

NEWS RELEASE

4 February 2010

CHINESE GREEN MANUFACTURER LODGES IPO PROSPECTUS TO RAISE UP TO A\$32 MILLION FROM ASX LISTING

One of China's leading green manufacturers has announced plans to raise between A\$25 million to A\$32 million, from an Initial Public Offer ("IPO") on the Australian Securities Exchange.

Novarise Renewable Resources International Ltd ("Novarise", together with its subsidiaries, the "Group") has today lodged its prospectus with the Australian Securities and Investments Commission. The Group is a leading integrated manufacturer of recycled polypropylene ("PP") fibre-based products.

Novarise plans to raise A\$32 million through the issue of 128 million new shares at 25 cents per share ("Offer"), with the Offer set to open on 12 February 2010. Assuming full subscription of 427 million shares, Novarise will be valued at A\$106.75 million.

The majority of funds raised will be applied to the expansion of the Group's production facilities, located in Fujian Province, China.

The Offer is due to close on 26 February 2010 and Novarise plans to list on the ASX on 18 March 2010.

Daiwa Capital Markets Singapore Limited is the Financial Adviser and Lead Placement Agent for the IPO.

The Group recycles PP waste materials, such as used CD cases, agricultural twine, safety nets, fishing nets, PP yarn and straps, to manufacture a range of PP fibre-based products including pellets, filament yarn, 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.

The Group is China's largest PP filament yarn producer by capacity in 2008*. In 2008, the Group had an annual capacity of 23.7 thousand tonnes for PP filament yarn, which accounted for 10.3% of the total PP filament yarn capacity in China*.

Novarise's Chairman and Managing Director, Mr Qingyue Su, said Novarise believes it is the only company in China currently recycling PP waste materials to produce fibre-grade recycled PP pellets, and the Company is committed to being a recycler and a "green" producer.

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.

Mr Su said Novarise's decision to undertake an IPO in Australia is an important part of its corporate strategy.

* Source: Frost & Sullivan's industry report dated 21 January 2010

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD ACN 138 537 596

Australian Office: c/o Level 10, 25 Grenfell Street, Adelaide SA 5000

Chinese Office: No 2-16A Qingmeng Park, Quanzhou Economy & Technology Development Zone, Quanzhou, Fujian Province, The People's Republic of China

www.novarise.com.au

“Australia is an important region for Novarise, both as a source of PP waste materials and as a market to sell our ‘green’ products,” Mr Su said.

“Our proposed listing in Australia will serve to strengthen the Group’s international profile and advance our growth strategy. Novarise also offers Australian investors a great opportunity to invest directly in a profitable Chinese green enterprise,” he said.

Mr Su said capital raised from the IPO will be used to strengthen the Group’s market leading position by increasing its production capacity through the expansion and upgrade of its existing production facilities and the establishment of a new production plant.

“In addition, we plan to invest in research and development to further develop our advanced technology to recycle PP waste materials and to create new PP fibre-based products, particularly for agricultural, industrial and construction applications,” Mr Su said.

“We also plan to develop our raw materials supply network internationally, and have already established an operating entity in Australia, to source PP waste materials and to market our new fully recyclable green shopping bags locally,” he said.

Novarise has appointed an Australian ‘clean technology’ industry veteran Mr John O’Brien as a Non-Executive Director.

Mr O’Brien is the founder and managing director of Australian CleanTech and sits on the board of a number of unlisted clean technology companies. He is also a member of the South Australian Premier’s Climate Change Council, the Australian Water Association and the Responsible Investment Association of Australasia.

Green technology

The production of PP filament yarn traditionally requires virgin PP pellets, which are mostly derived from crude oil. This means that any escalation in the price of crude oil, generally increases the price of virgin PP pellets.

“However, the Group utilises up to 100 per cent of recycled PP waste materials to produce PP filament yarn and other products, thus making us a recycler, and ‘green’ producer of fibre-grade recycled PP pellets,” Mr Su said.

“We believe our reliance on recyclable PP waste materials provides us with a stable and cheaper supply of raw materials, and gives us a sustainable cost advantage over our competitors, who rely on virgin PP pellets.”

“Our products are comparable to similar products made from virgin PP pellets, in terms of their technical specifications, quality and performance,” he said.

The Group’s recyclable PP fibre-based products reduces the amount of PP waste materials to be disposed of in landfills, or requiring incineration.

“We’re a green technology company with a proven track record of profitability and strong growth prospects,” Mr Su said.

Green beneficiary

The Group’s PP fibre-based products have recently received the China Environmental Labeling Product Certificate from the Ministry of Environment Protection of the PRC, certifying its compliance with the

technical requirements for environmental labeling. Products with this certification are recognised in China for being environmentally-friendly and for promoting the development of a green economy.

“A number of governments internationally, including China, have introduced laws and initiatives to discourage the use of plastic bags, and promote recycling of plastic products,” said Mr Su.

“These initiatives, combined with growing consumer awareness and preference for using recyclable plastic products, means the Group is well positioned to capitalise on expected growth in demand for recyclable PP fibre-based products both in China and globally.”

Mr Su said with the Group’s technology and product offering, it is well placed to benefit from the increased demand for PP fibre-based products.

Financials

For the financial year ended 31 December 2009, the Group has forecast a 53% increase in revenue to A\$60.756 million (2008: A\$39.796 million). The Group’s FY2009 net profit after tax (“NPAT”) is expected to increase by 93% to A\$12.112 million (2008: A\$6.286 million).

For FY2010, the Group has forecast a 22% growth in revenue to A\$73.863 million, compared to A\$60.756 million forecast for FY2009. The Group’s FY2010 NPAT is expected to increase 14% to A\$13.845 million.

About Novarise

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

To obtain a prospectus

The prospectus is available to Australian investors in electronic form at www.novarise.com.au.

A copy of the prospectus may also be obtained by calling + 61 8 8233 5424.

MEDIA CONTACTS:

Michelle O’Leary

Senior Consultant, The Phillips Group Pty Ltd

Telephone number: + 61 7 3230 5000 Mobile number: + 61 0403 819 554

John O'Brien

Non-Executive Director, Novarise Renewable Resources International Ltd

Telephone number: + 61 4 1982 6372

Fai-Peng Chen

Non-Executive Director, Novarise Renewable Resources International Ltd

Telephone number: + 61 8 8233 5424