

3 March 2020

The Manager  
Companies Announcements Office  
Australian Securities Exchange

### **CBA Debt Facility and fire insurance update**

Shares in Kangaroo Island Plantation Timbers Ltd (“KIPT” or “the Company”) remain voluntarily suspended from trading on the Australian Securities Exchange, in accordance with Listing Rule 17.2. The Company will honour its continuous disclosure obligations during the period of voluntary suspension.

The Company has previously confirmed that a \$10 million insurance progress payment has been received under its treecrop insurance policy. The timber was insured for 2019 book value of approximately \$115 million, with an annual limit of \$65 million and an excess of \$5 million applying to any one claim. Additional insurance of approximately \$3 million covered certain costs incidental to and consequent upon the treecrop loss.

Claims against another insurance policy, covering fire damage to houses, fences and sheds, are also being prepared by the Company and a \$1 million progress payment has now been received against the cost of replacing these assets.

In accordance with the Commonwealth Bank (CBA or the Bank) facility covenants, the Company is required to repay loans with any insurance proceeds in excess of \$250,000. In support of the Company, CBA has requested only a partial repayment and it has been agreed that \$8 million of the \$11 million initial insurance proceeds will be used towards this.

The Company’s debt will be immediately reduced to \$21.7 million as a result, with this amount expected to be fully repaid from remaining insurance proceeds, leaving the Company with substantial net cash.

The Company welcomes the Bank’s cooperation in this matter.

The Company is in a strong financial position to commence construction of the proposed KI Seaport, development approval for which is anticipated in coming months.

Sincerely,



Victoria Allinson  
Company Secretary