



**ASX ANNOUNCEMENT**  
**07 March 2008**

**EXERCISE OF LISTED OPTIONS (PPYO) FULLY UNDERWRITTEN**

Technology innovator Papyrus Australia Ltd (ASX code: PPY) has successfully negotiated the underwriting of the listed options (ASX Code: PPYO) that are due to expire on 31 March 2008

"The underwriting by the Company's sharebrokers, Taylor Collison Limited, ensures that the company will receive the full value of the listed options outstanding," said Papyrus Chairman, Dr David Wyatt. "This arrangement ensures that approximately \$1.67 million is added to cash reserves."

"Production trials in Adelaide are progressing positively with the speed of the production line now approaching targeted commercial operating rates" said Papyrus CEO Mr Ramy Azer.

"The Company is increasingly confident that it will begin commercial shipments in the near future and that the first sales revenue can be earned early in the next financial year." he said.

"The impact of current cash reserves, additional grant funding, additional funds from the fully underwritten options conversion and revenue from product sales, combine to ensure that Papyrus should have a solid trading and cash position going forward with no debt exposure." said Dr Wyatt.

"The Company is about to make a significant transition in business development with ramped up production capacity of products eagerly awaited by our marketing partners." he said.

**The Directors provide a final reminder to holders of 31 March 2008 options exercisable at 20 cents that these options will expire on 31 March 2008.**

PPY options will cease quotation at the close of trading on Thursday, 20 March 2008. If payment for the exercise of these options is not received by 5.00pm 31 March 2008 the options will lapse and all rights under the options will cease at that time. Dispatch of holding statements for the new shares will take place on 16 April 2008.

Courses of action available to option holders include:

- **Exercise your options** – by no later than 5:00pm CST, 31 March 2008.
- **Sell your options** – quotation of the options will cease at the close of trading on 20 March 2008.
- **Do nothing** – if you do not take any action to exercise your options prior to 31 March 2008, the options will expire and your rights to purchase shares at 20 cents will lapse.

Based on recent trading data for both PPY shares and PPY options, these options are currently valuable as further illustrated by the underwriting agreement with Taylor Collison. Whilst the Company encourages option holders to convert PPY options to full PPY shares, there is no obligation upon option holders to exercise their options. Option holders who wish to exercise options should complete the 'Option Expiry Notice' form sent on the 19<sup>th</sup> February 2008 and forward it together with a cheque for our receipt no later than 31 March 2008 to:

Computershare Investor Services Pty Ltd  
GPO Box 1903  
Adelaide S.A. 5001  
Telephone 1300 556 161  
Facsimile + 61 8 8236 2305

Computershare Investor Services Pty Ltd  
Level 5  
115 Grenfell Street  
Adelaide S.A. 5000

Cheques should be made payable to "Papyrus Australia Limited" in Australian dollars only and crossed "Not Negotiable".

If you require a copy of the 'Option Expiry Notice' form please contact the Company Secretary on 08 8223 5133 or 0419 235 133

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

For further information, please contact:

Vince Rigano, Company Secretary, 08 8223 5133 or 0419 235 133 or  
Grant Pigot, Chief Operating Officer, 08 8186 2936 or 0439 839 323