

ASX Release

15 September 2011

The Manager
Companies Announcement Office
ASX Limited

Market Update: International Marketing Office and Nan'an Facility

International Marketing Office

Novarise has, through its wholly owned China subsidiary Quanzhou Sanhong Chemical Fiber Co., Ltd (Q- Sanhong), incorporated Fujian Sungreen Eco-Friendly Technology Co., Ltd (S-Green). S-Green is wholly owned subsidiary of Q- Sanhong. S-Green is the dedicated marketing arm of Novarise to develop and market finished PP products both in China and internationally.

S-Green's office is located in the international port city of Xiamen, Fujian and about 60km from Quanzhou. S-Green currently has 30 employees, 10 of whom are involved in product development. S-Green's sales and marketing team is made up of experienced staff for domestic and international markets. S-Green has currently about 40 marketable products of various bags, slippers, apparels under its proprietary brands which include 'S-Green' and 'G-World'.

S-Green is expected to generate sales from within China and internationally this calendar year. Novarise looks to grow its international sales in finished PP products through S-Green and believes that this will improve its overall profit margins.

S-Green is looking at expanding its sales in Australia and into Southeast Asia this year and is actively seeking partnering and alliance opportunities.

S-Green completes the value chain proposition of Novarise by marketing finished recycled PP products; raising consumer awareness on recycling of PP finished products and generating sales and recovery of post-consumer PP feedstock for Novarise.

NOVARISE RENEWABLE RESOURCES INTERNATIONAL LTD

Update on Nan'an Facility

The Company is pleased to advise that production facility under Phase 1 of new Nan'an facility is nearing completion and installation of production facilities is due to be completed in October. The staff accommodation block and administration block will be completed subsequently. Delay in completing the accommodation and administration block will not delay initial trial production which the Company expects to take place in October.

Production at the existing Quanzhou facility will continue until the Nan'an production facility is operating smoothly. This relocation move is expected to take place in 2012 over a staggered period. The relocation process will be designed to have the minimum possible disruption on the business and production of the Company. The Company will retain the use and operation of the existing Quanzhou facility and is considering various options including using it as value-adding centre to manufacture finished PP products or as a warehouse for PP feedstock.

When completed, the Nan'an facility will be the largest fully integrated yarn-grade PP recycling facility in the world with the annual production capacity of 75,000 tonnes

Xiamen International Office



Products on display at S-Green in Xiamen Office

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Progress of Nan'an



Phase 1 of production block nearing completion during Australian directors' site visit on 5 September.



Production and engineering equipments on site

About Novarise

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

Novarise uses proprietary patent-pending technology to process 33 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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