

ASX ANNOUNCEMENT

26 OCTOBER 2009

COMPANY UPDATE

MONACO YACHT SHOW

For the first time Papyrus Australia publicly exhibited banana veneer and banana fibre board products under the registered brand name “Beleaf®” at the Monaco Yacht Show from 23 – 26 September 2009. The Monaco Yacht Show is Europe’s leading trade exhibition for furniture, internal fittings, flooring and other architectural products. The products we exhibited were a collection of furniture and decorative veneer products, made by leading Italian and French designers utilizing banana veneer instead of timber veneer, decorative flooring and wall panel banana veneer products made by a leading Belgium factory, and banana fibre board products suitable for use in flooring, wall panels and acoustic ceiling tiles made by Papyrus in Australia. The response from design professionals and the public was outstanding.

Leading Italian designer Romeo Sozzi, from Promemoria www.promemoria.com and French designer Jean Luc Deregnacourt from Almaria www.almaria-art.com designed and made furniture and decorative veneer products which demonstrate the usability, flexibility, beauty and high quality of “Beleaf®”. Leading Belgium flooring and panel manufacturer Piet Delodder from Flexura www.flexura.com designed and built the flooring and wall paneling.

The photos below demonstrate the finished products. The first photo is a piece of furniture designed by Romeo Sozzi, the second photo is a high quality wall mounted speakers made using decorative banana veneer product by Jean Luc Deregnacourt. The third photo demonstrates the visual qualities of flooring made using “Beleaf®” products.





Our banana fibre board product was tested for its fire retardant and water resistant qualities and demonstrated at the exhibition. See the video on the web at www.papyrusaustralia.com.au or www.beleaf.tn.mc which records the fire retardant and water resistant qualities of “Beleaf®” fibre board.

PRINCE ALBERT II OF MONACO FOUNDATION

The Prince Albert II of Monaco Foundation strives to act as an accelerator of projects and solutions for the environment. It promotes sustainable and equitable management of natural resources and places the individual at the centre of its projects. It encourages the implementation of innovative and ethical solutions in three main areas: climate change, biodiversity and water.

Papyrus Australia signed an MOU Agreement with the Prince Albert II of Monaco Foundation in Monaco on 25 September 2009, the intent of which is to promote the use of Papyrus environmentally sustainable technologies and products worldwide, and especially to work to introduce the technologies to countries where there is a significant banana production. The other purposes of this Agreement are to increase public awareness of the forestry ecosystem’s preservation and to explore possible activities concerning the certified emission credits within the framework of the United Nations Framework Convention on Climate Change.

In the presence of H.S.H Prince Albert II of Monaco, the Foundation’s representatives hosted and attended a Conference in the Principality at which our Managing Director Ramy Azer presented the Papyrus technologies to a large gathering of invited guests and the media. Subsequent media coverage in Monaco highlighted the environmentally sustainable nature of the Papyrus process and the unique qualities of the banana veneer and banana fibre board products.

“I decided to set up a Foundation whose purpose is to protect the environment and to encourage sustainable development (...). By definition, this is a common global challenge that requires urgent and concrete action in response to three major environmental issues: climate change, biodiversity and water.”

H.S.H. Prince Albert II of Monaco

3W TOUT BOIS

3W Tout Bois has assembled our first “**Beleaf®**” veneer portfolio. From product provided to 3W Tout Bois over recent weeks we now have a portfolio of “**Beleaf®**” veneer samples graded according to colour and ply and available for customers on the Beleaf™ web site at www.beleaf.tn.mc.

The quality and variety of these “**Beleaf®**” veneer products is evident from this portfolio. 3W Tout Bois has received orders for “Beleaf” veneer. We will now assemble banana veneer at Walkamin for delivery to Europe in the coming weeks to further validate the commercial application and value of banana fibre products. We do not expect to release price information until after the product has been assessed by 3W Tout Bois in the coming weeks.

FUTURE STRATEGIC DIRECTION

Consistent with our strategic plan to be a technology licensing Company this information will assist Papyrus to attract investors who will operate our technology under license worldwide.

For further information, please contact:

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