



ASX ANNOUNCEMENT
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ADDITIONAL DESIGN REVIEW COMPLETE – POPYRUS COMMERCIAL MANUFACTURING LINE

Technology Innovator Papyrus Australia Ltd (ASX:PPY) has achieved another milestone of its project to take its banana ply technology to commercial production.

The Company has now completed an additional external review of all designs and specifications that will be utilised to construct the first Papyrus Commercial Manufacturing Line.

All specifications and drawings have been evaluated by Glenn Jobling Consulting, who have been directly involved with the Company from the commencement of the project.

The Company is currently selecting a suitable company to commence the construction phase of the project due to commence in January 2007. "The successful company will liaise directly with Sage Automation and Papyrus during this important, final phase of the project" said Papyrus CEO, Ramy Azer.

The first commercial manufacturing line is expected to be delivered on schedule in March 2007, with commissioning and trials to occur in Adelaide throughout April.

SAGE Automation (SA) Pty Ltd are a South Australian based company with significant experience in delivering complex design and construct projects to the defence, automotive, whitegoods, food and beverage industries. Founded in 1994, SAGE Automation has grown to a turnover in excess of \$38M, with Offices in Adelaide and Melbourne.

"We are very pleased to be in the final stage of our construction of the first commercial manufacturing line" said Papyrus CEO Ramy Azer. "We are on track to complete our project"

About Papyrus

Papyrus Australia Ltd listed on the Australian Stock Exchange in April 2005 to develop and commercialise proprietary technology that will convert banana trunk fibre into banana ply material. This material has some unique properties (fire retardant, water repellent) with natural resilience and a unique texture. The material will complement existing paper manufacture and marketing operations by providing raw material for the development of products based on these properties.

The Company has been awarded a Commercial Ready Grant of \$1.2M through Ausindustry, to take its technology through to commercial production.

The Company has completed a working prototype production facility to produce the banana ply material from the unutilised banana trunks. The process is cost effective and environmentally sustainable, with low energy and water requirements. 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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