

4 September 2018

The Manager
Companies Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

Additional land at Smith Bay

Kangaroo Island Plantation Timbers (KIPT) is pleased to announce that it has negotiated an option to acquire a 41ha property south of and adjoining its existing land at Smith Bay, Kangaroo Island, the site of its proposed KI Seaport.

The option becomes exercisable on approval of the KI Seaport, allowing the Company to acquire the land for a minimum price of \$600,000, with an escalation in the price should the approval be delayed or should the Company elect to wait before exercising its option. The landowner also has an option to require the Company to buy the land, post approval. At the request of the landowner, the option period is five years. The land includes a dwelling.

The Company has paid a one-off option fee of \$10,000 to assist the landholder with the cost of obtaining expert advice. This will be refundable against the purchase price. The land parcel is shown in the attached map. Control of this land gives the Company the flexibility, if needed, to:

- change intersection geometry at the turn-off from the main road, to accommodate high productivity vehicles
- create a truck parking and driver rest area or an additional pine log stockpile
- realign the heavy vehicle route from the main road to the KI Seaport.

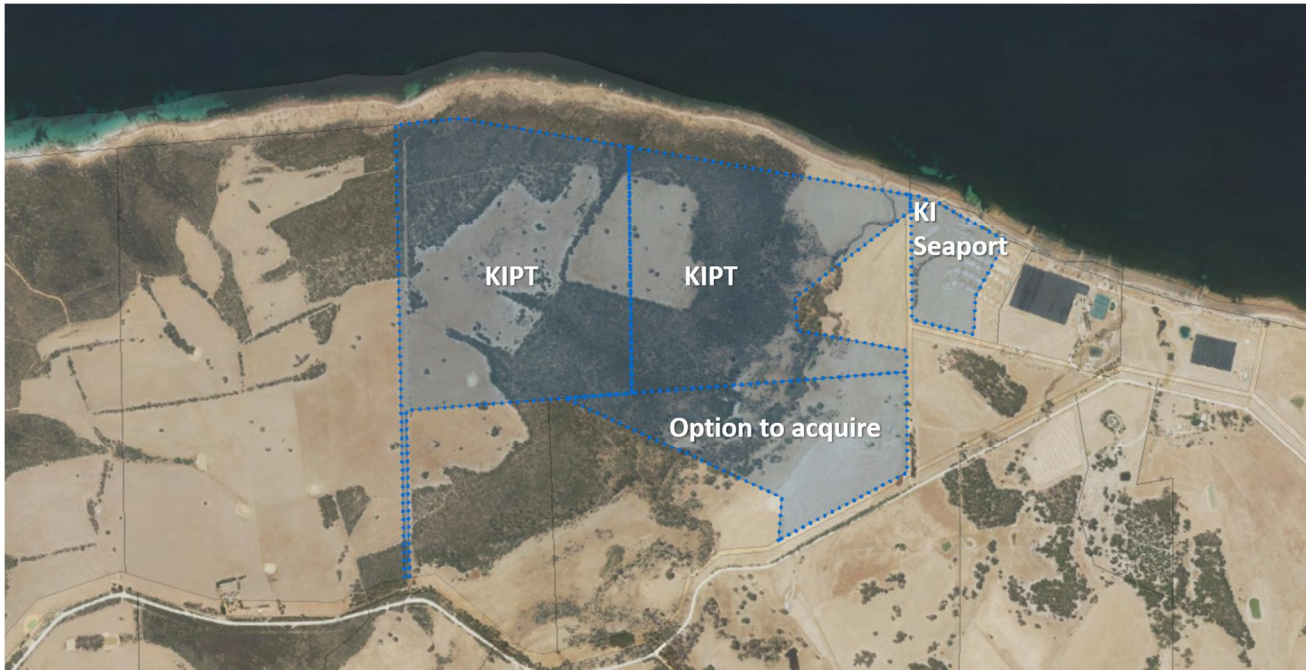
Subject to relevant consents, the Company also has the opportunity to rehabilitate a longer section of Smith Creek, the degraded condition of which is an acknowledged source of water quality problems for the onshore aquaculture business that is located further east on Smith Bay.

Including the land which is the subject of the option, the Company now controls a total of approximately 225ha at Smith Bay. The Company may dispose of some surplus land and may seek to acquire other land parcels in the area.

Yours sincerely,



Ms Vicky Allinson
Company Secretary



Aerial photograph of western Smith Bay, showing the land over which an option is now held, in relation to existing land holdings.