

ASX Release

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The Manager
Company's Announcement Office
ASX Limited

New production facility – Novarise signs contact to acquire land

Novarise Renewable Resources International Ltd (ASK: NOE) (**Novarise**) is pleased to announce that it has entered into an agreement to acquire land for its new production facility in Fujian Province, China.

Fujian Sanhong Renewable Resources Technology Co., Ltd. (a wholly-owned subsidiary of Novarise) has entered into a land use right contract with the Matou Town Land Bureau in Nan'an City, Fujian Province, China in relation to the grant of a land use right of 200,630.031 square metres located in Nan'an Ferry Light Industry Base in Nan'an City, Fujian Province, China for a purchase price of RMB30,090,000.

The location of Novarise's new production facility is 40 kilometres away from its current production facility in Quanzhou City, Fujian Province, China.

The tenure for the land use right is 50 years, expiring on 6 May 2060.

The Company will pay an additional RMB15,049,500 for earth works to prepare the site for construction.

Construction of the new production facility will commence on or around 10 June 2010, with the production workshop and warehouse anticipated to be completed in February 2011 and the office, research and development centre, staff accommodation facilities and canteen anticipated to be completed in May 2011.

The new production facility will focus on the production of fibre-grade recycled polypropylene (PP) pellets, and will be designed to have a production capacity of 75,000 tonnes per annum. Production at the new facility is expected to be operational in April 2011.

Construction of the new production facility will be initially financed by funds raised under the Company's recent initial public offering.

About Novarise

Based in Quanzhou City, Fujian Province, China, the Group is a leading integrated manufacturer of recycled PP fibre-based products.

Novarise uses proprietary patent-pending technology to process 18 different types of PP waste materials, such as CD cases, agricultural twine, safety nets, fishing nets, PP yarn and straps, into fibre-grade PP pellets. The recycled PP pellets are then used to produce PP filament yarn, PP consumer webbing products and agricultural twine. Its PP yarn, straps and consumer webbing products are used to produce bags for global brands including Dell, IBM, Samsonite, Columbia, Nintendo, Disney, Apple, Fila, Umbro and Sony.

Novarise utilises up to 100 per cent of recycled PP waste materials to produce PP filament yarn and other products. The cost of processing PP waste materials into recycled fibre-grade PP pellets is estimated to be 20% lower than the cost of using virgin (non-recycled) PP pellets.

Novarise's recyclable PP fibre-based products also reduces the amount of PP waste materials to be disposed of in landfills, or requiring incineration.

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