



ASX ANNOUNCEMENT

6 May 2009

PAPYRUS AUSTRALIA LODGES PATENT FOR NOVEL MECHANICAL BANANA HARVESTER.

Papyrus Australia Ltd (ASX code PPY) today announced the successful development of a new and innovative mechanical banana harvester.

This harvester was developed as part of the logistics to support the Papyrus Banana Veneer Manufacturing process.

As Papyrus continued to work with banana farmers it became clear that there was a need for a machine that could harvest both fruit and the banana trunks required for the Papyrus veneer process.

The Papyrus team, led by Managing Director Ramy Azer, designed and manufactured a series of innovative prototypes working closely with banana farmers.

The latest version has been successfully tested and accepted by the Mt Uncle Plantation owners.

The harvester head is attached to a commercially available articulated loader. This combination allows the operator the flexibility to manoeuvre easily and accurately cut the trunk directly beneath the banana bunch and transfer it to a fruit trailer. A subsequent cut of the remaining trunk provides the resource required by the Papyrus technology for transport on a billet trailer to the conversion facility.

"We have observed the harvesting system to function effectively and at a rate well in excess of the current manual methods employed at the plantation." said Mr Bruce Watkins, Director of Mt Uncle Grazing Company.

A provisional patent has been lodged by Papyrus.

"We already have interest for these harvesters from international partners." said Mr Ramy Azer, Papyrus Australia Managing Director.

"This is a significant development as it creates further valuable intellectual property for the company." said Papyrus Chairman Dr David Wyatt.

"It is a complementary business that supports our core business and provides a further reason for banana plantations to work with Papyrus." he said.

"The Company is currently working on strategies to commercialise this harvester including licensing." said Dr Wyatt.

"The timing is perfect to support our North Qld banana veneer factory as it comes on stream." he said.

Attached is a letter from Mt Uncle Plantation reporting their experience with the harvester.

About Papyrus

Papyrus Australia Ltd, the new green force in the global paper and forest products industry, listed on the Australian Stock Exchange in April 2005 to develop, commercialise and operate proprietary technology that converts banana tree trunks (an unutilised resource) into timber, board and paper products.

For the first time ever people will be able to enjoy panelled walls, attractive furniture, newsprint, paper wrappers, cardboard boxes, paper and fibreboard that is produced without any damage to the environment.

Critically scarce resources, like forests and water, can be saved.

Papyrus will soon be producing timber products and paper on an environmentally sustainable, ethical and commercially sound basis.

A world wide patent, granted in Australia in 2007, protects the Papyrus Technology and the products that it manufactures.

The Papyrus Technology produces a broad range of timber, board and paper products that are directly substitutable for many products that are currently manufactured using forest based resources.

The process uses little energy, no chemicals and produces water.

Independent research shows that the Papyrus Technology will make a significant saving of greenhouse gas emissions by comparison with conventional manufacturing methods.

The Papyrus Technology offers the world a clean, green and sustainable alternative without consuming finite forest based resources.

Production trials of the first Papyrus manufacturing line (installed in Adelaide) are complete, with the first Commercial Manufacturing Facility to be installed at Mt Uncle Plantation in North Queensland in early 2009.

Papyrus plans to take its Technology to all major banana growing regions of the world. Agreements have now been signed for the roll out of production lines in Vietnam and the Caribbean and discussions are well advanced for the Papyrus production lines to be rolled out in other regions.

The Company was awarded a Commercial Ready Grant sum 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

For further information, please contact:

Grant Pigot, Chief Operating Officer, 08 8186 2936 or 0439 839 323.

14 April 2009

Attention: Mr. Ramy Azer
Managing Director
Papyrus Australia Ltd
PO Box 566
Torrensville Plaza
Mile End SA 5031

Re: Papyrus Mechanised Harvesting System

Dear Ramy

Following a series of trials using the proposed Papyrus Mechanised Harvesting System conducted at the Mt Uncle Plantation, we wish to advise the system has been found to be capable of the following:


- Harvesting and transport of Banana tree Trunks (BTT) from the plantation to the Pulp Fiction Manufacturing Facility in a manner that makes no negative contribution to the activities of the plantation.
- Harvesting of fruit bunches in a manner that is compatible with transport infrastructure used to convey fruit bunches from the plantation to the processing shed.

We have observed the harvesting system to function effectively and at a rate well in excess of the current manual methods employed on the plantation.

The harvesting system is compatible with quarantine procedures to be used on the plantation in the future. It is our expectation that the system will be compatible with collection methods used in most other plantations and will provide similar benefits to those we have observed at Mt Uncle.

If there are any questions or concerns with the content of this letter, please contact the undersigned.

Yours Sincerely



Bruce Watkins
Director