

10 July 2018

The Manager
Companies Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

KI Seaport approval process update

Kangaroo Island Plantation Timbers (KPT) has previously announced that it will refrain from giving precise guidance about the timing of the approval for its KI Seaport development at Smith Bay on Kangaroo Island. The process remains subject to factors outside the Company's control. However, that does not absolve the Company from its responsibility to keep the market updated about material progress.

KPT is currently holding discussions with various government agencies, with a view to eliminating all outstanding matters of contention before lodging its Environmental Impact Statement (EIS). As far as possible, it is the Company's aim to lodge the EIS in a form capable of rapid approval. This has involved:

- Refinements to the design of in-water structures to provide increased protection to the neighbouring onshore abalone farm from creek effluent, which is currently an acknowledged source of problems for that business.
- Relocating the dredge footprint in such a way as to increase separation from the nearest sensitive receptors.
- Refinements to the in-water design to limit the causeway footprint in deeper water, while enabling larger Panamax size vessels to berth safely.
- Refinements to the design of on-land facilities, to enable efficient materials handling and to work more effectively within the constraints of the site.
- Working with Kangaroo Island Council and with the Government of South Australia regarding an agreed road route to Smith Bay, and the use of high-productivity vehicles over that route.

Subject to the satisfactory completion of coastal process modelling for the revised in-water structure, which is expected in August, the Company expects to have all outstanding matters sufficiently finalised to enable the lodgement of the EIS at approximately the end of the current quarter.

Further modifications to the development proposal may result from submissions received as part of the public and government consultation period, expected to be completed in the following quarter. As previously noted, the Company's ownership of additional land immediately to the west of the development site gives it a number of options in this regard.

The KI Seaport is the key to unlocking more than \$60m per annum in forestry exports for South Australia and the creation of more than 260 year-round full-time jobs, over 230 of which will be on Kangaroo Island.

Yours sincerely,



Mr John Sergeant
Managing Director