

MEDIA RELEASE

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## Pontoon purchase finalised

Kangaroo Island Plantation Timbers announced in April that it had agreed to buy a suitable pontoon barge to form the floating berth of its proposed Smith Bay deep-water wharf.

KIPT has now completed that purchase and the pontoon will be towed to a suitable shipyard for lay-up, reconditioning and refit.

The pontoon was bought – on extended settlement terms - from Hyundai Heavy Industries Co. Ltd of Ulsan, South Korea, US\$2.9 million. When the Company agreed to the purchase, it anticipated that development approval for the wharf would have been secured by the time the pontoon settlement was due. It was therefore anticipated that the pontoon costs would have been financed using the second (\$30m) tranche of Commonwealth Bank funding, a loan facility that is activated by development approval.

“However, there have been delays associated with the determination of the development assessment pathway and release of the guidelines for assessment, coupled with unfavourable weather at Smith Bay that delayed essential offshore geotech fieldwork, with consequential impacts on the submission of the Environmental Impact Statement, KIPT managing director John Sergeant said.

The pontoon purchase was finalised using an unsecured, second-ranking \$3 million facility from KIPT’s major shareholder Samuel Terry Asset Management. The facility is on arm’s length, commercial terms and has enabled the pontoon acquisition to be completed.

“We are pleased to have this arrangement in place, otherwise wharf completion might have been further delayed by the need to buy or build a suitable pontoon after development approval,” Mr Sergeant said.