

KI Plantation Timbers Ltd (ASX:KPT)

General Meeting

1:30pm CDT

Monday, 5 February 2018

Grant Thornton House
170 Frome Street
Adelaide SA 5000

Board



Chair: **Paul McKenzie** BSc (Agric), BCom, FAICD, AIAST
Professional agribusiness consultant & company director
Appointed to board April 2005, appointed Chair July 2009



Managing Director: **John Sergeant** BSc, BA(Hons I), FAMSRS, GAICD
Professional manager, biological sciences & marketing background, director Asset Resolution (ASS), Appointed to board March 2013



P/T Executive Director: **Shauna Black**
Director of Community Engagement KI-based finance journalist, businessperson and industry super fund trustee. Appointed to board March 2015



Independent NED: **Greg Boulton AM** BA(Acc.), FCA, FCPA, FAICD
Logistics, timber, Statewide Super, Port Adelaide Football Club, chair Southern Gold (SAU), director Cancer Council SA. Appointed to board November 2016



F/T Executive Director: **Graham Holdaway** BCA, Dip Accy, ACA, MAICD
Director of Operations Former KPMG partner, infrastructure, resources & logistics background, tree grower, director Asset Resolution (ASS). Appointed to board March 2015

Management



Approvals Manager: **Peter Lockett**
Adelaide. Former senior public servant and management consultant



CFO and Company Secretary: **Vicky Allinson**
Adelaide. Investment, resources & materials background



Property and Forestry Operations Manager: **Stephen Connell**
Kangaroo Island



Construction Project Manager **Andy Kitchen**.
Adelaide. Experienced civil and marine project manager.



Accountant **Allie Zubizarreta**.
Adelaide. Experienced management accountant.

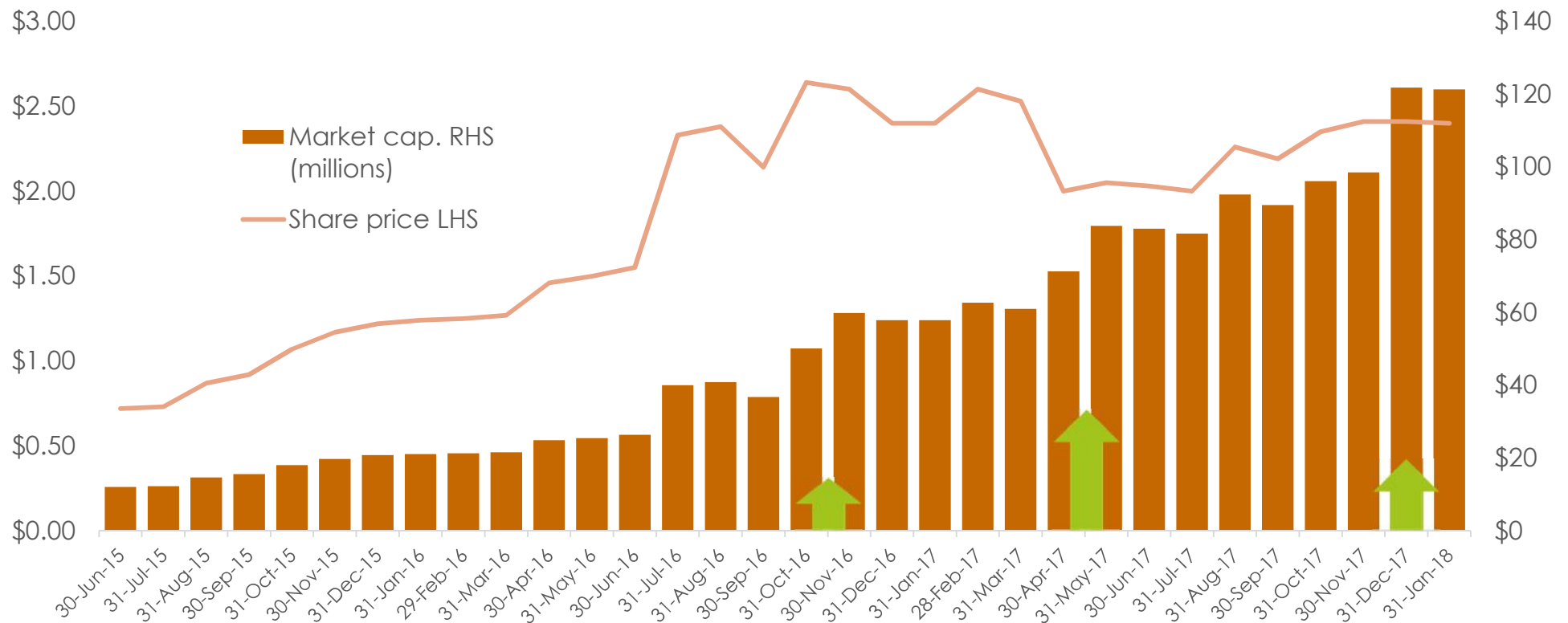


KPT summary, in round numbers

- 25,000ha of Company land on Kangaroo Island (KI)*
 - Of which 15,000ha planted
 - 80% Eucalypts, 20% Pine, trees at or near maturity
 - Supplemented by various private timber growers
 - Very high productivity, due to mild, wet KI climate
- 100% plantation timber, no native forest logging or land clearing
- Woodchip sales arrangements already agreed, subject to approval of deep-water wharf development
- At 31 December
 - \$15m cash at bank
 - \$25m drawn debt, \$30m construction facility (undrawn)
- Significant employment and economic activity boost for South Australia

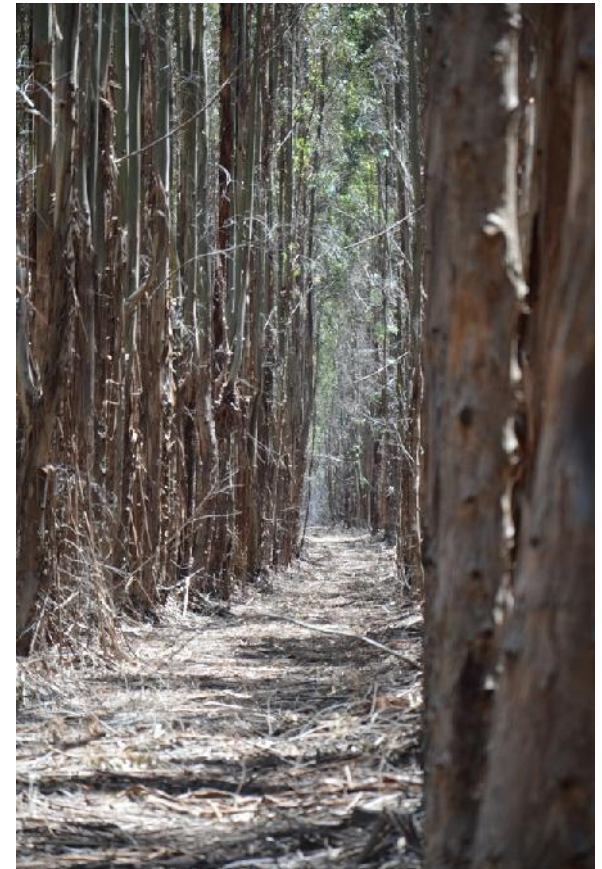
*Land areas and species mix are approximate

Share price & market capitalisation



No change to 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 timber growers
- Conduct ourselves with the humility warranted by the past failure of timber companies on KI



Agenda

- Update on activities
 - Operations planning
 - Wharf approval process
 - Pontoon preparation
- Consideration of resolutions
- Questions and discussion



Operations planning



- Process for determining optimal operational model underway
 - Harvest & replanting
 - Haulage
 - Chipping
 - Screening & quality control
 - Waste stream (nutrient retention and/or bioenergy)
- ... with implications for site layout
- Working constructively with government on road quality and use of high productivity vehicles

Wharf approval process

- Environmental Impact Statement (EIS) finalisation now dependent on
 - Final operational model, final designs and layout
 - Value engineering trade-offs, based on offshore geotech
 - Application of coastal process and wave models to final in-water design and construction plan
- Other parts of EIS largely complete in draft form
- Neighbour Yumbah still refuses to engage, despite numerous open offers
 - KPT committed to protect air and water quality, and to be a good neighbour
- Growing community support and optimism on KI
 - Multiple community engagement activities undertaken, and ongoing

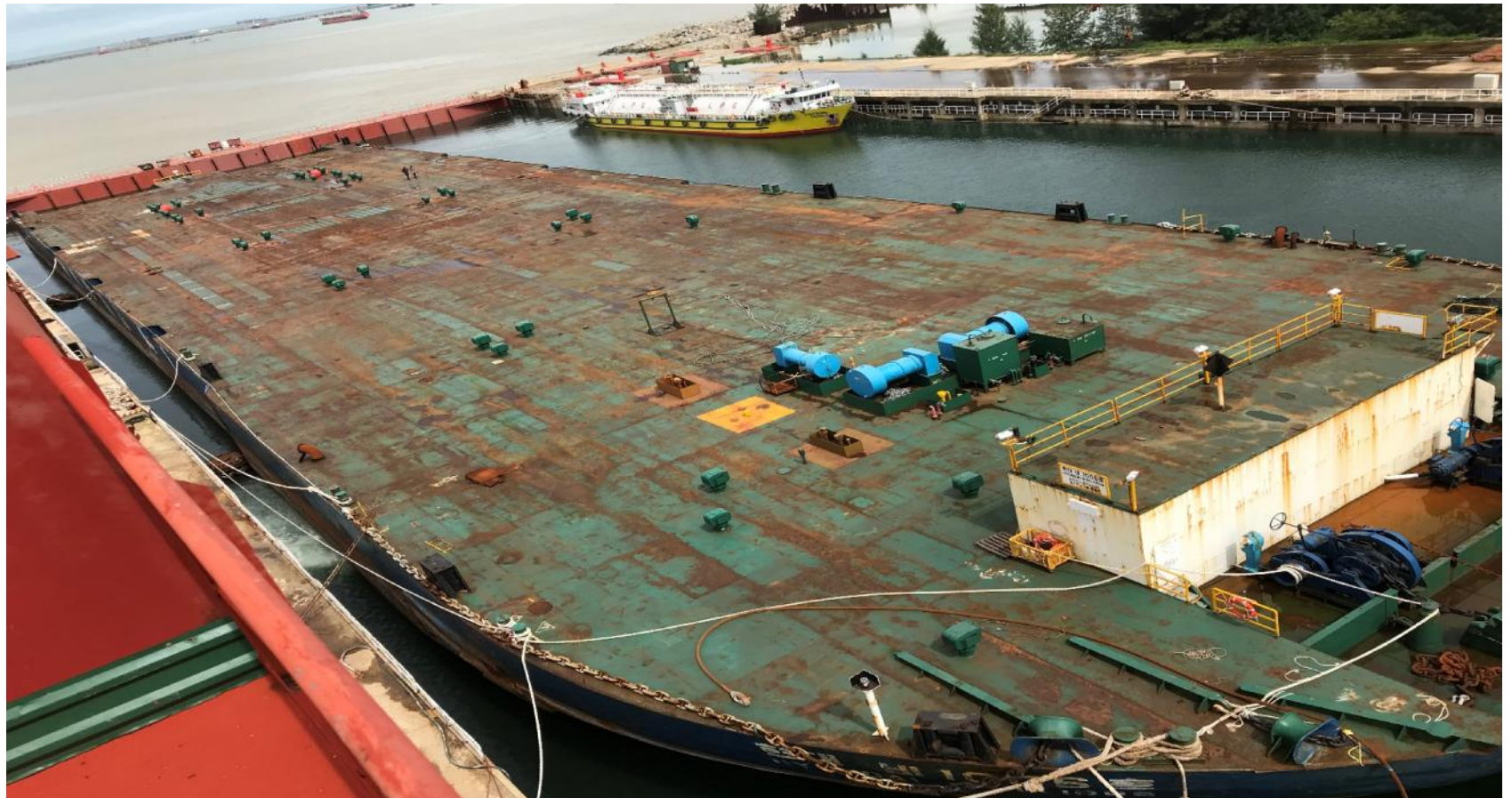
Wharf approval timing

- Weather and geotech have significantly delayed EIS finalisation
- Previously-published indicative timetable (June 2018 approval) will not be met
- Due largely to weather delays, wharf approval timing still subject to numerous variables that affect EIS
 - Finalisation of production model
 - Finalisation of site layout
 - Value engineering of in-water structure
 - Interaction with coastal processes
- Government adequacy checks, public exhibition, assessment and declaration then follow
- Company will keep market updated as key milestones are achieved

Pontoon recondition and refit

- Pontoon now in dry dock at Dung Quat shipyard, Central Vietnam
- All internal and external surfaces to be sand-blasted, thickness tested and repainted
 - Reconditioning is about 50% complete
 - Pictures follow
- Modification of stern, deck preparation, sidewall strengthening, wharf furniture
 - Still at design stage
- Prefabrication of retaining structures and linkspan bridge may also be completed at Dung Quat yard

Dry dock



Sandblasting, thickness testing, repainting



Control room & engine room



Ballasting system



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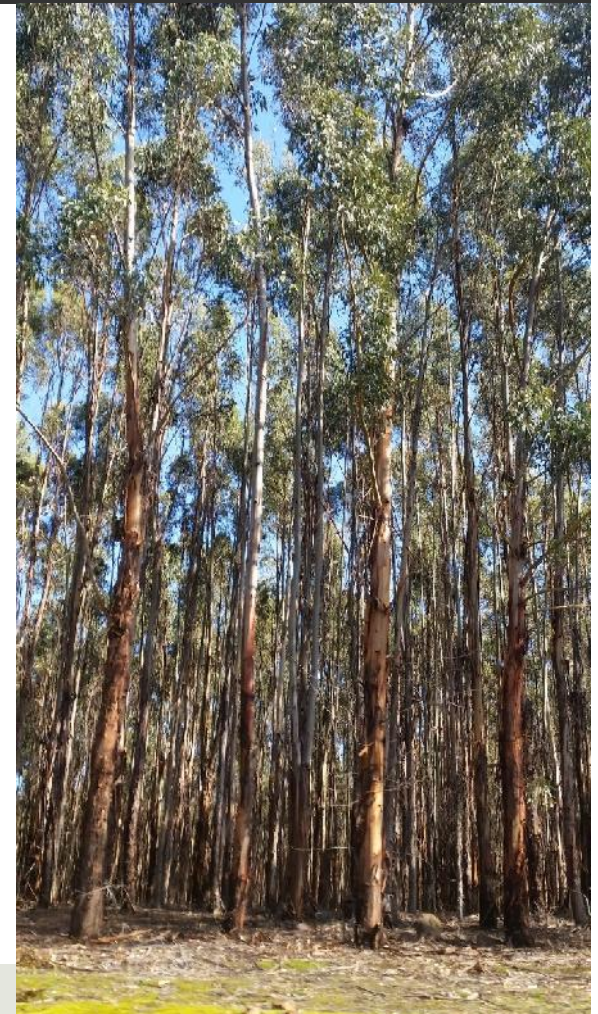


Consideration of resolutions

1. Ratify institutional share placement

Authorise participation of:

2. John Sergeant (MD, 115,000 shares)
3. Graham Holdaway (ED 5,000 shares)
4. Shauna Black (ED 5,000 shares)
5. Greg Boulton AM (NED 100,000 shares)
6. Paul McKenzie (NED 120,000 shares)
7. Victoria Allinson (Management 5,000 shares)
8. Peter Lockett (Management 5,000 shares)
9. Andrew Kitchen (Management 5,000 shares)



Proxy Summary

		For		Against		Discretionary		Abstain
	Resolutions	Votes	%	Votes	%	Votes	%	Votes
1.	Ratify placement	3,859,453	94.2	199,580	4.8	38,730	1.0	3,561,894
2.	John Sergeant (MD, 115,000)	19,789,669	99.0	159,604	0.8	38,730	0.2	3,004,970
3.	Graham Holdaway (ED 5,000)	19,789,669	99.0	159,604	0.8	38,730	0.2	3,004,970
4.	Shauna Black (ED 5,000)	19,789,669	99.0	159,604	0.8	38,730	0.2	3,004,970
5.	Greg Boulton AM (NED 100,000)	19,669,439	98.8	203,604	1.0	38,730	0.2	3,081,200
6.	Paul McKenzie (NED 120,000)	19,745,669	98.8	203,604	1.0	38,730	0.2	3,004,970
7.	Victoria Allinson (Mgt 5,000)	22,775,153	99.1	159,604	0.7	38,730	0.2	19,486
8.	Peter Lockett (Mgt 5,000)	22,791,663	99.1	159,604	0.7	38,730	0.2	2,976
9.	Andrew Kitchin (Mgt 5,000)	22,791,663	99.1	159,604	0.7	38,730	0.2	2,976

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