

The Manager
Companies Announcements Office
Australian Securities Exchange

9 January 2019

Dear Sir/Madam,

MoU with Flinders Ports

The Company (KPT) is pleased to announce that it has signed a Memorandum of Understanding (MoU) with Flinders Ports Pty Ltd, under which the parties will work together on an exclusive basis to achieve a port operating model that is designed to produce an optimal solution for the port owner, port operator and port users, having regard to the outcomes achieved by Flinders Ports at the other South Australian ports that it variously owns, operates and/or provides port management and related services.

Flinders Ports is South Australia's leading port operator, with seven ports located at Port Adelaide, Port Lincoln, Port Pirie, Thevenard (Ceduna), Port Giles, Wallaroo and Klein Point. It operates and provides services at other third-party ports in South Australia.

The Board believes that Flinders Ports' ability to manage and deliver services at the new KI Seaport using existing efficiencies from operating numerous ports in the region makes it an ideal partner for KPT.

The MoU commits the parties to work together to achieve a mutually beneficial outcome. It sets out a process for progressing towards a full port operating agreement, by locking in agreed milestones as a condition for maintaining exclusivity.

The parties have also agreed in the MoU to share and protect each other's intellectual property in relation to marine operations at the KI Seaport.

Yours sincerely,



Ms Vicky Allinson
Company Secretary