trustee or nominee for another person, but are not a 'custodian' as defined above, you cannot participate on behalf of any beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

3. United States restrictions

3.1 New Shares to be issued under the SPP have not been and will not be registered under the U.S. Securities Act of 1993 as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Therefore, the New Shares to be issued under the SPP may not be offered, sold or otherwise transferred to shareholders located in the "United States" (as defined in Regulation S under the Securities Act) or to shareholders who are, or who are acting for the account or benefit of, a U.S. Person (as defined in Regulation 5 under the Securities Act) (**US Person**).

3.2 These terms and conditions and the accompanying materials do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or from, any US Person, and these materials must not be sent or disseminated in the United States or to any US Person, directly or indirectly.

3.3 Consistent with the warranties contained in these terms and conditions and the application form accompanying these terms and conditions (**Application Form**), you must not submit any completed Application Form or make any payment in respect of the purchase of Shares under the SPP on behalf of any persons resident in the United States or who are, or are acting for the account or benefit of, US Persons. Failure to comply with these restrictions may result in violations of applicable securities laws.

4. Participation is optional

4.1 Participation in the SPP is optional and is subject to these terms and conditions and those set out in the Application Form. The offer to acquire New Shares under the SPP is not a recommendation. If you are in any doubt about this offer, whether you should participate in the SPP or how such participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this offer. Finbar also recommends that you monitor the Share price which can be found in the financial pages of major Australian metropolitan newspapers or on the ASX website at www.asx.com.au (ASX code: FRI).

5. Non-Renounceable Offer

5.1 This offer is non-renounceable which means you cannot transfer your right to purchase New Shares under the SPP to anyone else. Accordingly, New Shares applied for under the SPP may be issued only to the Finbar shareholder to whom they are offered.

6. Ranking of New Shares

6.1 All New Shares issued under the SPP will rank equally with existing Shares from the date of issue and, therefore, will carry the same voting rights, dividend rights and other entitlements as existing Shares.

7. Applications may be scaled back

7.1 The board of directors of Finbar (**Board**) has resolved to cap the total number of Shares that may be issued under the SPP to 14,726,087 New Shares. The Board reserves the right, in its sole discretion, to increase this cap. Any increase in the cap will be announced to the ASX. If applications are received under the SPP in excess of the cap set by the Board, applications will be scaled back on a proportionate basis.

7.2 If applications are scaled back, you may not receive the full parcel of New Shares for which you have applied. If a scale back produces a fractional number when applied to your parcel, the number of New Shares you will be allotted under the SPP will be rounded up to the nearest whole number of New Shares.

7.3 In the event of a scale back, the difference between the value of the New Shares allotted to you (calculated at the purchase price for the New Shares) and the application money received from you will be refunded by Finbar, without interest, following allotment.

8. How the purchase price is calculated

8.1 The purchase price for each New Share under the SPP is A$1.15 per Share. This purchase price represents a discount of approximately 12.6% from the volume weighted average closing price for all Shares traded on the ASX during the 5 trading days prior to the announcement of the SPP on Tuesday, 7 December 2010.

8.2 The market price of Shares may rise or fall between the date of this offer and the date when the New Shares are issued and allotted to you under the SPP. Importantly, there is a risk that the price you pay per New Share under this offer may exceed the market price of the Shares at the time the New Shares are issued to you under the SPP.

9. The costs payable

9.1 You only have to pay the purchase price for the New Shares under the SPP. You do not have to pay any other transaction costs such as brokerage, commissions or other costs normally associated with an acquisition of shares on ASX.

10. Maximum Subscription Amount ($15,000)

10.1 The offer under the SPP needs to comply with the conditions of ASIC Class Order [CO 09/425]. Under that Class Order, Eligible Shareholders may only acquire a maximum of $15,000 worth of Shares under a share purchase plan in any 12 month period. Finbar has not conducted a share purchase plan in the past 12 months.

10.2 Accordingly, Eligible Shareholders may participate in the SPP up to the maximum limit of $15,000. This limitation applies even if you receive more than one Application Form or if you hold Shares in more than one capacity (e.g. if you are both a sole and joint holder of the Shares). Please refer to the “Who is eligible to apply?” section above for further details.

11. Certification

11.1 By submitting an Application Form together with a cheque, bank draft or money order or submitting a BPAY payment to Finbar **you certify** that the aggregate of the application price paid by you for:

(1) the New Shares under the SPP the subject of the application;

(2) any other New Shares under the SPP or any Shares under similar arrangement in the 12 months before the date of your application;

(3) any other New Shares which you have instructed a custodian to acquire on your behalf under the SPP; and

(4) any other Shares issued to a custodian in the 12 months before the date of your application as a result off an instruction to apply for Shares on your behalf under an arrangement similar to the SPP given by you to the custodian or a downstream custodian,

does not exceed $15,000.

11.2 If you are a custodian you make additional representations that:

(1) you are a custodian, trustee or nominee within the definition of “custodian” in ASIC Class Order [CO 09/425]; and

(2) you have provided a Custodian Certificate to Finbar.

11.3 The $15,000 limit applies irrespective of the number of Shares you hold on the Record Date. Finbar reserves the right, and in certain circumstances may be required under ASIC Class Order [CO 09/425] or any specific relief granted by ASIC to Finbar in relation to the SPP, to reject an application for New Shares under the SPP to the extent it considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

12. Calculation of the number of New Shares

12.1 In the absence of scale back, the number of New Shares to be issued to you under the SPP will be calculated by dividing the value of New Shares that you applied for as set out in the Application Form submitted by you to Finbar by the purchase price for the New Shares, being $1.15 per share.

12.2 If Finbar scales back applications, the number of New Shares to which you may be entitled, as scaled back, may not be equal to a whole number of New Shares. In that event, the number of New Shares allotted to you will be rounded up to the nearest whole number of New Shares.

13. How to apply for New Shares

13.1 The SPP opens on **Tuesday, 28 December 2010**. If you would like to apply for New Shares under the SPP you can either:

(1) complete the accompanying Application Form and return it together with a cheque, bank draft or money order made payable to "**Finbar Group Limited – SPP A/C**" for the subscription amount for the number of New Shares applied for by you drawn on an Australian bank in Australian dollars; or

(2) make a BPAY payment by using the personalised reference number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY you do not need to return your Application Form.

13.2 Applications must be received by Finbar **no later than 5.00 pm (WST) on Friday, 28 January 2011**. Finbar reserves the right to return any payment and not allot any New Shares in respect of an application received after that time.

13.3 Applications are irrevocable and may not be withdrawn once they have been received by Finbar. No interest will be payable on application money held by Finbar.

13.4 Please read the accompanying Application Form for further details of how to apply for New Shares under the SPP.

14. Class Order [CO 09/425] compliance

14.1 This offer of New Shares under the SPP is made in accordance with the requirements of ASIC Class Order [CO 09/425]. This Class Order grants relief from the requirement to prepare a prospectus for the offer of New Shares under the SPP.

15. Binding terms

15.1 By accepting the offer to purchase New Shares under the SPP, you agree to be bound by these terms and conditions and the constitution of Finbar.

16. Withdrawal, Suspension, Termination, Anomalies and Disputes

16.1 Finbar reserves the right to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where Finbar does not notify you of that event.

16.2 Finbar may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by Finbar will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Finbar's rights may be exercised by the Board or any delegate of the Board.

16.3 Any variation, suspension or termination of the SPP does not give rise to any liability on the part of, or any action against, Finbar or any member of the Board.

16.4 If the Board determines to suspend or terminate the SPP, any application money received by Finbar from you, will be refunded to you, without interest, as soon as reasonably practical after such suspension or termination.

17. Governing law and jurisdiction

17.1 The law of Western Australia governs this Agreement.

17.2 The parties submit to the non-exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.

finbar

Finbar Group Limited
ABN 97 009 113 473

computershare

Please return completed form to:
Computershare Investor Services Pty Limited
GPO BOX D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
www.computershare.com

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SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)

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For your security keep your SRN/HIN confidential.

Entitlement Number:	
Record Date:	6 December 2010
Offer Closes:	5pm AWST 28 January 2011
Price per Share:	A$1.15

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Unless otherwise defined, capitalised terms used in this Application Form have the meaning given in the letter to Finbar Group Limited shareholders dated 23 December 2010. Pursuant to the terms and conditions of the Finbar Group Limited Share Purchase Plan (**SPP**) enclosed with the letter to Finbar Group Limited shareholders dated 23 December 2010, Finbar Group Limited is offering Eligible Shareholders the opportunity to purchase Shares up to a maximum value of A$15,000.00 per Eligible Shareholder.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Finbar Group Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Finbar Group Limited to subscribe for Finbar Group Limited Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed A$15,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Finbar Group Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Finbar Group Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Finbar Group Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where Finbar Group Limited does not notify you of that event.

F R I S P R B

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PLEASE DETACH HERE

Paperclip cheque(s) here.

finbar
Finbar Group Limited
ABN 97 009 113 473

Please see overleaf for Payment Options

B PAY **Biller Code:** 123456
Ref No: 1234 5678 9012 3456 78

I/We wish to purchase:

A$ ____ Any amount up to A$15,000.00

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
				A$

Make your cheque or bank draft payable to Finbar Group Limited - SPP A/C

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person | **Contact person's daytime telephone number** ( )

1234567890123456+1234567890-1234+12

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the SPP as enclosed with this Application Form.

Make your cheque, bank draft or money order payable to Finbar Group Limited - SPP A/C in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 3pm (AWST) on 28 January 2011. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Ensure you have read and accurately followed your banking institution's BPAY FAQ or other instructions prior to making multiple payments for multiple holdings under this offer. Neither Computershare Investor Services Pty Limited (**CIS**) nor Finbar Group Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by CIS Perth by no later than 5pm (AWST) on 28 January 2011. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of shareholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 850 505.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 850 505 or visit www.computershare.com (certificated/issuer sponsored holders only).

CHESS holders must contact their Controlling Participant to notify a change of address

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Payment Options:

B PAY

Biller Code: 123456

Ref No: 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au

By Mail
Finbar Group Limited
Computershare Investor Services Pty Limited
GPO BOX D182
Perth, Western Australia 6840
AUSTRALIA

Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
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SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000