

The Manager
Companies Announcements Office
Australian Securities Exchange

8 March 2017

Dear Sir/Madam,

Finance secured for Smith Bay Wharf

Kangaroo Island Plantation Timbers Ltd (KPT or the Company) is pleased to announce that it has entered into a funding agreement with the Commonwealth Bank of Australia (CBA or the Bank).

Subject to certain conditions precedent, including all necessary development approvals, the Bank will lend up to \$57.1m in total. This will support 100% of the anticipated construction cost of \$30m for the Company's proposed Smith Bay Wharf plus an allowance for equipment finance and working capital.

The agreement contains provisions for up to \$25m of facilities should the Company elect to borrow against its expanded portfolio of land and timber assets in the future.

Paul McKenzie, the Chairman of KPT, who led the Company's negotiations with CBA, commented, "CBA's Specialised Agribusiness Solutions team invested considerable time and expertise into understanding our business. We are pleased to have Australia's biggest bank backing this important infrastructure project for South Australia, Kangaroo Island and our Company."

Yours faithfully



Ms Vicky Allinson
Company Secretary