



**ASX ANNOUNCEMENT**  
30 April 2009

**APPENDIX 4C AND COMMENTARY**

**March 2009 Quarter: Highlights.**

1. The Company raised \$150,000 from the conversion of unlisted options.
2. On the 24<sup>th</sup> February the Company announced that it had raised \$1,256,000 before expenses from the shareholders purchase plan, through the issue of 2,854,545 shares at 44cents per share.
3. Funds received in January 2009 from the share placement announced in December 2008 amounted to \$1,213,904 before expenses.
4. The Company successfully completed the construction of the first commercial manufacturing line on schedule, with the Beta Veneer Unit (constructed in Adelaide by a number of South Australia based companies including SAGE Automation) ready to transport to the Walkamin manufacturing facility in early March 2009. The Beta Veneer unit is a modular design based on a standard 20 foot container to facilitate ease of transport to sites around the world in the future. All other elements of the manufacturing line were either constructed on site by Papyrus, or in Adelaide and transported to Nth Queensland for final installation.
5. All material handling systems and associated machinery necessary to feed the banana trunks into the production process including tree harvesting and transport, elevator in-feed system, veneer handling and transfer, assembly and pressing, drying oven and waste management have been installed successfully on site with some minor delays.
6. The construction of the building facility and all associated services that will ultimately house the Beta manufacturing line was completed on schedule during the period. The commercial facility construction project is managed and funded by JV partner World Future Fibre Pty Ltd (WFF) as part of their contractual obligations to Papyrus.
7. The Company is continuing with the commissioning of the new facility in North Queensland and will update the market with timely status reports.. The Company is experiencing some delays with the commissioning of the veneering unit. A re-engineered and improved cutting blade for the outer trunks is expected to be delivered within one week.
8. The Company successfully completed the AusIndustry Commercial Ready Grant, commenced in 2005 to take the Papyrus Technology through to commercial production. Grant funds totaled over \$1.5M during the 3 year project.
9. In March 2009, the company appointed Long standing Director, Mr. Donald Stephens, as Executive Director – Finance and Corporate, and Ms Jacqueline Guerin as General Manager – Finance
10. At the end of the quarter the Company's **cash reserves were \$2,002,185** (unaudited).

## **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](http://www.papyrusaustralia.com.au)

For further information, please contact:

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

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

**Papyrus Australia Ltd**

ABN

63 110 868 409

Quarter ended ("current quarter")

31 March 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	18	188
1.2 Payments for		
(a) staff costs	303	935
(b) advertising and marketing	10	105
(c) research and development	0	0
(d) leased assets	19	49
(e) other working capital	516	915
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	59
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other –		
<b>Net operating cash flows</b>	<b>(826)</b>	<b>(1,757)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(826)	(1,757)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	-	-
(e) other non-current assets	487	1,693
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (Gants , creditors)	(426)	(647)
<b>Net investing cash flows</b>	<b>(61)</b>	<b>(1,046)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(887)</b>	<b>(2,803)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	2,619	2,660
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	<b>2,619</b>	<b>2,660</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,732)</b>	<b>(143)</b>
1.21 Cash at beginning of quarter/year to date	270	2,145
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>2,002</b>	<b>2,002</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	170
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to directors consist of payments to non-executive directors (\$35k) and executive directors (75k).  
 Paid to related entities of director's for consulting services (\$30k) on commercial terms

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/a

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/a

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	130	(8)
4.2 Deposits at call	1,810	275
4.3 Bank overdraft	0	0
4.4 Other (Grant Account)	62	3
<b>Total: cash at end of quarter</b> (item 1.23)	<b>2,002</b>	<b>270</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Vince Rigano  
Company secretary

Date: 30 April 2009

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
- 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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