

The Manager
Companies Announcements Office
Australian Securities Exchange

09 March 2018

Dear Sir/Madam,

Land, shore and seabed tenure at Smith Bay

The Company (KIPT) announces certain matters pertinent to its land at Smith Bay, the site of the proposed KI Seaport.

-) That the various parcels of coastal land at Smith Bay, including the 12-hectare site that has been owned by the Company since 2014, are affected by certain easements relating to power supply and wastewater drainage.
-) That the Company's land benefits from some of these easements and has obligations in respect of others.
-) That none of the easements affecting the Company's land prevents it from proceeding with the development.
-) That, even so, the Company has today filed court proceedings to have one particular drainage easement set aside, to give the Company greater flexibility in the use of its land. The proceedings also seek to correct a defect in an easement favouring the Company, to facilitate access to three-phase power.
-) That the easement which the Company seeks to set aside gives the neighbour immediately to the east of KIPT's land certain rights to transfer wastewater across part of the Company's site to a dam also on the Company's site.
-) That KIPT will fully respect the rights of parties benefiting from this and all other easements, so long as they remain in place, and where the parties exercise those rights in a manner consistent with their legal obligations.
-) That, accordingly, resolution of the status of the disputed drainage easement, which is expected to take some time, will not delay the completion of the Environmental Impact Statement (EIS), which is proceeding on the basis that there is no change in the existing easements.
-) That the Company has obtained from the relevant Ministers and Departments written assurance that the right to cross Crown land comprising the coastal strip and to occupy the seabed itself will be forthcoming in conjunction with development consent.

-) That the Company will work with adjacent landowners, including the Crown, to ensure that the development is optimally laid out and is respectful of the rights and interests of neighbours.
-) That the Company notes that some easements favouring the Company's land have not been honoured. The Company has no present intention to seek rectification but nevertheless reserves its rights in that respect.
-) That the newly-acquired 173ha parcel of land (announced 9 March 2018) is not affected by any easements.

While it does not believe that any of these matters are material, the Company has elected to make this detailed announcement, covering all matters relevant to its tenure. This is to prevent uninformed speculation, because of recent changes in the ownership of some adjacent land at Smith Bay and because the Company has now commenced proceedings seeking to have changes made to some of the easements.

The Company will update the market with any material changes to the situation described above, including progress on removing the disputed drainage easement and rectifying the easement designed to provide ready access to three-phase power. As noted above, finalisation of these matters is unlikely until some time after the completion of the EIS.

Yours sincerely,



Ms Vicky Allinson
Company Secretary