



## **ASX ANNOUNCEMENT**

**13 DECEMBER 2017**

### **Papyrus Egypt – new staff and production imminent**

Papyrus Australia Ltd (ASX: PPY) (“PPY”/“Company”) is pleased to advise that the Papyrus Egypt project, and the Sohag factory, is in production.

Following the recent announcement to shareholders at the AGM on 29 November 2017 reporting that *“Last week we announced a successful capital raise of 2.3 million Egyptian pounds in EBFC, invested to underpin the financial needs of Papyrus Egypt over the coming months until such time as the operations are cash flow positive. Today I announce that an additional EGP 700k has been raised recently from new and existing shareholders in our JV partner EBFC which brings the total to EGP 3 million to support the next stage of veneer production ramp up and sales”* the Company now advises that under the guidance of our director Ramy Azer, our partner in the Papyrus Egypt project, namely, Egypt Banana Fibre Company (“EBFC”) has recently employed a factory manager, a production manager and an additional 27 labourers bringing the total staff employed at the factory to 36.

The Papyrus Egypt factory is now sufficiently resourced and in production with the first line and one shift per day. We anticipate that the first line and one shift per day will initially have continuous production of a minimum of 200 square metres per shift increasing to the design output of 3,000 square metres per shift over time. The veneer has a market price range of 70-300 EGP per square metre depending on quality. That initial daily level of processing banana tree trunks will also produce around 2-3 tonne of banana fibre valued at around 2,000 EGP per tonne. We anticipate multiple shifts and additional lines to meet demand in the future.

*ENDS*