



ASX ANNOUNCEMENT

22 FEBRUARY 2018

Recent Developments in Egypt

Our MD Ramy Azer who has been in Egypt now for several months, has confirmed that the new JV factory in Sohag has reached 95% completion, and the finance to complete the site works and factory establishment is in place.

This will allow Papyrus Egypt to obtain the required operational licence and transfer of land title to it from the local Government in Sohag which is underway.

Trials of pre-production fibre have been successfully tested by several Egyptian paper and also panel board manufacturers, which we anticipate will lead to initial orders of approximately 20 thousand tonnes of dry pre-production banana fibre per annum.

The current 35 staff are now fully trained and proficient, the production is functioning as planned and the factory is now buying 30 tonnes of raw BTT material every day.

A new tranche of 12 staff is being sought and will be trained to improve the veneer drying and trimming process, to enable sufficient capacity to fill the orders required to meet sales demand from provisional orders, subject to meeting daily supply targets. The factory anticipates achieving this milestone in mid 2018.

The Company also reports that additional finance has been raised in Egypt to construct an adjacent moulded banana fibre fruit tray factory, and orders for the new machinery required have been placed in China with delivery expected in Sohag by mid 2018.

Edward Byrt. Chairman.

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