

19 September 2019

The Manager
Companies Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

KI Seaport modifications and approvals process update

Kangaroo Island Plantation Timbers (KPT) has previously indicated that it would respond constructively and comprehensively to public and government agency comments about the Draft EIS for its proposed KI Seaport deep-water wharf facility at Smith Bay on Kangaroo Island. This process is under way. A formal response document will be submitted in due course.

The Major Projects development assessment process in South Australia is designed to allow and encourage projects to be modified to address public and agency comments. Today's announcement concerns modifications in response to comments from government, the nearby onshore aquaculture facility, neighbours and private citizens, which highlighted concerns about the required dredging of the seabed to form the berth pocket, and about possible changes to coastal processes resulting from the use of a solid causeway.

KPT considered that the risks posed by these factors could be managed and eliminated within its original design, with appropriate protocols and safeguards. Even so, KPT has been encouraged to further reduce the dredge quantity and to provide a mechanism for water circulation.

The Company is now pleased to announce that it has modified the design of in-water structures:

- To eliminate any need for capital or maintenance dredging, by moving the berth face about 250m further offshore, to the natural -13.5m seabed contour.
- To utilise a fully piled jetty structure instead of a solid causeway, so that natural coastal processes will be uninterrupted.

The Board considers that the cost impact of these design enhancements (which is estimated to be about \$9m) is likely to be more than offset by:

1. The benefits to the marine environment;
2. The increased separation of the berth face from sensitive receptors;
3. The removal of any remaining obstacles to a timely approval decision by government; and
4. The fact that the landside part of the construction project is simplified, because there will be no requirement for on-land dredge spoil dewatering and processing. This means that

landside works can occur simultaneously with marine construction activity, bringing forward the export of woodchips.

The Company will shortly lodge an addendum to formally modify its development application and is working with the Department of Planning, Transport and Infrastructure on determining and completing the remaining steps in the development assessment process.

In addition to its concerns about dredging, which it describes as having “potential catastrophic consequences”¹, Yumbah Aquaculture, the owner of the onshore abalone farm at Smith Bay, has said in its submission that “The only option to protect coastal currents is an open-piled jetty with the berth pocket extended further offshore.”² This is what the Company now proposes to do.

Keith Lamb, the Managing Director of KPT, said: “We have taken our neighbours at their word and have modified the project as they have requested, to eliminate the sources of their principal concerns. We now hope that Yumbah will withdraw its objections to our wharf, and we look forward to working co-operatively with them to deliver a great outcome for both businesses, and increased prosperity for the Island community. The trees are ready, the customers are ready, our construction partners are ready, and we are keen to get the project under way so that hundreds of new jobs can be created.”

“We are building a facility of which the community can be proud, in a way that respects the environment and our neighbours. We trust that all remaining commentary can be conducted in a similarly respectful manner, and with a focus on getting the best possible outcome for all stakeholders” Mr Lamb said.

Yours sincerely,



Ms Vicky Allinson
Company Secretary

¹ [Smith Bay Wharf Draft Environmental Impact Statement Response](#) by Yumbah Aquaculture, May 2019, p25

² *ibid*, p83.