



**ASX ANNOUNCEMENT**  
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## **PAPYRUS SECURES SITE FOR WORLD'S FIRST COMMERCIAL MANUFACTURING FACILITY IN NTH QLD**

Papyrus Australia Ltd (ASX code: PPY) the new green force in the global paper and forest products, has secured a site in Nth QLD for the construction of the world's first commercial manufacturing facility.

Located at the Mt Uncle Plantation near Mareeba on the Atherton Tableland west of Cairns, a purpose built facility will be constructed to house the Papyrus Commercial Manufacturing Line near the Plantation, with banana tree trunks harvested and delivered to the facility.

Mt Uncle will harvest and deliver the raw materials required by the Joint Venture between Papyrus and QFL Pty Ltd.

As part of the joint venture agreement QFL will construct a new building for the factory on a 4 acre block leased from Mt Uncle Plantation. The joint venture will also lease 7 acres of banana plantation for testing and research purposes.

An experienced manufacturing & engineering team led by Papyrus General Manager of Production, Tony Cichonski, will relocate to Mt Uncle over the next few weeks with the existing Papyrus alpha production equipment. After recommissioning, this production line will commence production of banana veneer in an interim facility at Mt Uncle while the new building is constructed. This move will overcome the logistics limitation of transport of banana trunks to Adelaide.

Concurrently, the next field version (Beta 1) of the Papyrus technology is now under construction with Sage Automation in Adelaide. This machinery is expected to be available to be commissioned and delivered to Mt Uncle in N Qld by the end of 2008. Volume production is expected as this second machine comes on line in March 2009. The technology is developing rapidly and Papyrus patents are being extended.

This working facility in North Qld. will help satisfy the strong demand for product and as a working demonstration plant for international joint ventures.

Sage has worked closely with Papyrus for over 2 years and the relationship has now deepened to include joint development and financing of Papyrus technology.

"Mt Uncle is a progressive Company growing excellent quality fruit for markets in Queensland, New South Wales and Victoria." said Papyrus COO, Grant Pigot. "The plantation grows Lady Finger and Cavendish varieties, both of which produce trunks that are readily processed by the Papyrus Technology."

"Papyrus has all the pieces in place required for full scale manufacturing in Nth QLD." said Mr Pigot. "We have access to sufficient raw materials, a site for construction of our First Manufacturing Facility, with the line to be operated by our Joint Venture partner, QFL Photographics. Combined with the support of SAGE Automation, all is ready for volume production to commence in March 2009."

Papyrus is also working with a number of other growers in the region to supply additional raw materials to the facility as output grows during 2009.

"The Mt Uncle Grazing Company is excited to be working with Papyrus on this project." said Director, Bruce Watkins. "We can see benefits to the Banana Industry in general as well as to the environment through carbon emission, water and energy savings. The installation of the Papyrus Technology at Mt Uncle will also have a significant effect on tourism and employment in the region."

"The board is pleased to announce this long-awaited milestone for the Company." said Papyrus Chairman Dr David Wyatt. "It further demonstrates the commitment we are receiving from a number of key stakeholders. We are confident that the Company will begin to generate revenue as we enter this next phase of business development."

### **About Papyrus**

Papyrus Australia Ltd, the new green force in the global paper and forest products industry, listed on the Australian Stock Exchange in April 2005 to develop, commercialise and operate proprietary technology that converts banana tree trunks (an unutilised resource) into timber, board and paper products.

For the first time ever people will be able to enjoy panelled walls, attractive furniture, newsprint, paper wrappers, cardboard boxes, paper and fibreboard that is produced without any damage to the environment.

Critically scarce resources, like forests and water, can be saved.

Papyrus will soon be producing timber products and paper on an environmentally sustainable, ethical and commercially sound basis.

A world wide patent, granted in Australia in 2007, protects the Papyrus Technology and the products that it manufactures.

The Papyrus Technology produces a broad range of timber, board and paper products that are directly substitutable for many products that are currently manufactured using forest based resources.

The process uses little energy, no chemicals and produces water.

Independent research shows that the Papyrus Technology will make a significant saving of greenhouse gas emissions by comparison with conventional manufacturing methods.

The Papyrus Technology offers the world a clean, green and sustainable alternative without consuming finite forest based resources.

Production trials of the first Papyrus manufacturing line (installed in Adelaide) are complete, with the first commercial manufacturing line to be installed at Mt Uncle Plantation in North Queensland in early 2009.

Papyrus plans to take its Technology to all major banana growing regions of the world. A joint venture has been signed for the roll out of production lines in Vietnam and discussions are well advanced for the Papyrus production lines to be rolled out in other regions.

The Company was awarded a Commercial Ready Grant sum of \$1.2M through Ausindustry, to take its technology through to commercial production, with the Grant sum increased to \$1.5M in 2008.

Bananas are grown in over 160 countries, making the raw material a readily available and renewable resource.

[www.papyrusaustralia.com.au](http://www.papyrusaustralia.com.au)

### **About Mt Uncle Grazing Company Pty Ltd**

On the fertile foothills of the infamous Mt. Uncle in the early 1900's, Mt. Uncle Grazing Co. was founded. The Watkins family property has seen many functions starting with cattle grazing and racehorse training, to steadily developing the domestic & international export of Avocadoes, Macadamias and Ladyfinger Banana's.

In addition to fruit cultivation, Mt Uncle Distillery (an award winning tourism destination) produces and sells a large variety of 100% naturally flavoured liqueurs including banana liqueur, coffee liqueur, mulberry liqueur, mango liqueur, limecello and lemoncello.

Mt. Uncle Distillery carries on the pastoral history of the property displaying the original cattle brand of Mt. Uncle Grazing Co., a symbol of quality for generations.

For More Information: [www.mtuncle.com](http://www.mtuncle.com)

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