



ASX Announcement

4 May 2011

PANEL TEST RESULTS

Papyrus Australia Ltd (ASX: PPY) is pleased to announce it has received its first independent test results for panel (board) samples made entirely from banana tree trunk fibre. The samples were tested against the criteria established by Australia/New Zealand Standard 4266 – Reconstituted Wood-Based Panels.

The purpose of conducting this first round of independent testing was to establish a bench mark from which Papyrus can then adjust its recipe(s) and method to enhance the banana fibre panel product for use in the construction and furniture industries. The testing regime included the panel moisture content, density, elasticity and bend strength, tensile strength (internal bond strength), swelling and resistance to axial withdrawal of screws.

The results of the tests are significant. It confirms the Papyrus method of making panel is on the right track and provides valuable guidance to the Papyrus team developing the product. Colin Wyllie, General Manager Production & Sales commented "The test results are indeed encouraging. I think we have progressed remarkably. I now look forward to developing our panel over the next few weeks to produce a product that is capable of entering the market as an environmentally friendly board suitable for many applications."

The unique feature of the Papyrus method of making banana fibre panel is the bonding process is completely formaldehyde free (unlike wood based panel) and the adhesives used are plant based only. Additionally banana fibre applications have the properties of being water-resistant, fire-resistant, stronger and lighter than most conventional fibre-based products, and they do not transmit moisture, grease or solvents.

The samples were developed from fibre produced from the patented technology in the Papyrus Beta Veneering and Fibre Production Units at its Walkamin Demonstration Factory in Far North Queensland.

ENDS

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