

The Manager  
Companies Announcements Office  
Australian Securities Exchange

28 April 2017

Dear Sir/Madam,

**Settlement of Kangaroo Island FIT Estate purchase**

Kangaroo Island Plantation Timbers Ltd (KPT or the Company) announced on 12 April 2017 that it would complete the purchase of the Kangaroo Island FIT estate on 28 April 2017. The Company confirms that the transaction has now been completed as planned. The balance payable for settlement, including all costs, adjustments, fees and stamp duty, was approximately \$53.0m.

The Company has drawn down \$25.0m from its debt facility with CBA to assist in completing the purchase. Funds from the recently-completed institutional placement and accelerated institutional entitlement issue were used for the balance of the acquisition costs, along with \$3.25m in short-term unsecured debt, pending receipt of \$10.45m from the retail component of the current entitlement issue. The retail component is underwritten by Petra Capital Pty Ltd.

The Managing Director of KPT, John Sergeant has made the following statement: "Today is the most significant milestone yet in the Company's development. With its expanded plantation estate, KPT now owns a globally-significant timber resource. We look forward to working with the local community and the South Australian government to develop a sustainable export timber industry on Kangaroo Island in the near future."

"It is a good time to reflect on how far the Company has come ... and to thank all those who have helped make this acquisition possible" Mr Sergeant said.

Yours faithfully



Ms Vicky Allinson  
Company Secretary