



ASX ANNOUNCEMENT**14 August 2017**

Energy technology company, LWP Technologies Limited (ASX: LWP) (“LWP” “the Company”) wishes to provide an update in relation to the R&D rebate claims lodged with the Australian Taxation Office and the ongoing funding of the Company.

R&D Tax Rebate Claims

The Company lodged three separate R&D rebate claims with the ATO, being:

Entity	Year of claim	Potential Rebate Amount
LWP	30 June 2015	\$857,061
Ecopropp Pty Ltd	30 June 2014	\$522,848
Ecopropp Pty Ltd	30 June 2015	\$308,129

LWP

The Company has been advised by its tax advisors, BDO, that the ATO have rejected the Company’s claim for the financial year ended June 2015. The Company has 60 days from the date of rejection to object to the ATO position. The Company is currently considering the merits of this course of action.

Ecopropp

The Company has been advised by its tax advisors that the ATO have proposed to amend Ecopropp’s claim in relation to the 2014 year resulting in a potential rebate of \$69,992 and the potential rebate in relation to the 2015 year of \$59,134.

The ATO have further noted that the payments may be subject to shortfall penalties and interest levied by the ATO. A date of 31 August 2017 has been agreed between the Company and the ATO for the finalisation of these matters.

Ongoing Funding

In addition to the R&D rebate claims, the Company currently has approximately \$480,000 in cash and a share portfolio with a value of approximately \$560,000. The Company is currently working to liquidate this portfolio, although it is noted that a large proportion of the remaining portfolio is held in illiquid securities.

Based on the financial resources available, the Company is undertaking a full internal review of current expenditure requirements and has begun a cost rationalisation program expected to be implemented at the conclusion of that review.

The Company is also undertaking a review of the proppant technology and the possible paths to commercialisation and funding requirements for each of those paths.

Given the significant uncertainty surrounding the outcomes of these reviews, the Board of LWP have requested the ASX suspend trading in its securities until such time as these reviews are complete and reported to shareholders. The Board anticipates being able to update shareholders on the outcome of the review in the next 1 to 2 months.

For and on behalf of
LWP Technologies Limited

Daniel Lanskey
Chairman

– ENDS –

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About LWP Technologies

LWP Technologies Limited (LWP) is an Australian oil and gas technology company focused on commercialising next generation, fly-ash based, proppants for use in hydraulic fracturing of oil and gas wells globally. LWP is seeking to commercialise its proppants as a cost effective, superior alternative to bauxite and clay based ceramic proppants, typically used in hydraulic fracturing operations currently. The Company commenced proppant production from its pilot scale proppant manufacturing plant in Queensland, Australia, in Q3, 2015. LWP is seeking joint venture partners and/or licensees to commercialise its proppant product, and deliver significant returns to shareholders.

About Proppants

Proppants are a sand-like commodity used to 'prop' open fractures in shale rocks which allows oil and gas to flow. Proppants are often the single largest cost item in the fracking process and represent a multi-billion dollar global market annually. Traditional ceramic proppants are made from clay and/or bauxite. LWP Technologies ceramic proppants are majority manufactured from fly-ash, a by-product of coal fired power plants. The Company is of the view that its unique proppant product has the potential to lead the industry due to:

- the widespread abundant availability of fly-ash, often near to oil and gas shale resources;
- the ultra-light weight of LWP fly-ash proppants; and
- the ability of LWP proppants to withstand the very high pressures and heat of deep wells.

LWP proppants have been certified by Independent Experts to meet or exceed both the American Petroleum Institute standards and the ISO standards.