

ASX ANNOUNCEMENT 6th October 2005

Papyrus Lodges International Patents

Adelaide, 6th October, 2005: Papyrus Australia Ltd (ASX:PPY) today announced that it has lodged an international patent application under the patent corporation PCT which claim priority of 16th September 2004 from our Australian provisional patent application 2004905315. This international patent application designated all 126 current contracting states of the PCT, including Australia.

Papyrus has also lodged national patent applications in various non-PCT contracting states, each of which have also claimed priority of 16th September 2004 from our Australian provisional patent application 2004905315. Those national patent applications were lodged in Malaysia, Taiwan, Thailand, Argentina, Bolivia, Peru and Venezuela.

With the international patents in place and Stages 1 & 2 successfully completed Papyrus is now ready to start the preliminary marketing of paper products and technology.

With completion of stage 2, the company is well placed to move through stages 3 and 4.

- Stage 3 is working on auxiliary processes, including lamination, and increasing capacity.
- Stage 4 is the integration of all processes and machinery into a production line, as well as increasing production rates and achieving consistent product quality.
- Stage 5 represents a scale-up of the production line and shipping it to facilities in North Queensland.
- Stage 6 represents the construction of the production line in North Queensland for commissioning to permit commercial trial production.

*See Company Prospectus dated 19 January 2005,

For more information, please contact The Company on (08) 8354 1844.