



The Manager
Companies Announcements Office
Australian Securities Exchange

19 May 2017

Dear Sir/Madam,

Presentation to the Natural Resources Committee

Kangaroo Island Plantation Timbers Ltd (KPT or the Company) advises that it is holding a briefing for the Parliament of South Australia's Natural Resources Committee today.

A copy of the presentation is attached.

Yours faithfully

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

Ms Vicky Allinson
Company Secretary

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Smith Bay wharf

Briefing for Natural Resources Committee
Parliament of South Australia

19 May 2017

Greg Boulton AM

Non Executive Director (Adelaide)

Shauna Black

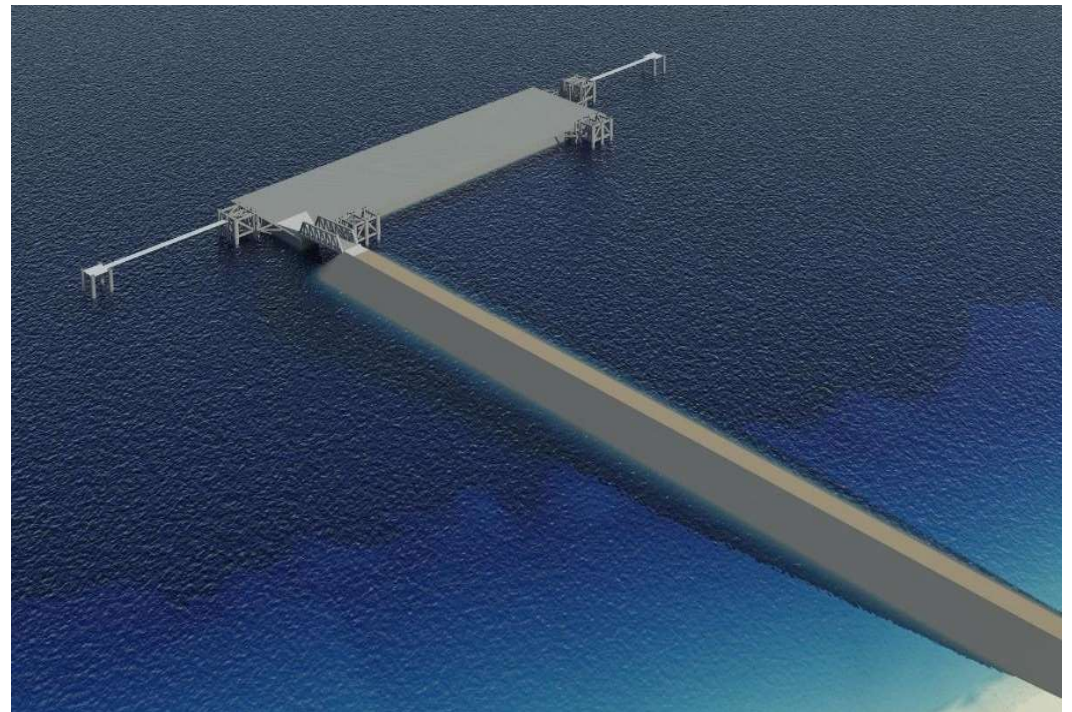
Executive Director (Kangaroo Island)

Peter Lockett

Approvals Manager (Adelaide)

Agenda

- KIPT, KI and forestry
- Smith Bay wharf
- Impact of proposal



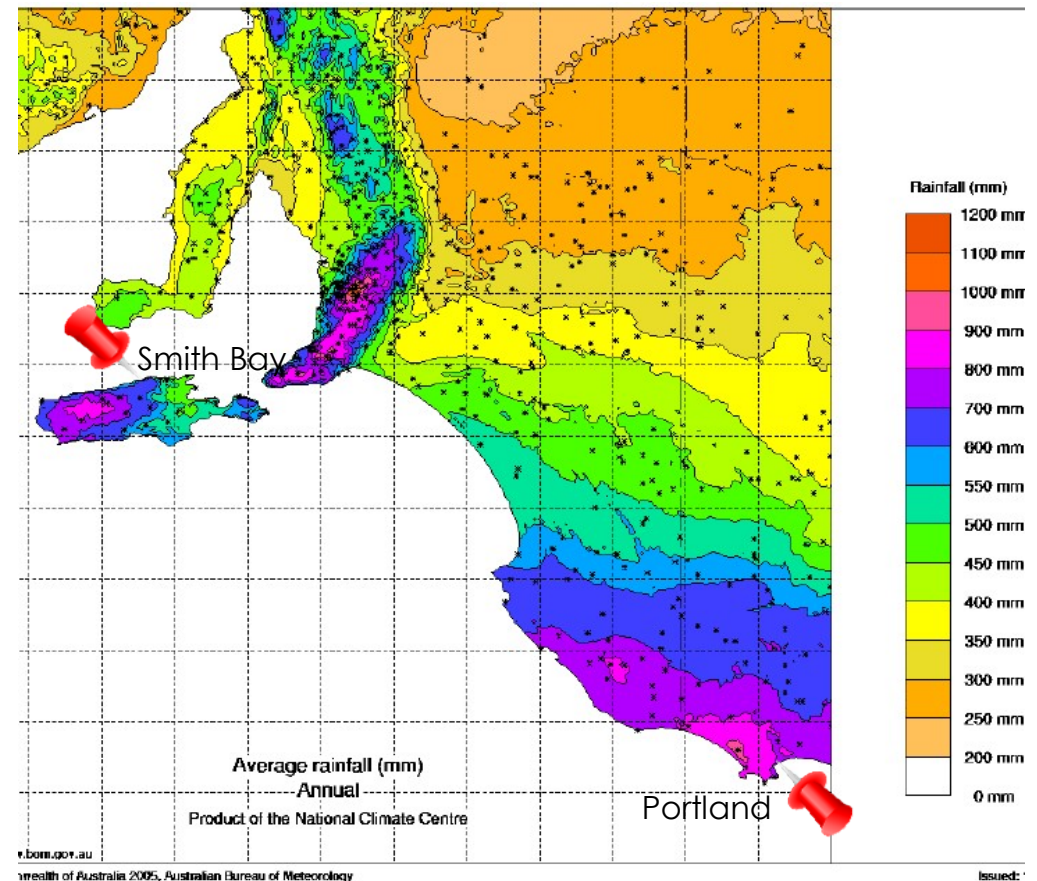
Kangaroo Island



- Over-dependence on seasonal employment
 - Tourism (via Sealink car ferry, airport and cruise ships*)
 - Agriculture (grain, oilseeds, pulses, grazing)
 - Principal source of non-seasonal employment is government
- High input costs (diesel, fertilizer), low farm-gate prices, due to freight disadvantage = low land prices

Highly efficient timber production

- High rainfall (as shown)
- Low rainfall variability
- Mild summers, low evaporation
- No salinity issues
- Blue gum MAI (growth rate) approaching 25t/ha pa – over 25% more productive than mainland
- Close proximity to proposed KIPT wharf – low transport costs
- 500,000t pa sustainable production

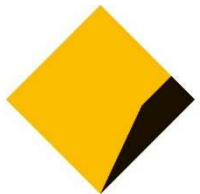


Strong partnerships



mitsui & co.

Objective: long-term offtake contracts, July 2018 start date



CommonwealthBank

Wharf construction cost funded 100%

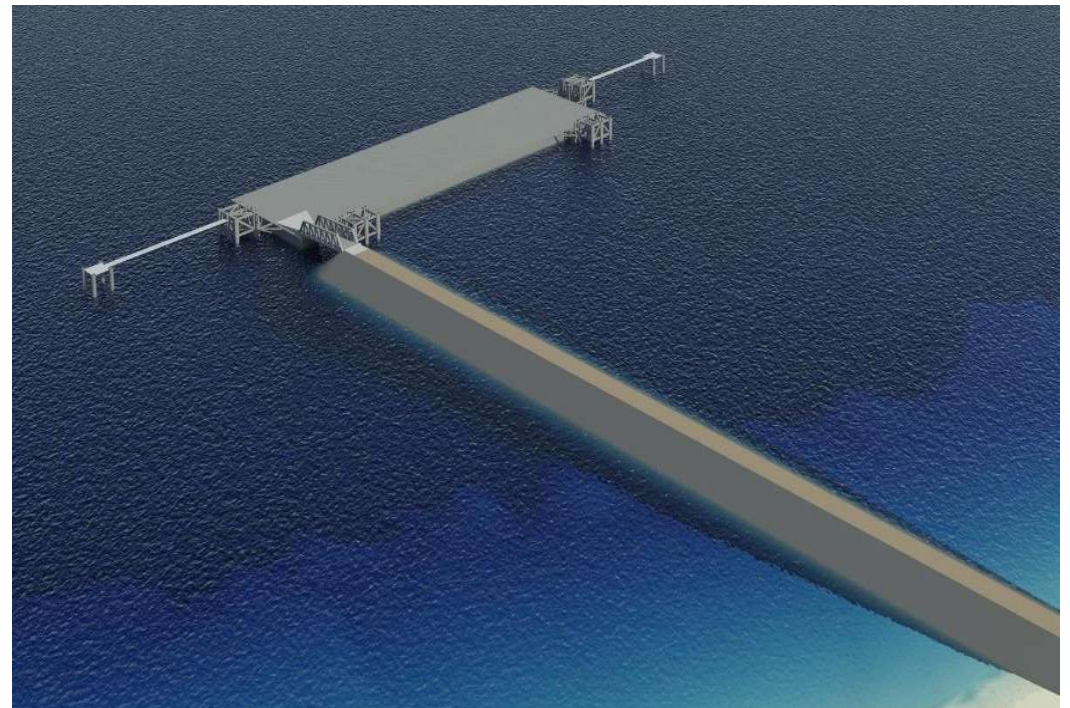


MARITIME
CONSTRUCTIONS

Port Adelaide-based marine construction experts

Agenda

- KIPT, KI and forestry
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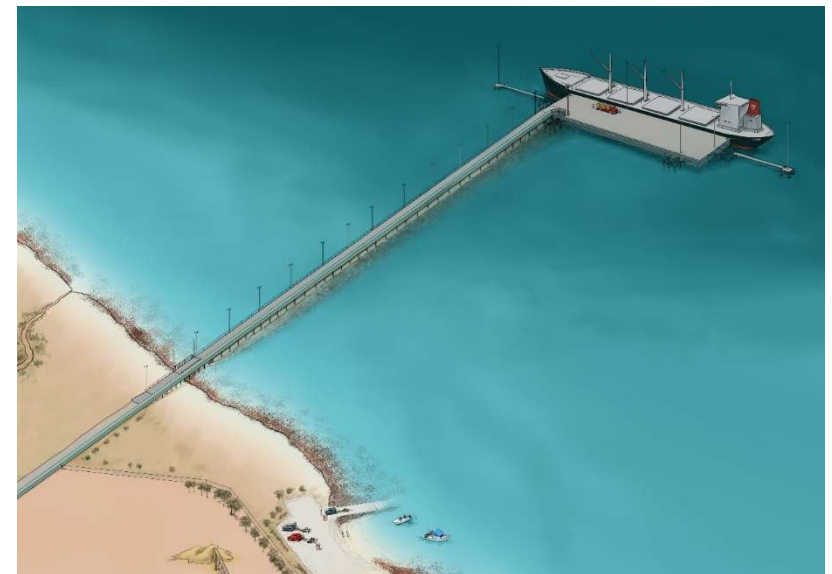


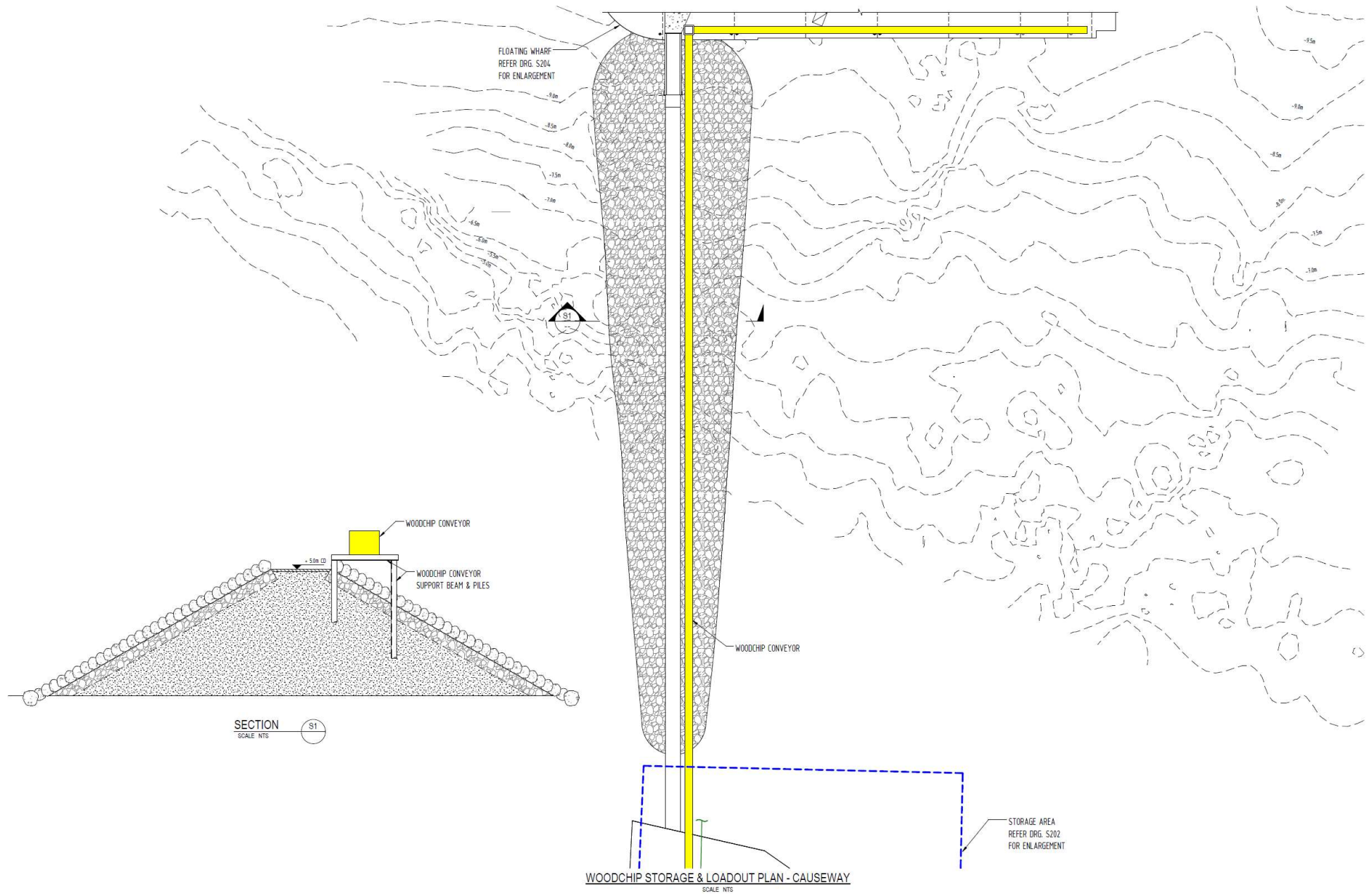
Smith Bay Wharf

- Multi-user wharf to benefit whole island community, including sheltered boat ramp for general public
 - Logs & woodchips
 - Containerized cargo
 - Import & export
 - Handymax – Super Panamax
 - Cruise liners/tourist coaches
- Available ≈300 days/annum for non-forestry users, no capital contribution
- No government funding sought
- Draft EIS and supporting studies largely complete, including time series data on coastal processes and water quality
 - KPT committed to maintain environmental water quality to allay concerns of aquaculture industry

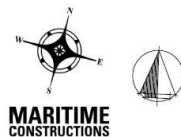
Smith Bay Wharf

- Rock causeway & floating berth (pontoon purchased April 2017)
- Causeway to have roadway and conveyor
- Berthing pocket to be dredged (-13m) and seaward approaches levelled (-12m)
- Shore works
 - Laydown area
 - Weighbridge
 - Stormwater detention
 - Site office
- Build cost \$25-\$30m, 6-9 month build
- Minimal works in intertidal zone – source of water turbidity peaks, during storm events





When sheet printed full size, the scale bar is 1:1 (100mm).



PRELIMINARY ISSUE
NOT FOR CONSTRUCTION

REV.	DATE	DESCRIPTION	DRAFT	ENG.	CHKD.
A	16/12/16	PRELIMINARY - INFORMATION ONLY	BL	DM	



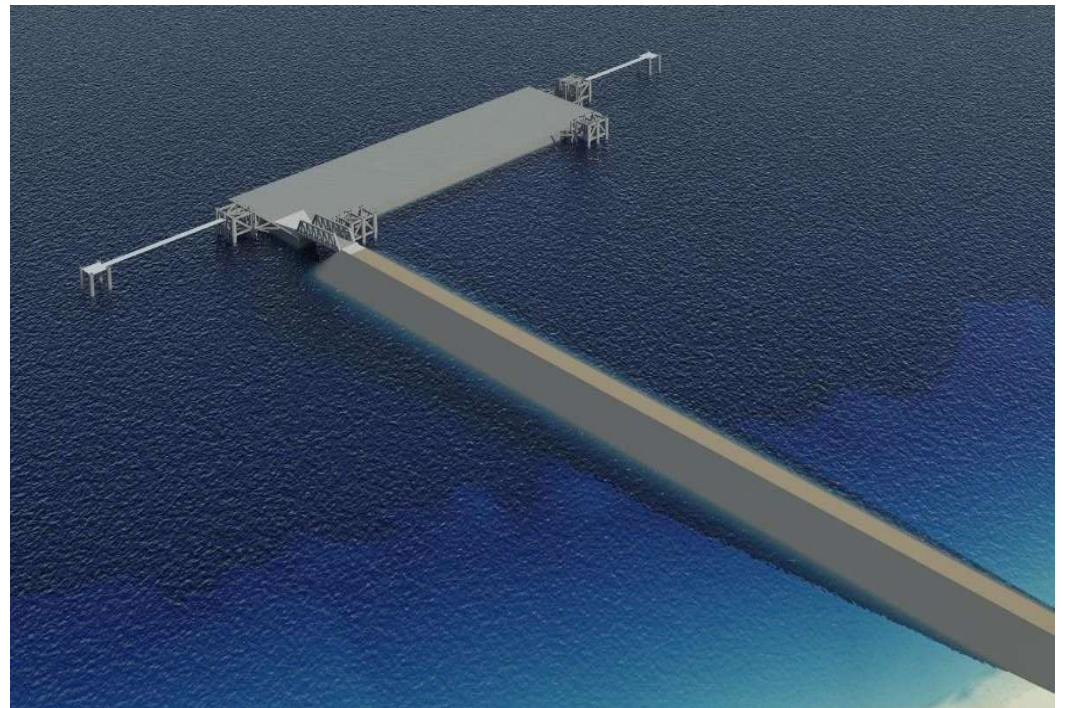
KANGAROO ISLAND, SA			
K.I PLANTATION TIMBERS			
PROPOSED EXPORT FACILITY AT SMITH BAY			
WOODCHIP STORAGE & LOADOUT PLAN - CAUSEWAY			
A1		DRAWING NUMBER	
Design		Job Number	
DM		Sheet No.	
Drawn		Rev.	
BL		A	
AAD140132 S203 A			

Wharf site selection

- Closest practicable sheltered north coast site to timber: minimise transport costs (direct and indirect)
- Deep water, berthing large ocean-going vessels relatively close to shore
- Adjacent land relatively flat, suitable for safe storage of cargo
- Adjacent land cleared and somewhat degraded, seabed disturbed
- No critical habitat loss
- Minimal conflict with tourism, marine national parks
- Availability of effective offset for main environmental impact (i.e. on seagrass)
- KPT has secured access to alternative sites but strongly prefers Smith Bay

Agenda

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- ❑ Smith Bay wharf
- ❑ Impact of proposal

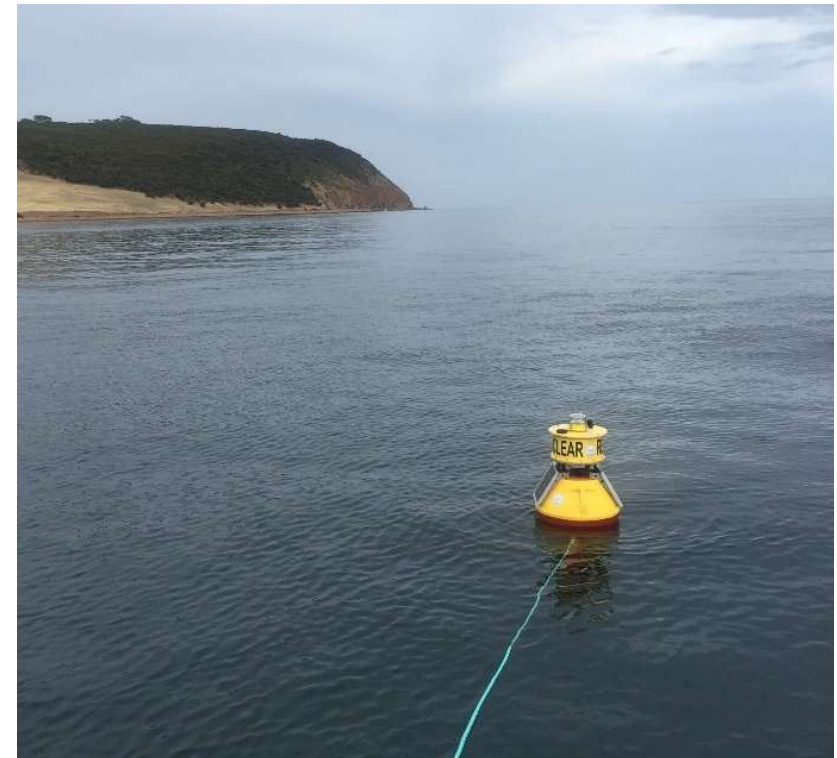


Benefits to KI and SA

Benefit	Estimate
Direct expenditure on wharf development	\$25-30m
Direct construction employment	50 FTE
Indirect construction employment	86 FTE
Direct permanent, non-seasonal employment once operational	118 FTE
Indirect permanent, non-seasonal employment once operational	168 FTE
KI Population increase	430 people
Value of timber exports (to China and Japan) once operational	\$60m pa
Direct expenditure in South Australia once operational	\$40m pa
Total increase in economic activity in SA once operational	\$109m pa
Benefit to other wharf users of access based on incremental costs	Not quantified

Marine and coastal

- Water quality monitoring since start of 2017 (pictured)
- Wave, tide & current monitoring from June 2016
- Coastal processes modelling - underway
- Seabed core sampling – permit issued
- Whale strike probability modelling - complete
- Maritime heritage assessment - complete
- Marine ecology study – complete
- Terrestrial ecology study – complete
- Soil and groundwater study – complete
- Berth harmonics study – complete
- Specialist advisor: Prof. Anthony Cheshire - ongoing



Responsible managers

- Indigenous Heritage assessment
- Assessment (by DEWNER) of ruins nominated as a local heritage place, pictured right
- Traffic management study shared with Council
- Planned upgrade of public “boat ramp”
- Engaged with Biosecurity SA re phylloxera and phytophthora protocols
- Engaged with NRM KI re GBC recovery program (sponsored by KIPT), koala and other feral animal management
- Seagrass protection and loss offset



Expected DAC assessment criteria

- ✓ Typical requirements of comparable in-water developments
- ✓ Typical requirements of other Kangaroo Island developments
- ✓ EPBC-related matters
- ✗ Forestry-related activities – already permitted and encouraged
- ✗ Aquaculture business processes and viability – our responsibility is to the environment
- ✗ Costly investigation of other sites – KIPT will supply summary of alternatives against selection criteria

