

Kangaroo Island Plantation Timbers Ltd

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Kangaroo Island Plantation Timbers assessing damage from devastating fires

Kangaroo Island Plantation Timbers Ltd (ASX:KPT) is assessing damage caused to its timber plantations and those of independent tree growers from recent devastating fires on Kangaroo Island.

While this takes place from the air and on the ground, where it is safe to do so, the company's shares are voluntarily suspended from trading on the Australian Securities Exchange.

Assessment process

The assessment process will determine which plantation areas are too damaged to have any commercial value, which affected areas can be salvaged and which areas have relatively high survival rates and can be allowed to grow until harvest.

During this time, and where it is safe to do so, that company is attempting to contain residual hot spots, some of which are burning in remnant native vegetation within the company's plantations.

This is necessary to protect the company's assets and those of its neighbours from any renewed outbreaks.

KPT is also considering its options for the salvage of fire-damaged timber.

Major task

The scale of the task confronting the company as well as the community can be gauged from the map supplied by the South Australian Country Fire Service (CFS) of the western half of the island.

It shows the estimated burnt area as of Tuesday, January 7, and is subject to change as CFS ground crews reach more remote areas and due to the possibility of further outbreaks.

Price: 0.91

Market Cap: \$51.34 m

1 Year Share Price Graph



April 2019 August 2019 January 2020

Share Information

Code: KPT

Listing: ASX

52 week High Low
2.59 0.8

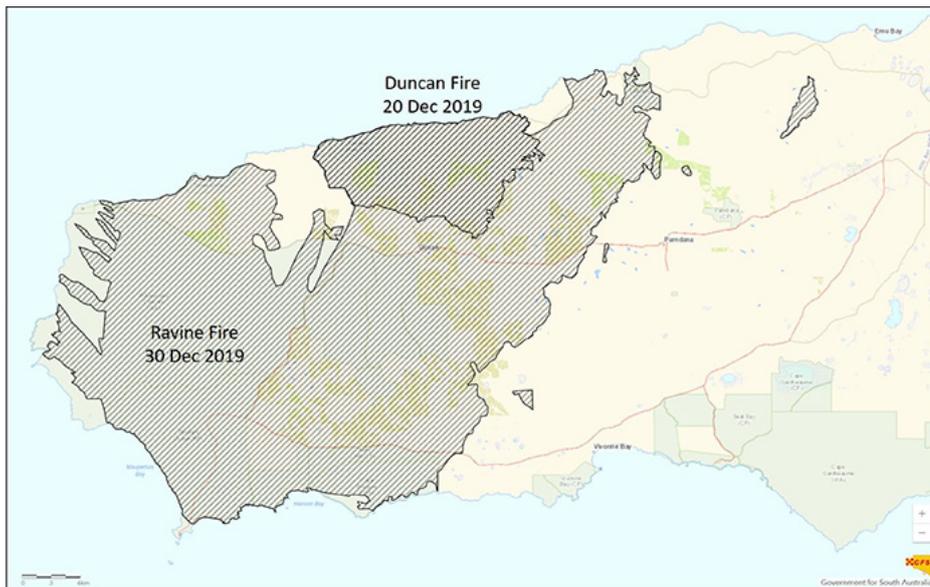
Sector: Forestry & Paper

Website: www.kipt.com.au

Company Synopsis:

Kangaroo Island Plantation Timbers Ltd (ASX:KPT) is Australia's only listed timberland company, managing a portfolio of hardwood and softwood forestry plantations.

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Flinders Chase National Park and its associated Wilderness Protection Areas (WPAs) are shown in dull green and plantation areas in bright green with burnt areas marked with diagonal black lines.

The map does not distinguish between KPT and independent grower assets.

It is evident that about 90% of the plantations on the island have been fire-affected.

Dates show when the fires started, although the Ravine Fire caused most of its destruction when it broke out of the Ravine des Casoars WPA in catastrophic fire conditions that occurred four days after ignition.

During the voluntary suspension, KPT will also make any necessary changes to its arrangements with its insurers, bankers and project partners, and intends to determine its future business strategy and the extent of planned replanting activity.

Towards recovery

As well as mitigating risks for the rest of this fire season and future fire seasons, the company is also assisting the community, its tenants and independent timber growers during a difficult period.

As such, KPT is working with government and the community on the economic recovery of the island economy.

The company also intends to make progress towards a favourable conclusion of the development assessment process for the KI Seaport, which remains critical to its medium-term and long-term future.

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