

The Manager
Companies Announcements Office
Australian Securities Exchange

23 November 2017

Dear Sir/Madam,

Investor briefings presentation

The Managing Director will be conducting a series of briefings in Sydney and Melbourne, including with key shareholders who were unable to attend the Company's Annual General meeting in Adelaide earlier this month.

A copy of the presentation is attached. In it, Mr Sergeant also discusses the implications of the Company's recently-announced woodchip sale agreement and provides an update on the development approval process for its export facility.

Yours sincerely,



Ms Vicky Allinson
Company Secretary

KPT Investor Update

November 2017

Important notice

This presentation ("Presentation") has been prepared by Kangaroo Island Plantation Timbers Ltd ACN091 247 166 ("KPT or the Company").

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KPT corporate information

- 40.9m shares on issue
 - Plus up to 0.9m board rights, subject to price and liquidity targets
- Share price \$2.47 (21 Nov 17)
- Approx. \$100m market capitalisation
- \$25m drawn debt and \$6m cash (as at 30 June 2017), no MIS, 100% ownership of land, timber and two KI wharf sites
- Substantial holders (approx. holdings)
 - 30.6% Samuel Terry Asset Management
 - 16.7% Directors
 - 7.1% Supervised Investments

Share price performance



KI Forestry



- Probably the most productive forestry estate in Australia
- 80% eucalypts, mainly *e.globulus* (Tasmanian Bluegum) = premium hardwood chip, high in cellulose
- 20% *p.radiata* (Radiata Pine) = sawlogs and pulplogs
- Sustainable production 500,000 green tonnes pa, adding around 6% to Australia's timber exports. Early years higher.
- Planned transition to 100% FSC-certified* *e.globulus*, now shown to be the optimal species on KI
 - Very high productivity: steep, sustained growth curves
 - Coppicing to get second crop from developed root system
 - Most sought-after, valuable and versatile product

Recent key events and achievements

- Trading partnership with Mitsui & Co.
 - Jan 2017: exclusive marketing arrangement, covering all timber production for KPT
 - Nov 2017: 5-year woodchip sale and purchase agreement
 - Next step: softwood log sale and purchase agreement
- Mitsui's Bunbury chip operation a useful model for Kangaroo Island
- Mitsui involved in all planning and logistics decisions
- Expectation that Mitsui will become a shareholder in due course



Recent key events and achievements (cont'd)

- Mar 2017: CBA funding agreement
 - \$25m to fund FIT estate acquisition
 - \$30m for wharf construction
 - \$2m for equipment finance and working capital
- Completion of FIT estate acquisition in April 2017
 - Total transaction cost \$58m – independently valued at \$84m
 - 4-fold increase in estate size and greatly improved resource profile
 - KPT now owns 80-85% of KI Timber Estate
- Purchase of floating pontoon completed – locked in a key cost component of the Smith Bay Wharf, on time, over specification



Recent key events and achievements (cont'd)

- SA government declared KPT Smith Bay Wharf proposal to be assessed under the Major Projects pathway
- Government release of Smith Bay Wharf environmental impact statement (EIS) requirements
 - Reasonable evidence-based guidelines, content as anticipated
 - Most scientific studies completed
 - Only offshore geotech still underway
- KPT committed to protect the environment and the ecological communities and businesses that rely on it
- Results of EconSearch report on wharf and export plantation operation: 234 jobs, \$41m p.a. to Island economy, significant population growth



Recent key events and achievements (cont'd)



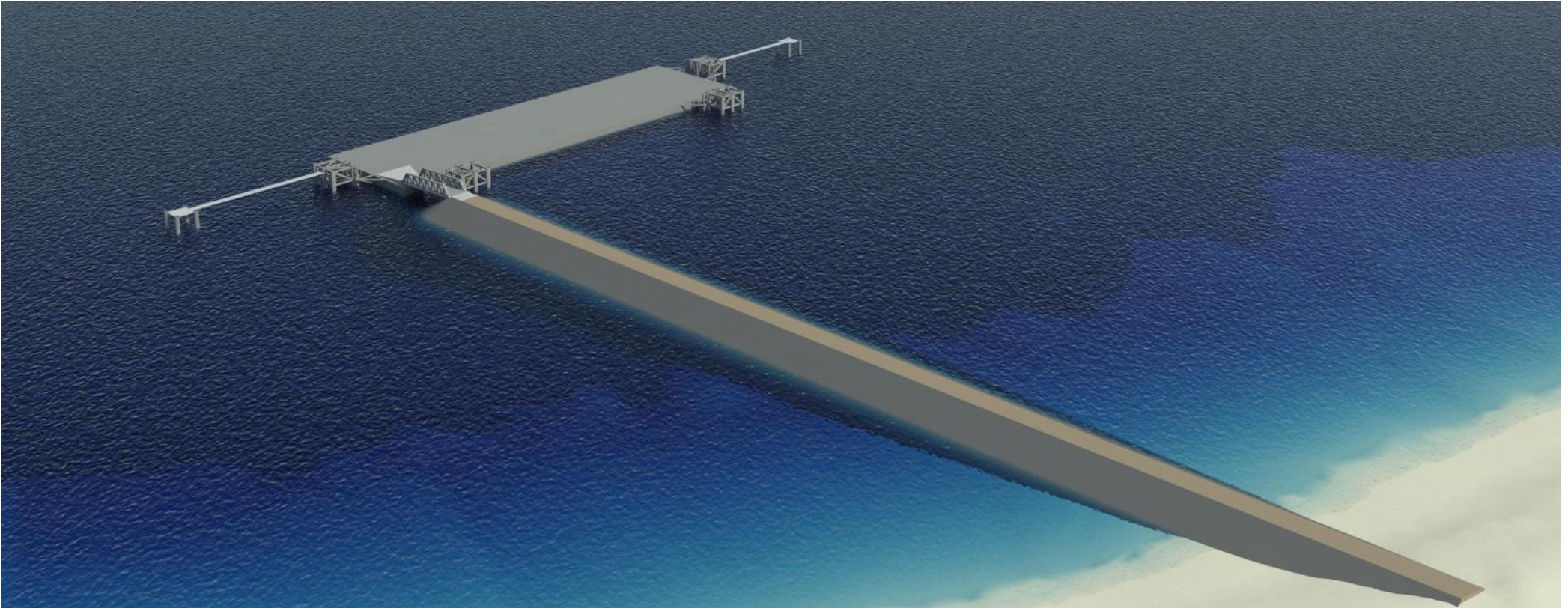
- Plantation Management Agreement executed with PF Olsen
 - Harvest, haulage, replanting, maintenance and estate optimisation
- Company timberland assets measured and conservatively valued at 30 June 2017 at \$126m
- Preferred haulage route determined and shared with government
 - Safest
 - Most direct
 - Limited impact on wildlife, residents, tourists
 - Being assessed for use by high productivity vehicles

Offshore geotech update

- Strictest conditions ever in South Australia
- Fieldwork now complete, following weather delays
- Initial results show seabed is a mix of coarse sand and cobble stones
 - Useful material for causeway, after processing on land
 - Limited potential for siltation
- Awaiting final report

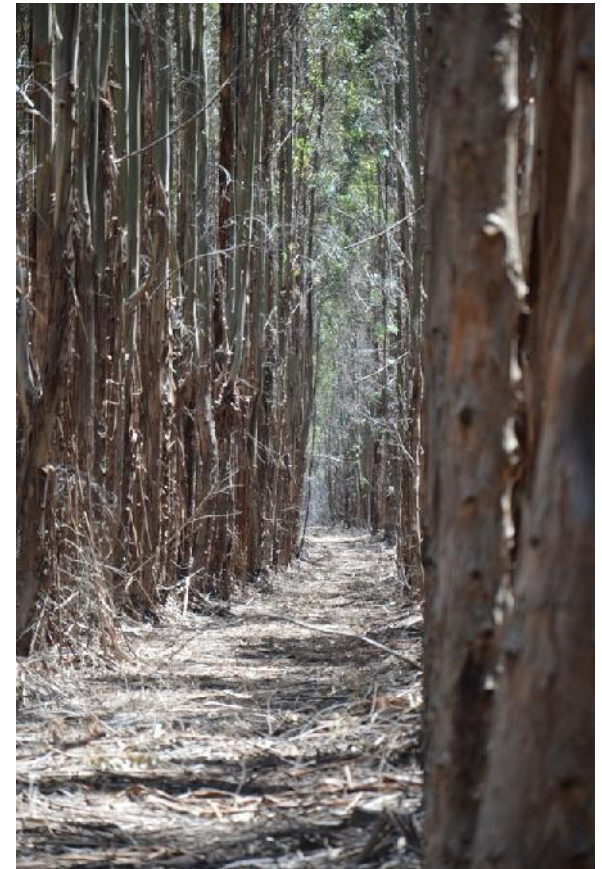


Smith Bay Wharf Design



Company strategy

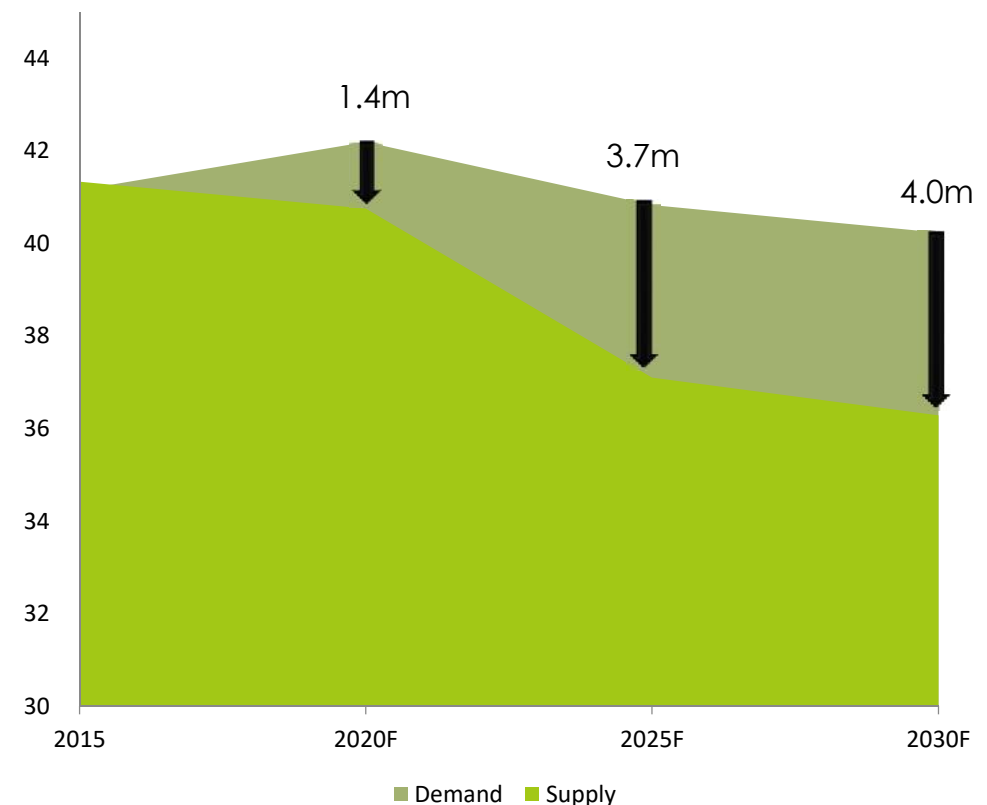
- Operate timberland and wharf profitably and sustainably
 - Keep productivity high and costs low
 - Care for the environment, our neighbours and the community
- Deal fairly and openly with private growers
- Conduct ourselves with the humility warranted by the history of tax-driven timber companies on KI



Supply and demand

- Structural supply shortfall for hardwood chip
 - End of Australian MIS bubble
 - Reduced native forest availability globally
- Long production time means no supply increase until (at least) 2030
- KI hardwood estate can produce around 1/10 of annual structural shortfall
- Price exposure is positive
- Market may move to spot pricing

Hardwood Chip in Asian Markets: Looming shortfall (million green tonnes)



Projected operating cash flow

Operating Cash Flow post tax paid, pre finance costs ('\$000)

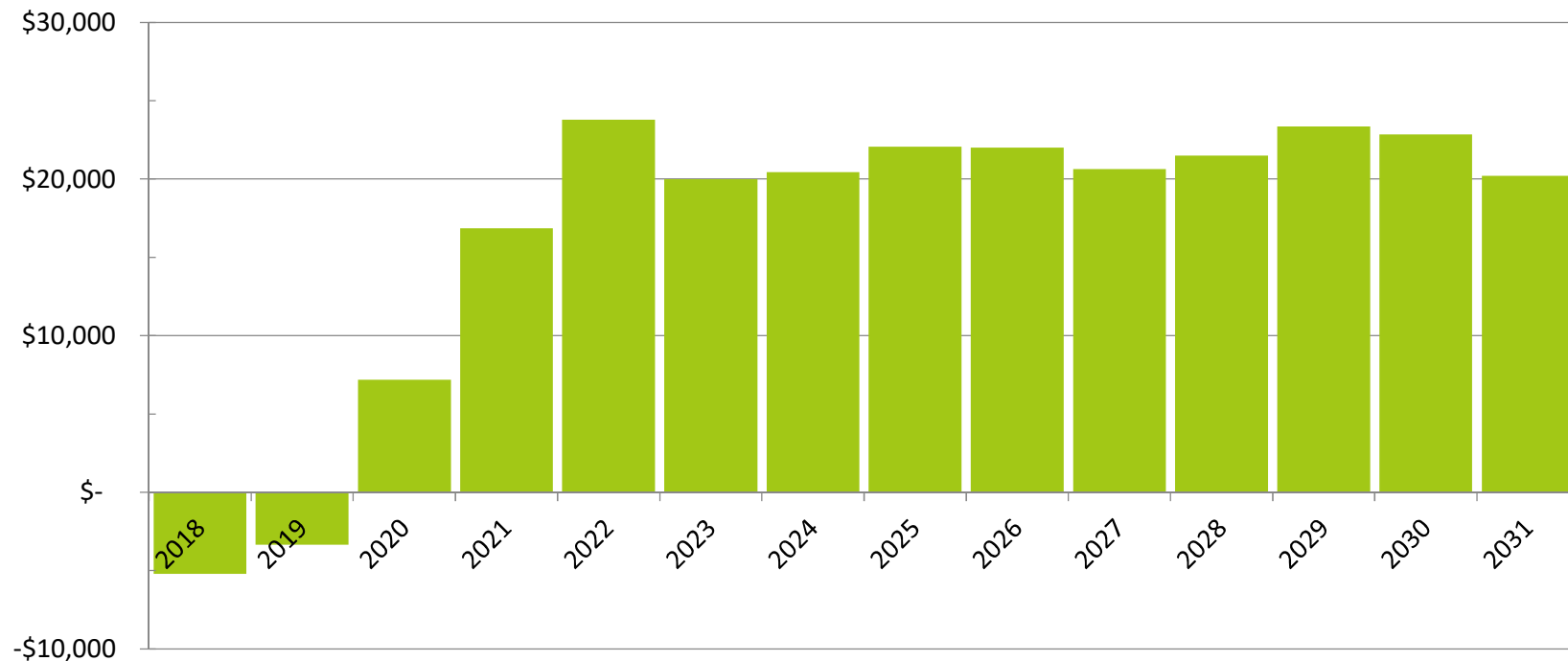


Chart shows projected operating cashflow, post tax paid, pre financing costs, no change in real \$A timber prices, despite looming shortfall.

Indicative project timeline and milestones

Event	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18	Jul '18
KPT finalisation of EIS studies and report											
EIS submitted by KPT											
Adequacy check by DPTI and required amendments to EIS by KPT											
South Australian state election campaign											
South Australian state election											
Public and Agency consultation											
KPT preparation of response to consultation report											
Assessment report by Minister for Planning, prepared by DPTI											
Final decision made by SA Governor with Cabinet approval											
Final decision made by C'th Department of Environment and Energy											
Smith Bay Wharf construction commences											

Thank you

John Sergeant