

07 September 2018

The Manager  
Companies Announcements Office  
Australian Securities Exchange

Dear Sir/Madam,

**Changes to debt facility**

Kangaroo Island Plantation Timbers (KPT) is pleased to announce that it has negotiated a change to its debt funding agreement with the Commonwealth Bank of Australia (CBA or the Bank).

The existing facility includes a \$25m tranche which is fully-drawn and secured over KPT's land and timber, and a \$30m tranche which is available to fund construction activity of the KI Seaport, following approval. Various covenants and conditions precedent apply to the facility.

As a result of the renegotiation, the first tranche has been increased by \$8m, from \$25m to \$33m. The second tranche will be reduced correspondingly to \$22m, so that the total available under the facility is unchanged but more of the funds are available now, to meet approval costs and expenses associated with the reconditioning, refit and relocation of the floating pontoon berth. The additional \$8m that is now available is undrawn.

In addition to these two funding tranches, there is provision in the CBA funding agreement for \$2m in working capital and equipment finance. This is also undrawn.

Welcoming the change, the Chair of KPT, Mr Paul McKenzie, has said: "This change to the Bank facility is good news for our shareholders. We are pleased to have the backing of our funding partner, CBA, and our offtake and materials handling partner, Mitsui & Co, for this important project for South Australia."

The KI Seaport, once built, is expected to unlock more than 250 year-round full-time jobs, most of them on Kangaroo Island, and to inject more than \$50m a year into the South Australian economy. The economic and employment effects of construction itself are additional to this.

The Company expects to lodge the Environmental Impact Statement for the project in late September 2018.

Yours sincerely,



Ms Vicky Allinson  
Company Secretary



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