



ASX ANNOUNCEMENT
13 February 2008

PAPYRUS SUCCESSFULLY OBTAINS INCREASE TO AUSINDUSTRY GRANT

Technology Innovator Papyrus Australia Ltd (ASX code: PPY) has successfully applied for an increase in grant funds to the AusIndustry Commercial Ready Grant project, originally approved in 2006.

The Company applied for an increase to grant funding in late 2007, following the success of the design and construction of the first Papyrus Commercial Manufacturing Line installed in Adelaide, South Australia.

"The application arose as a result of greater expenditures undertaken by the Company to complete the Commercial Ready Project early, due to increasing international interest in the Papyrus Technology and products," said Papyrus COO, Mr Grant Pigot. "The project is expected to be completed 5 months earlier than the original planned completion date of December 2008."

"The Grant variation process involved a re-evaluation of the Commercial Ready Grant progress by AusIndustry, with an increase in grant funding requiring approval in line with specific criteria." said Mr Pigot "AusIndustry decided to approve the increase in grant funds from \$1.2M to \$1.53M. An initial \$250,000 of the increased grant was recently paid to the Company." said Mr Pigot.

"Speed to market is the best opportunity for the Company to capitalise on this worldwide interest and provide a return to shareholders. The Company must also maximise the value afforded by our Patent, granted in Australia in early 2007." said Papyrus CEO Mr Ramy Azer.

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 paper and board 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 conclude late in 2008.

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 \$1.53M in early 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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