ASX MARKET & MEDIA ANNOUNCEMENT

17 April 2015

FINBAR TO ACQUIRE PORT HEDLAND DEVELOPMENT LAND

Key Points:

- **Finbar to acquire former Port Hedland Hospital Site for $5.95 million.**
- **Project to comprise ~680 apartments and 2,300sqm of commercial space.**
- **~ $390m end value.**
- **Project to be undertaken in four development stages.**
- **Finbar to immediately lodge for development approval for first stage of project.**
- **Marketing launch for first stage of project anticipated to commence in H2 2015.**

Perth, 17 April 2015: Western Australia's leading apartment development company Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) is pleased to announce that it has concluded negotiations with Landcorp (Western Australia's government land and property development agency) for Finbar to acquire the former Port Hedland Hospital Site for redevelopment at a purchase price of $5.95 million, subject to development approval and marketing success.

The development, which is set to take place on what is commonly referred to as the former Port Hedland Hospital site, is a 3.15 hectare parcel of land located on Sutherland and Morgans Streets in the Pilbara town of Port Hedland, Western Australia. It is situated directly opposite the Port Hedland Yacht Club and overlooks the proposed Spoilbank Marina precinct.

Finbar commenced work to acquire the site in July 2012 when it was selected as the preferred developer as a result of a public tender process. In the subsequent period, Finbar sought a scheme amendment which would allow for the development of permanent residential apartment housing and a project which can comprise approximately 518 permanent residential apartments, 163 short stay apartments and 2,300 square metres of street activated commercial strata lots within eight to 10 level buildings. This scheme amendment was approved in January 2014.

It is Finbar's intention to immediately lodge for a development approval for the first stage of the four stage development, the plans of which will comprise 109 one and two bedroom apartments along with five commercial tenancies and a café fronting Sutherland Street and the oceanfront.

Subject to market conditions, a further three stages will then follow comprising an additional 441 permanent residential apartments, 163 short stay apartments, plus an additional 1,646 square metres of commercial space.

The combined project is expected to have an end value of approximately $390 million.

Commenting on the contract signing today, Finbar Managing Director Darren Pateman said, "The current economic landscape in Port Hedland presents an opportunity for our company to participate in a market absent of competition and create a preferred destination for Port Hedland residents to call home along with provide the community with more business and tourism options."

Mr Pateman stated that the work that Finbar undertook in its 300 unit Pelago Project in Karratha had demonstrated its capability and success in undertaking a leadership role in providing lifestyle apartment accommodation in the North West and responding to community desires.

"Undoubtedly, we are operating in a different economic and market environment to when we first looked at the project. However, with the benefit of a market acceptance clause and an attractive purchase price, we will be able to offer affordable one and two bedroom product to a local community that has been supportive of the project concept and still has a core need for convenient, well located, low maintenance accommodation for the local residents and service providers' operational workforce."

"Our final negotiated position allows our company to seek development approval, and proceed to settle and develop the land only if we can achieve pre-sales that suitably de-risk and underpin the land purchase and project viability," he added.

Finbar will now proceed immediately to lodge for development approval of the project's first stage with the view to bring it to the market in the second half of the calendar year.



ABOVE: Artist's Perspective – Stage 1 Residential Apartments & Street Front Commercial

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

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Finbar Group Limited, its controlled entities and its jointly controlled entities, is a property development company whose core business lies in the development of medium to high density residential apartments and commercial property within the Perth Metropolitan Area and the Pilbara within the State of Western Australia.