

2 January 2020

The Manager  
Companies Announcements Office  
Australian Securities Exchange

### **Recent fires on Kangaroo Island**

Kangaroo Island Plantation Timbers Ltd ("KIPT" or "the Company") requests that a lift to the trading halt be granted by the Australian Securities Exchange ("ASX") with respect of its ordinary shares, in accordance with Listing Rule 17.1.

The Company advised on Tuesday 24 December 2019 that 891 ha of its plantations in the Duncan area of Kangaroo Island had been affected by the fires that broke out on Friday 20 December 2019. The Duncan fire has now been contained, although the potential for flare-ups remains.

Unfortunately, on Monday 30 December 2019, two further fires began in the Ravine des Casoars Wilderness Protection Area and spread northward. Despite the efforts of National Parks and Wildlife Service South Australia, Country Fire Service, Company staff and our contract partners, these fires could not be contained and affected two of the company's plantations. As was the case last week, the plantations included pines at various stages of maturity, and relatively mature eucalypts.

The Duncan and Ravine fires were started by lightning strikes.

Due to the Ravine fires, a further 971ha of plantations have been fire damaged, representing 7% of the KIPT estate, with an insured value of \$8.45M. KIPT holds fire insurance, which covers the standing treecrop and allows for miscellaneous costs, including a contribution towards direct fire-fighting, clean-up, and replanting, among other things.

KIPT again expresses its thanks to the fire respondents including Country Fire Service and National Parks and Wildlife Service, as well as Company on-island staff, its professional property manager PF Olsen, and contract firefighting service providers Rencon Contracting and A&M Willson Contracting, who have worked tirelessly over the holiday season on firefighting and containment. Managing Director Keith Lamb and Executive Director Shauna Black have remained on-island throughout the latest incident, coordinating the Company's firefighting efforts and liaising with other stakeholders, assisted by Director of Operations Graham Holdaway.

As soon as the fireground is safe, the Company will turn its attention to salvage operations, both for its own trees and those of independent growers. The salvage of pines and eucalypts that have been killed, but not consumed, by a rapidly moving fire front must be carried out immediately, before the quality of the unburnt wood deteriorates. Therefore, it will be necessary to bring forward harvest and replanting operations in affected areas, and reschedule operations in unaffected areas that would otherwise have been harvested sooner.

Due to the extended delays experienced in the approval process, it is clear that the KI Seaport (for which approval is expected soon) will not be completed in time to facilitate salvage operations, which must begin immediately. The Company will therefore pursue interim export



solutions for fire-affected pine and eucalypt logs - including via barging - and looks forward to the cooperation of local and state governments to put the necessary arrangements in place without delay, for the benefit of its own shareholders and the affected independent growers.

While certainly costly for the Company and its insurers, the opportunity to salvage fire-affected plantations will bring forward the employment and economic benefits of plantation forestry on Kangaroo Island that would not have occurred until after the proposed KI Seaport at Smith Bay had been realised.

A barging operation would not represent a permanent replacement to the proposed KI Seaport as it would not be capable of supporting the volume production arising from the forests owned by KIPT and independent growers on Kangaroo Island. As previously advised, the Company remains committed to the development of the KI Seaport, which enables the efficient, safe and profitable export of plantation logs and woodchips on a sustainable basis. It expects that the majority of its current crop - which has not been affected by fire - and all future crops, will be exported via the KI Seaport, either as logs or woodchips.

Sincerely,

A handwritten signature in blue ink, appearing to read "V Allinson", with a horizontal line extending to the right.

Victoria Allinson  
Company Secretary  
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