

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

KANGAROO ISLAND PLANTATION TIMBERS LIMITED

ABN

19 091 247 166

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Issue of 5,494,792 Ordinary Shares pursuant to the institutional component of the accelerated pro-rata non-renounceable rights issue (Entitlement Offer)
Issue of 6,028,467 Ordinary Shares pursuant to the Institutional Placement (Placement). |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

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4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state:) the date from which they do) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	\$2.00 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The proceeds of capital raising will be used to part-fund the purchase of the entire Forestry Investment Trust estate ("FIT") managed by New Forests Asset Management on Kangaroo Island for \$55 million; and to provide sufficient working capital to cover pre-development costs for the Smith Bay Wharf on Kangaroo Island, South Australia. Refer to Offer Booklet dated 18 April 2017 for further information.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	Approved at AGM held on 5 October 2016
6c	Number of +securities issued without security holder approval under rule 7.1	Refer to Annexure 1

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Refer to Annexure 1				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Refer to Annexure 1				
6f	Number of +securities issued under an exception in rule 7.2	Refer to Annexure 1				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Refer to Annexure 1				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Refer to Annexure 1				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1: nil shares 7.1A: 1,374,461 shares Refer to Annexure 1				
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	Institutional Entitlement Offer Shares: 24 April 2017 Placement Shares: 24 April 2017				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>35,646,779</td><td>Fully paid ordinary shares</td></tr></table>	Number	+Class	35,646,779	Fully paid ordinary shares
Number	+Class					
35,646,779	Fully paid ordinary shares					

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	n/a
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The company currently has no dividend policy

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	Four (4) new Shares for every nine (9) Shares held
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7pm AEST 19 April 2017 (Retail Entitlement Offer only)
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Round up to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All Shareholders whose registered address is not in Australia or New Zealand.
19	Closing date for receipt of acceptances or renunciations	Institutional Entitlement Offer closed 13 April 2017. Retail Entitlement Offer only to close at 5pm AEST 4 May 2017

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20	Names of any underwriters	Petra Capital Pty Ltd
21	Amount of any underwriting fee or commission	3% underwriting fee
22	Names of any brokers to the issue	None specifically appointed
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	No
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Retail Offer Booklet and Entitlement & Acceptance Form will be sent to eligible Shareholders on 24 April 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by	N/A

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sale through a broker)?

33 ⁺Issue date

Institutional Entitlement Offer:
24 April 2017
Retail Entitlement Offer:
11 May 2017

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of ⁺ securities for which ⁺ quotation is sought					
39	⁺ Class of ⁺ securities for which quotation is sought					
40	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state:) the date from which they do) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another ⁺security, clearly identify that other ⁺security)					
42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	⁺ Class		
Number	⁺ Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

) The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

) There is no reason why those +securities should not be granted +quotation.

) An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

) Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

) If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
 Company secretary

21 April 2017
Date:

Print name:
 == == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	17,115,870
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	46,890 (pre-split 4,689) Ordinary Shares issued 10 June 2016. Issued to Non-Executive Directors under the Company's Non-Executive Share Scheme in lieu of Directors fees; as approved by shareholders at the 8 September 2015 AGM. 23,440 (pre-split 2,344) under the Executive & Employee Share Scheme issued on 10 June 2016 in lieu of Directors fees; as approved by shareholders at the 8 September 2015 AGM. 1,320 (pre-split 132 under the Executive & Employee Share Loan Scheme (EESP) issued on 10 June 2016 for no consideration. 499,990 (pre-split 49,999) issued 25 October 2016, 600,000 (pre-split 60,000) issued on 17 October 2016 and 700,010 (pre-split 70,001) on 5 October 2016 under the Performance Rights Plan dated 18 January 2016; as approved by shareholders on 5 October 2016 4,040,260 (pre-split 404,026) under non-renounceable Rights Issue Institutional Component 18 November 2016 1,094,420 (pre-split 109,442) under non-renounceable Rights Issue Retail Component 6 December 2015 5,494,792 Institutional Entitlement shares under non-renounceable Rights Issue announced 12 April 2017
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-

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“A”	29,616,992
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	4,442,549
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	1,320 (pre-split 132) issued 10 June 2016 4,441,229 Institutional Placement shares issue date 24 April 2017
“C”	4,442,549
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	4,442,549
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	4,442,549
Total [“A” x 0.15] – “C”	NIL <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	29,616,992
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	2,961,699
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	1,587,238 Institutional Placement shares issue date 24 April 2017
“E”	1,587,238

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	2,961,699
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	1,587,238
Total [“A” x 0.10] – “E”	1,374,461 <i>Note: this is the remaining placement capacity under rule 7.1A</i>