Kangaroo Island
PLANTATION TIMBERS

The Manager
Companies Announcements Office
Australian Securities Exchange

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Sale of former tree farms

The Company announced on 28 June 2013 that it would dispose of three properties on Kangaroo Island (KI) whose highest and best use was considered to be as traditional agricultural farmland. On 13 November 2013 the sale of one of those properties, known as St Andrew's, was announced. Contracts for the partial sale of another of those properties were exchanged yesterday.

The Company has entered into an agreement to subdivide approximately 150ha of arable land from the property known as Vinkepas, a former eucalypt plantation in the MacGillivray district of KI, and to sell the resulting subdivided area for $230,000 plus subdivision costs, which will be borne by the purchaser. Final settlement of the sale is scheduled to occur in mid-2014, upon completion of the subdivision process. The sale price represents 81% of the property's pro-rata carrying value in the Company's accounts.

Remediation work to return the subdivided area of the property to farmland will be carried out by the purchaser, who has been granted permission to begin work prior to settlement. The sale of the subdivided area means that the Company will not have to remediate approximately 116ha of eucalypts.

The Company is carrying out remediation work on the remaining planted areas of Vinkepas, and the work is expected to be completed in January 2014. The Board intends to market the remainder of Vinkepas, for sale or lease as agricultural land, in Spring 2014.

The third property identified for disposal, Thistleton, is intended to be remediated, then sold, in 2014.

Sincerely,

Victoria Allinson
Company Secretary

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