

MEDIA RELEASE

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Production milestone for new fibre technology

Papyrus Australia, the developer of a technology that utilises fibre from the waste trunk of the banana plant to produce paper and timber products, is now able to produce commercial quantities of fibreboard and veneer products for export from their Walkamin factory in far North Queensland.

After 15 years of research and development, Chairman Ted Byrt announced at yesterday's fifth Annual General Meeting held at Thebarton, SA, that Papyrus has commenced production of banana-based veneer and fibre for export.

The meeting was attended by more than 70 shareholders as well as Papyrus' European agents for Milan, Monaco and Belgium.

"Papyrus Australia has reached a major milestone in its development. We are now in continuous production of fibre and veneer and have identified Europe as our first market for our products. We have signed an export agreement with European veneer company 3W Tout Bois," Byrt said.

"Our aim is to become a technology licensing company, but this requires us to first prove our technology and validate the commercial values of our banana veneer and fibre products in a production environment. This is now being achieved at our Walkamin factory.

"The next stage will be to increase production levels, commission a fibre cutting machine and explore new markets," he said.

The world-first technology takes an otherwise unused waste material to produce high-value paper, cardboard, veneer and fibreboard products. The fibre, branded 'Beleaf', is both water-resistant and fire retardant.

The Papyrus process uses a renewable fibre source that is fully sustainable, does not contribute to the destruction of natural or purpose-planted forests and does not consume any chemicals or water during manufacture.

The process also has significantly lower production costs when compared to traditional tree pulping technologies.

Papyrus Australia Limited, which began trading on the ASX in 2004, was founded in 1994 in response to an increasingly stringent environmental and regulatory situation facing the paper industry.

The Papyrus patent was granted in Australia in 2007 and the technology is patent-protected in 160 countries.

For more information on Papyrus Australia visit www.papyrusaustralia.com.au.

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