

The Manager
Companies Announcements Office
Australian Securities Exchange

21 February 2018

Dear Sir/Madam,

Results of offshore geotechnical sampling

The Company (KPT) now has access to the results of offshore geotechnical sampling at Smith Bay, the site of the proposed KI Seaport. Fourteen test sites were sampled in the area of the proposed berth face and berthing pocket, where the water ranges from 10m to 12m deep.

The results are favourable, and show that:

-) The distribution of materials is consistent with inferences made on the basis of previous offshore geophysical investigations and onshore geotechnical sampling;
-) There is no indication that hard rock is present at depths that would cause concern in the area that will form the berth pocket or in the berth approaches;
-) Within these areas and depths, the geotechnical conditions encountered generally comprise sand overlaying a mixture of cobbles and sediment. The largest proportion of this material is sand.
-) The materials identified are amenable to a range of available dredging methods, facilitating the selection of the most cost-effective and environmentally sound methodology;
-) A large portion of the liberated material is capable of being reused as bulk fill on land or for causeway construction, following any required treatment on shore;
-) No toxic materials were identified.

The Company is currently seeking expert technical advice on any further implications of the offshore geotechnical results for the final design and for the construction management plan, so that these can be reflected in the Environmental Impact Statement for the project.

The Company remains committed to delivering and operating the KI Seaport in a way that minimises negative impacts on water quality. The results show that this is achievable.

Yours sincerely,



Ms Vicky Allinson
Company Secretary