



1 October 2013

ASX Announcement

PLACEMENT OF SHARES

Papyrus Australia Ltd (ASX: PPY, 'Papyrus') is pleased to announce that it has entered into agreements with new and certain existing shareholders to raise \$370,000 by way of a placement of 37,000,000 ordinary fully paid shares in the capital of the Company at a price of \$0.01 per new share.

The placement will be conducted in two tranches. The first tranche will occur immediately upon receipt of cleared funds under the Company's allowance in accordance with ASX Listing Rule 7.1 and will result in the issue of 17,000,000 new ordinary fully paid shares, raising gross proceeds of \$170,000. The remaining shares to be allotted will require shareholder approval and will be put to shareholders at the annual general meeting expected to take place late November 2013.

The placees include Papyrus' Managing Director, Mr Ramy Azer, and Chairman, Mr Edward Byrt, who have each agreed to take a placement of 5,000,000 shares subject to obtaining all necessary shareholder approvals.

In accordance with ASX Listing Rule 3.10.3, the Company provides the following details of the agreed placement of shares:

Class of Securities:	Ordinary fully paid shares
Number of Securities to be issued:	37,000,000 Ordinary fully paid shares
Consideration:	\$370,000 at \$0.01 per share
Principal Terms	The shares will rank paripassu with existing Ordinary fully paid shares on issue.
Purpose of the issue:	The funds raised will be used to fund working capital requirements and, in particular, to assist the company in the establishment of a proposed new joint venture company to commence a new business for the manufacturing of papier mache producers to assist fruit and vegetable growers and sellers, utilising materials made from waste banana fibre.

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Shareholder approval

The Company will seek shareholder approval to the issue of 20,000,000 shares for the purposes of ASX Listing Rule 7.1 and, where required, ASX Listing Rule 10.11. The remaining 17,000,000 shares will be issued without shareholder approval and within the Company's placement capacity pursuant to ASX Listing Rule 7.1.

Issue to class

The issue is not being made to a class of security holders.

ENDS