



ASX ANNOUNCEMENT
20th January 2009

Share Placement & Share Purchase Plan

Share Placement

Papyrus Australia Ltd (ASX Code PPY) announced, on the 23rd December 2008, a share placement to clients of Taylor Collison Limited of 1,400,000 ordinary shares at an issue price of 44 cents per share. The placement has been well supported and as a result the Board has agreed to accept additional share applications for 1,286,600 ordinary shares at an issue price of 44cents per share.

Therefore the total funds raised from the placement amounts to \$1,182,104 before expenses.

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

Class of Securities	:	Fully paid ordinary shares.
Number to be Issued	:	1,286,600
Principal Terms of Securities	:	The shares will carry standard rights applicable to quoted ordinary shares in the Company and will, from the date of issue, rank equally with fully paid quoted ordinary shares currently on issue.
Issue Price	:	44 cents per share.
Purpose of Issue	:	Funds raised will be used for engineering design and construction and to deliver on the company's milestones to take its banana ply technology to commercial production and provide ongoing working capital.
Shareholder Approval	:	The Company will not seek shareholder approval prior to the issue of the 1,286,600 placement shares, as approval for this issue is not required by the Listing Rules. The Company intends to subsequently seek approval of this issue at a general meeting pursuant to Listing Rule 7.4 (subsequent approval of issue of securities).
Issue to Class	:	The issue is not being made to a class of security holders.

As the issue will be to sophisticated or professional investors, it will not require disclosure under the Corporations Act.

Share Purchase Plan (SPP)

The company is delighted to further announce a Share Purchase Plan (SPP) which will allow eligible ordinary shareholders to purchase up to A\$5,000 of fully paid ordinary shares at 44 cents per share. Details of the proposed SPP will be mailed to shareholders as soon as practicable. The Record date for the SPP is the 19th January 2009.

In accordance with Listing Rule 3.10.3, the Company provides the following details of the proposed SPP:-

Class of Securities	:	Fully paid ordinary shares.
Number to be Issued	:	Variable depending on the take up of the offer, subject to a maximum of 20,444,737 shares at 44 cents per share or 30% of the company's ordinary fully paid shares on issue in accordance with ASX Listing rules 7.2 exception 15.
Principal Terms of Securities	:	The shares will carry standard rights applicable to quoted ordinary shares in the Company and will, from the date of issue, rank equally with fully paid quoted ordinary shares currently on issue.
Issue Price	:	44 cents per share.
Purpose of Issue	:	Funds raised will be used for engineering design and construction and to deliver on the company's milestones to take its banana ply technology to commercial production and provide ongoing working capital.
Shareholder Approval	:	The Company will not seek shareholder approval prior to the issue of the SPP shares, as approval for this issue is not required by the Listing Rules.
Issue to Class	:	The issue is not being made to a class of security holders.

For further information please contact:

Mr Grant Pigot
Chief Operating Officer
Papyrus Australia Ltd
Ph: 08 8186 2936