



12 April 2017

The Manager  
Companies Announcements Office  
ASX Limited

Dear Sir/Madam,

**Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84**

This notice is given by Kangaroo Island Plantation Timbers Limited (**KPT** or the **Company**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) *as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (ASIC Instrument)*.

The Company today announced to ASX a 4 for 9 accelerated pro-rata non-renounceable entitlement issue (**Entitlement Issue**) of approximately 10,721,564 new fully paid ordinary shares (**New Shares**) at an issue price of \$2.00 per New Share (**Offer**). The Company also announced a separate placement of 6,028,467 fully paid ordinary shares at an issue price of \$2.00 per share.

The Entitlement Issue will be offered without disclosure under Part 6D.2 of the Act to all shareholders in the Company with a registered address in Australia or New Zealand (**Eligible Shareholders**), as at 7pm (AEDT) on 19 April 2017, being the Record Date.

The Offer is an accelerated pro-rata non-renounceable entitlement offer and as such has two components:

1. an institutional entitlement offer, where offers will be made to eligible institutional shareholders for them to apply for their pro-rata entitlement; and
2. a retail offer, where offers will be made to eligible retail shareholders for them to apply for their pro-rata entitlement.

The Entitlement Issue will raise approximately \$21.4 million before issue costs.

**The Offer**

<b>Class of securities</b>	Ordinary shares
<b>ASX code</b>	KPT
<b>Date of issue or expected issue: institutional entitlement shares</b>	24 April 2017
<b>Date of issue or expected issue: retail entitlement shares</b>	11 May 2017
<b>Total number of New Shares expected to be issued (subject to fractional entitlements)</b>	10,721,564

It is intended that the Retail Offer be fully underwritten by Petra Capital Pty Ltd (ACN 110 952 782) (**Underwriter**).

Any shortfall under the Entitlement Issue (**Shortfall**) will be offered to Eligible Shareholders and other qualifying institutional investors under a shortfall offer (**Shortfall Offer**), and any shares not subscribed for under the Shortfall Offer will be dealt with in accordance with the underwriting agreement between KPT and the Underwriter in connection with the Offer.



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## The Placement

<b>Class of securities</b>	Ordinary shares
<b>ASX code</b>	KPT
<b>Date of issue or expected issue</b>	24 April 2017
<b>Total number of New Shares expected to be issued (subject to fractional entitlements)</b>	6,028,467

## Information required under Section 708AA(7)

KPT advises that for the purposes of Section 708AA(7) of the Act:

1. The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act;
2. this notice is given under section 708AA(2)(f) of the Act as amended by the ASIC Instrument;
3. as at the date of this notice, KPT has complied with:
  - (i) the provisions of Chapter 2M of the Act (relating to financial reporting and audit) as they apply to KPT; and
  - (ii) section 674 of the Act (relating to continuous disclosure);
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act; and
5. the issue of New Shares pursuant to the Offer is not expected to have any material effect or consequence on the control of KPT, but is dependent on a number of factors including investor demand. However, given the structure of the Offer as a pro rata offer, the potential effect that the issue of the New Shares will have on the control of KPT is as follows:
  - (i) shareholders with an address outside of Australia and New Zealand will be diluted because those shareholders are not eligible to participate in the Entitlement Issue.
  - (ii) if all Eligible Shareholders take up their entitlement for New Shares under the Entitlement Issue, the Offer will have no effect on the control of KPT;
  - (iii) to the extent that any Eligible Shareholder fails to take up their entitlement for New Shares under the Entitlement Issue, that Eligible Shareholder's percentage holding in KPT will be diluted by those other Eligible Shareholders who take up some or all of their entitlements under the Entitlement Issue or additional shares under the Shortfall Offer; and
  - (iv) although the issue of New Shares which are not taken up by Eligible Shareholders under the Entitlement Issue will increase the voting power of Eligible Shareholders who may be allocated New Shares via the Shortfall Offer or the Underwriter who takes up any remaining Shortfall, it is not expected to have any material effect on the control of KPT.

Further details are set out in Section 2 of the Offer Booklet.

Questions relating to the Entitlement Issue should be directed to Ms Victoria Allinson on 08 8227 2482.

Sincerely,

A handwritten signature in blue ink, appearing to read "V Allinson", with a horizontal line extending to the right.

Victoria Allinson  
Company Secretary