



ASX ANNOUNCEMENT
18 February 2008

PAPYRUS COMMENCES PRODUCT TESTING PROGRAMME WITH CSIRO

Technology Innovator Papyrus Australia Ltd (ASX code: PPY) has commenced a detailed product testing and evaluation process with peak Paper Testing Authority, CSIRO.

As part of an on-going process to quantify a range of physical properties required by Customers, the Company has engaged the CSIRO Forest Sciences Division, based in Clayton, Victoria to undertake a program of testing of the Papyrus product range.

“CSIRO are the logical authority to test our products.” said Papyrus COO, Mr Grant Pigot. “They possess comprehensive testing facilities and the capacity to evaluate many different aspects of the Papyrus products. Coupled with the industry experience, networks and expertise of their personnel along with the credibility CSIRO commands in our target markets, they are the natural choice.”

The Company has received the first report from CSIRO, detailing results of testing conducted in January 2008. The report states “The tearing strength of 100% banana outer trunk pulp is comparable to that of existing newsprint as is the stretch of the pulp under tension.”

“Results highlight the functionality and appeal of Papyrus products in a range of commodity driven markets, characterised by high volume and increasing difficulties in sourcing traditional raw materials. In addition, the use of recycled feedstock to service these markets presents problems in terms of cost, quality, chemical usage and a significant carbon footprint. The Papyrus products are directly substitutable in these markets and can be utilised competitively with a significantly lower environmental impact.” said Mr. Pigot

The Company is also examining opportunities for additional patents that arise from these results. “The Papyrus Technology is the means by which the banana plant can be transformed into products with appeal to these markets.” said Papyrus CEO, Mr Ramy Azer. “Increasing our patent portfolio builds the overall value of the Company and access to additional incomes in the future.”

The Company plans to continue the test program over the coming months and will provide additional information to the market as it becomes available.

About Papyrus

Papyrus Australia Ltd listed on the Australian Stock Exchange in April 2005 to develop and commercialise proprietary technology that converts banana trunk fibre into banana ply material.

The Company has completed the first Commercial Manufacturing Line to produce a range of products from the banana plant with broad appeal to both paper and timber markets. The Papyrus products possess highly desirable physical properties (low flammability, high wet strength and barrier properties) and complement existing paper manufacture and marketing operations.

Production trials of the first Commercial Manufacturing Line (installed in Adelaide, South Australia), are complete and the Company is now in the final phase of commercialisation, expected to be complete in late 2008.

The Papyrus Technology utilises a cost effective, environmentally sustainable process with low energy usage and no requirement for water during manufacture. A world patent, granted in Australia in 2007, protects the Technology and the unique products that it manufactures.

The Company was awarded a Commercial Ready Grant of \$1.2M through Ausindustry, to take its technology through to commercial production, with the Grant sum increased to \$1.5M in 2008.

Bananas are grown in over 160 countries, making the raw material a readily available and renewable resource.
www.papyrusaustralia.com.au

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