



ASX Announcement

20 October 2011

FUNDS RECEIVED: PAPYRUS EGYPT

Papyrus Australia Ltd (ASX: PPY) is pleased to advise that it has today received in its bank account USD100,000 as the initial non-refundable part deposit from the Egyptian Banana Fibre Company ("EBFC") for machinery to establish the world's first commercial banana fibre production factory in Egypt through the auspice of Papyrus Egypt.

In a release to the market on 26 July 2011 Papyrus Australia advised that it had entered into an Agreement with EBFC to establish a 50/50 joint venture to be controlled by Papyrus Australia Ltd. Papyrus Egypt is obligated to procure proprietary and patented machinery, equipment and know-how from Papyrus Australia to the value of AUD2.0M to enable it to operate the factory and to conduct the business of the joint venture. EBFC is solely responsible to fund the capital and initial operating requirements of Papyrus Egypt through the joint venture.

The balance of the deposit, namely AUD400K is expected to be received by 30 November 2011. The balance of the AUD2.0M payable for the machines will be received by Papyrus Australia in three tranches of AUD500K each, first, on completion of the machines and before their despatch by ship to Egypt, second, on the issue of an installation and commissioning notice by Papyrus Australia, and finally, 60 days after the successful installation and commissioning of these machines in the Papyrus Egypt factory.

ENDS

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