ASX MARKET & MEDIA ANNOUNCEMENT

20 January 2014

SCHEME AMENDMENT TO UPSCALE PORT HEDLAND PROJECT

- **New Town Planning Scheme increases project end value by >30% on former Port Hedland Hospital Site.**
- **Subject to Development Approval, Finbar's proposed project to comprise 550 permanent residential apartments, 163 short stay units, plus 2,300sqm of commercial lots.**
- **Finbar to prepare to lodge Development Application for first stage comprising 138 apartments.**
- **Project end value increased from ~$300m to ~$400m with completion over 4 stages and plans to overlook proposed Spoilbank Marina Precinct.**

Perth, 20 January 2014: Western Australia's leading apartment development company, Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) is pleased to announce that it has received a copy of formal advice by the Western Australian Planning Commission to confirm that Town Planning Scheme No.5 Amendment No.62 (**the Scheme Amendment**) has been granted approval by the Minister for Planning.

The Scheme Amendment directly relates to the former Port Hedland Hospital Site where it was announced in July 2012 that Finbar had been selected as the preferred developer for a proposed project end value of approximately $300 million comprising 367 short stay apartments plus 3,900sqm of ground floor commercial lots overlooking the proposed Spoilbank Marina in the Pilbara town of Port Hedland, Western Australia.

Finbar has subsequently gained support from the Local Council with the agreement that the construction of 367 short stay apartments would be an underutilisation of the important 3.14 hectare site and that, subject to the Council supporting, progressing, and obtaining a new town planning scheme amendment, Finbar would be prepared to proceed with a predominantly permanent accommodation mixed use scheme.

The new Scheme Amendment would allow for the development of a project with an end value of approximately $400 million comprising 550 permanent residential apartments, 163 short stay apartments and 2,300 sqm of street activated commercial strata lots within a 10 storey building. Subject to formal development approval being granted from the Local Council, the new Scheme Amendment will allow this proposed development to proceed.

Finbar is now finalising documentation with Landcorp (Western Australia's government land and property development agency) to acquire the site with the view to proceed immediately and seek development approval to allow commencement of the first stage of the proposed project consisting of 138 residential apartments and 800 sqm of commercial space.

Finbar proposes to promote the apartments on the open market and will be actively engaging with Port Hedland key stakeholders to underpin all stages of the proposed project with bulk accommodation offerings.

Finbar will proceed to commence construction of the first stage (and subsequent stages) once sufficient pre-sales have been achieved to underpin the viability of the project before commencement.

Finbar Managing Director Darren Pateman said, "We are very excited to have received the news that the proposed scheme has been accepted and will soon be gazetted. This important site in Port Hedland with a project end value of approximately $400 million will be fully utilised to fulfil a pent up demand for cosmopolitan living in this Pilbara community and become a place which workers will prefer to call home."

"We have gained significant experience from our entry into regional markets and strongly believe Finbar can benefit greatly from the expertise gained. Thus, we will be in a position to not only offer local residents the advantages of luxury apartment accommodation in one of Port Hedland's most attractive locations, but provide them this property at a price which will offer them significant value and affordability in their marketplace," he added.

Finbar will now finalise design works in preparation to lodge for development approval on the first stage of the project which will comprise the first 138 permanent residential apartments plus 800 sqm of commercial space.

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For further information, please visit www.finbar.com.au or contact:

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