ASX ANNOUNCEMENT
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WIDESPREAD EARLY MARKET ACCEPTANCE OF PAPYRUS PRODUCT RANGE

Technology Innovator Papyrus Australia Ltd (ASX:PPY) has achieved another milestone of its project to take its banana ply technology to commercialisation.

The Company has now obtained market acceptance for its products from a range of Customers, each operating in diverse market spaces.

1. **DaiEi Australasia** are part of the global DaiEi group, with annual sales in excess of 2.5 million tonnes of paper worldwide. DaiEi have selected the Papyrus banana ply material to initially target the high end of the print industry, due to the unique appearance and texture of the product and its capacity to be printed using most common methods. "We are keen to introduce the Papyrus product to our Customers in Australia and overseas. The environmental sustainability of the product is particularly compelling." said DaiEi Australasia Managing Director, Tony Wood. "In addition, there is strong interest in the Papyrus product overseas for specialty wraps, parchment and high value packaging."

2. **Elton Group** are a Victorian based Company, specialising in the supply of timber veneer for furniture, plywood, interior decoration, shop fit-outs, construction and specialty marine applications. The Papyrus banana ply material is unique in the market in terms of appearance, function and the fact that it is derived from a waste product. "We are excited to introduce this product to our Customers here in Australia as well as our partners in Africa, Asia and Europe "said Elton Group Managing Director, Michael Elton. "We are in the process of taking samples to Italy and Germany later in November to assess their interest, which we think will be very strong."

3. **The Company** is also working closely with a major supplier of product to service the carton industry, with a specific focus on specialty cartons for high moisture goods such as airfreight seafood, fruit and vegetables. "The high wet strength and grease resistant properties can be used to greatly enhance the function of these cartons without affecting their ability to be recycled in the normal manner." said Papyrus Managing Director, Ramy Azer. "This Company manufactures an array of products in a number of highly relevant markets and have formally expressed their interest in both the manufacture and sale of the Papyrus product in Australia and New Zealand, in their specific market spaces."

"This is just the beginning" said Papyrus Managing Director Ramy Azer. "The Papyrus banana ply has a wide range of applications and it is excellent to see such strong early interest here in Australia. The market acceptance we have already achieved is highly encouraging and a great indicator for the extent of interest we expect to see from around the world for our product and our technology."

About Papyrus

Papyrus Australia Ltd listed on the Australian Stock Exchange in April 2005 to develop and commercialise proprietary technology that will convert banana trunk fibre waste into banana ply material. This material has some unique properties (fire retardant, water repellent) with natural resilience and a unique texture. The material will complement existing paper manufacture and marketing operations by providing raw material for the development of niche products based on these properties.

The Company has been awarded a Commercial Ready Grant of $1.2M through Ausindustry, to take its technology through to commercial production.

The Company is building a prototype production facility to produce the banana ply material from banana waste. The process is cost effective and environmentally sustainable, with low energy and water requirements. Bananas are grown in over 160 countries, making the raw material a readily available and renewable resource. www.papyrusaustralia.com.au

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