



The Manager
Companies Announcements Office
Australian Securities Exchange

31 January 2017

Dear Sir/Madam,

MoU with Mitsui Bussan Woodchip Oceania for timber offtake

Kangaroo Island Plantation Timbers Ltd (KPT or the Company) is pleased to announce that it has entered into a Memorandum of Understanding (MoU) with Mitsui Bussan Woodchip Oceania Pty Ltd (MWO), an Australian subsidiary of Japanese conglomerate Mitsui & Co Ltd.

The MoU sets out a framework and a timetable under which the Company will export its timber (as both woodchips and logs) from its plantations on Kangaroo Island. Timber products from Kangaroo Island will be sold via MWO and its related bodies corporate.

The arrangement gives MWO exclusive access to a valuable resource during a period of anticipated scarcity, while giving KPT the security of dealing with a highly-regarded and reliable trader, marketer and offtake partner.

The MoU also identifies areas for potential further cooperation and investment.

Yours faithfully

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

Ms Vicky Allinson
Company Secretary