LWP Technologies Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	LWP Technologies Limited
ABN:	80 112 379 503
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

				$
Revenues from ordinary activities	No change	-	to	-
Loss from ordinary activities after tax attributable to the owners of LWP Technologies Limited	Down	91%	to	658,454
Loss for the half-year attributable to the owners of LWP Technologies Limited	Down	91%	to	658,454

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $658,454 (31 December 2016: $7,614,627).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.003	0.05

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Details of associates and joint venture entities

. Not applicable.

8. Foreign entities

Not applicable.

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9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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10. Attachments

Details of attachments (if any):

The Interim Report of LWP Technologies Limited for the half-year ended 31 December 2017 is attached.

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11. Signed

Signed

Date: 28 February 2018

LWP Technologies Limited

ABN 80 112 379 503

Interim Financial Report
Half-Year Ended 31 December 2017

CONTENTS

DIRECTORS' REPORT

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of LWP Technologies Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Daniel Lanskey	Chairman and Non Executive Director (appointed 24 July 2017)
David Henson	Executive Director, CEO, Americas
Declan McCaffrey	Non Executive Director
Andrew Sparke	Non Executive Director (appointed 20 December 2017)
Siegfried Konig	CEO/Executive Director (resigned 24 July 2017)

Operating loss

The loss for the consolidated entity after providing for income tax amounted to $658,454 (2016 HY Loss: $7,614,627).

Review of operations

The Company holds patents in various jurisdictions in relation to the manufacture of ceramic proppants manufactured primarily from flyash and clay. A pilot plant located at Clontarf in Queensland is currently in care and maintenance and a separate laboratory facility is located in Nuremberg, Germany.

During the period the Company continued to review new business opportunities that may compliment the current intellectual property.

Significant changes in state of affairs

Board changes

On 24 July 2017, the Company announced the resignation, effective immediately, of Executive Chairman Mr Siegfried Konig as a director of the Company. The Company also announced the appointment of experienced oil and gas executive and public company director, Mr Daniel (Dan) Lanskey as a non-executive director and Chairman. The Consultancy and Variation agreements between Mr Konig and the Company was subsequently terminated on 2 November 2017 where a full and final payment of $37,000 (ex GST) was made to Mr Konig in settlement. The Company and Mr Konig further agreed to indemnify each other such that neither party will take legal action against the other.

On 20 December 2017, the Company announced the appointment of experienced finance and equity markets executive and public company director, Mr. Andrew Sparke as a Non-Executive Director of the Company. Mr. Sparke is a Director at Lanstead Investors Pty Ltd, a UK based investment fund and Lanstead Capital LP is the largest shareholder of the Company.

Independent Corporate Governance and Legal Reviews completed

On 17 October 2017, the Company announced that the Board had resolved to appoint the law firm Dentons to conduct an independent legal review of aspects of the business and investment activities of the Company. This review is to include an examination of the Hallmark agreements and other investment activity by the Company. The purpose is to confirm compliance with the Corporations Act, ASX Listing Rules or other statutory obligations by the company in its dealings with any Director or any party associated with or related to the Company.

The Independent Corporate Governance Review conducted by DMAW Lawyers, and the Independent Legal Review by Dentons were completed in December 2017. Both reviews highlighted apparent departures from generally accepted process and procedures with regards to related party transactions, share issue procedures, share trading and timing of board engagement in decision making and scheduling of board meetings, based on the information available. Both reports have been forwarded to the ASX.

ATO R&D Tax Incentive

On 20th February 2017, the Company announced that LWP has met with ATO representatives regarding the monies owed to LWP under the R&D tax offset grant, and the ATO representatives have visited LWP's Pilot Plant in Queensland. LWP has since provided additional information to the ATO and discussions are continuing. R&D offset tax experts BDO, have been retained to assist LWP.

As advised to the market in August 2017, the ATO has rejected the Company's claim for 2015 year and imposed a shortfall interest liability amount of $52,080 which has been provided for in the accounts. The ATO has also reduced the proposed amounts for the Ecopropp 2014 and 2015 claims to zero. The Company has lodged formal objections to the rulings by the ATO and held a facilitation meeting with the ATO on 12 December 2017.

DIRECTORS' REPORT (continued)

No other significant change in the nature of these activities occurred during the half-year.

Matters subsequent to the end of the financial half-year

On 28 February 2018, the Company executed a Heads of Agreement with the ATO. Under the agreement, LWP will receive a settlement amount of $252,000 under the R&D tax offset grant for Ecopropp Pty Ltd for the 2014 and 2015 financial years. A separate claim for LWP Technologies for part of financial year 2015 is still awaiting determination.

The Company now plans to lodge an R&D claim for the Financial Year ended 30 June 2016 and 30 June 2017.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this directors' report.

Signed in accordance with a resolution of the Board of Directors.

Dan Lanskey
Chairman and Non Executive Director

28 February 2018

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DECLARATION OF INDEPENDENCE BY C R JENKINS TO DIRECTORS OF LWP TECHNOLOGIES LIMITED

As lead auditor of LWP Technologies Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of LWP Technologies Limited and the entities it controlled during the period.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 28 February 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated HY Dec 2017 $	Consolidated HY Dec 2016 $
Revenue			
Interest revenue	3	**15,569**	3,727
Other income	3	**95,964**	1,659
Total revenue	3	**111,533**	5,386
Loss on revaluation of financial assets	5	**(97,123)**	(4,623,499)
Director and consultant costs		**(271,363)**	(445,527)
Depreciation and amortisation expense		**-**	(49,716)
Legal expenses		**(109,223)**	(61,468)
Expenses relating to the advancement of proppant technology	4	**(157,700)**	(1,115,374)
Marketing and travel expenses		**(21,292)**	(239,226)
Administration expenses		**(112,024)**	(341,454)
Impairment of investment in associates	6	**-**	(668,724)
Impairment of receivables		**-**	(75,025)
Finance costs	4	**(1,262)**	-
Loss before income tax expense		**(658,454)**	(7,614,627)
Income tax expense		**-**	-
Loss after income tax expense for the half-year attributable to the owners of LWP Technologies Limited		**(658,454)**	(7,614,627)
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive income for the half-year attributable to the owners of LWP Technologies Limited		**(658,454)**	(7,614,627)
Earnings per share (cents per share)	15		
Basic loss per share for the half-year attributable to ordinary equity holders of the parent		**(0.01)**	(0.14)
Diluted loss per share for the half-year attributable to ordinary equity holders of the parent		**(0.01)**	(0.14)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	Consolidated Dec 2017 $	Consolidated Jun 2017 $
Assets			
Current Assets			
Cash and cash equivalents	7	**182,474**	666,377
Trade and other receivables	8	**41,288**	35,261
Financial assets at fair value through profit or loss	9	**50,000**	373,150
Other assets	10	**27,033**	20,479
Total Current Assets		**300,795**	1,095,267
Non-Current Assets			
Plant and equipment		**-**	4,000
Equity accounted investees	11	**-**	-
Total Non-Current Assets		**-**	4,000
Total Assets		**300,795**	1,099,267
Liabilities			
Current Liabilities			
Trade and other payables	12	**103,818**	235,138
Provisions	13	**43,382**	52,081
Total Current Liabilities		**147,201**	287,219
Total Liabilities		**-**	287,219
Net Assets		**153,594**	812,048
Equity			
Equity attributable to members of the parent entity:			
Contributed Equity	14	**465,158**	465,158
Reserves	16	**-**	346,890
Accumulated Losses		**(311,564)**	-
Total Equity		**153,594**	812,048

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Consolidated	Notes	Contributed Equity $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016		2,1831,039	346,890	(17,492,081)	4,685,848
Comprehensive income					
Loss for the half-year		-	-	(7,614,627)	(7,614,627)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half-year		-	-	(7,614,627)	(7,614,627)
Transactions with owners In their capacity as owners:					
Issued shares		6,515,686	-	-	6,515,686
Share issue costs		(529,493)	-	-	(529,493)
Total transactions with owners in their capacity as owners		5,986,193	-	-	5,986,193
Balance at 31 December 2016		27,817,232	346,890	(25,106,708)	3,057,414
Balance at 1 July 2017		**465,158**	**346,890**	**-**	**812,048**
Comprehensive income					
Loss for the half-year		**-**	-	**(658,454)**	**(658,454)**
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the half-year		**-**	-	**(658,454)**	**(658,454)**
Transactions with owners in their capacity as owners:					
Transfer of reserve following expiry of options		**-**	**(346,890)**	**346,890**	-
Total restated transactions with owners in their capacity as owners		**-**	**(346,890)**	**346,890**	-
Balance at 31 December 2017		**465,158**	-	**(311,564)**	**153,594**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated HY Dec 2017 $	HY Dec 2016 $
Cash flows from operating activities			
Payments to suppliers and employees		**(788,124)**	(2,108,520)
Other receipts		**9,887**	-
Interest received		**15,569**	3,727
Interest paid		**(1,262)**	-
Net cash used in operating activities		**(763,930)**	(2,104,793)
Cash flows from investing activities			
Proceeds from disposal of plant & equipment		**4,000**	-
Payments for purchase of plant & equipment		**-**	(3,474)
Payments for purchase of financial asset		**-**	(50,000)
Proceeds from disposal of financial assets		**276,027**	500,000
Funds deposited / advanced to other parties		**-**	(225,025)
Equity accounted investments in Graphenera		**-**	(668,724)
Repayment from related party deposit		**-**	400,000
Net cash movement in cash held in portfolio		**-**	(25,630)
Net cash used in investing activities		**280,027**	(72,853)
Cash flows from financing activities			
Issuance of shares		-	1,009,037
Share issue costs		-	(33,993)
Proceeds from prior year unpaid shares		-	901,000
Proceeds from Lanstead sharing arrangement		-	71,875
Net cash provided by financing activities		**-**	1,947,919
Net change in cash and cash equivalents		**(483,903)**	(229,727)
Cash and cash equivalents at beginning of half-year		**666,377**	1,846,712
Cash and cash equivalents at end of half-year	7	**182,474**	1,616,985

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Contents on Notes to the Financial Statements

1 Corporate information

The financial statements cover LWP Technologies Limited as a consolidated entity consisting of LWP Technologies Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the functional and presentation currency of LWP Technologies Limited.

LWP Technologies Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 54, 111 Eagle Street, BRISBANE, QLD, AUSTRALIA, 4000

The financial statements were authorised for issue, in accordance with a resolution of directors on 28 February 2018.

2 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(b) Significant Uncertainty over Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a net loss after tax of $658,454 (31 December 2016: $7,614,627) and net operating cash outflows of $763,930 (31 December 2016: $2,104,793). As at 31 December 2017 the Group has cash of $182,474 (30 June 2017: $666,377).

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- the ability of the Group to meet its cashflow forecasts;
- the ability of the Group to raise capital as and when necessary; and
- the ability of the Group to sell its intellectual property

These conditions give rise to material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- proven ability of the Group to raise capital as and when necessary;
- ability to apply discretion in the Group’s spending;
- ability of the Group to finalise and recover on its R&D claims; and
- ongoing progress on development of the Group’s intellectual property which could yield financial returns when successfully exploited.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

2 Summary of significant accounting policies (continued)

(c) Segment Reporting

Identification of reportable operating segments

The consolidated entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The consolidated entity does not yet have any products or services from which it derives an income.

Accordingly, the Chief Operating Decision Maker (CODM - identified as the Board of Directors) currently identifies the consolidated entity as having only one reportable segment, developing and commercialising a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. The financial results from this segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segment during the half-year.

3 Revenue

	Consolidated	
	HY Dec 2017	**HY Dec 2016**
	$	**$**
Interest income	**15,569**	3,727
Other Income		
Omnet loan distribution	**9,887**	-
Gain on renegotiation of VVV Technologies Ltd settlement	**36,077**	-
Reversal of impairment of investment	**50,000**	-
Dividend income	**-**	1,659
Total other income	**95,964**	1,659
Total income	**111,533**	5,386

4 Expenses

	Consolidated	
	HY Dec 2017	**HY Dec 2016**
	$	**$**
Loss before income tax includes the following expenses:		
Finance costs		
- Interest expense	**1,262**	-
Total finance costs	**1,262**	-
Expenses relating to the advancement of proppant technology		
- Pilot plant	**65,933**	144,877
- Hallmark Joint Venture	**91,767**	970,497
Total expenses relating to the advancement of proppant technology	**157,700**	1,115,374

The Hallmark Joint Venture ceased in October 2017 when both Hallmark Minerals Pvt Ltd and the Company agreed that certain JV requirements had not been carried out by 30 June 2017 and released each other from further obligations.

Other significant expenses		
- Occupancy costs	**3,605**	23,744
- Insurance	**20,479**	28,424
Total other significant expenses	**24,084**	52,168

5 Loss on revaluation of financial assets

	Consolidated	
	HY Dec 2017	**HY Dec 2016**
	$	**$**
Loss on revaluation of ASX listed shares	**97,123**	88,626
Loss on revaluation of receivable from Lanstead Sharing Agreement	**-**	4,534,873
Total loss on revaluation of financial assets	**97,123**	4,623,499

6 Impairment of investment in associates

	Consolidated	
	HY Dec 2017 $	HY Dec 2016 $
Impairment of investment in associates	-	668,724
Total Impairment of investment in associates	-	668,724

During the half-year to 31 December 2016, the Company took steps to terminate the agreement held with VVV Technologies to undertake the Graphenera project. The Graphenera project involved a 50% interest in Graphenera Pty Ltd and Graphenera IP Pty Ltd to develop Graphene technology. As a result of this termination, a full impairment has been recognised on the investment in associates.

As disclosed in Note 11, after equity accounting the loss in Graphenera Pty Ltd and Graphenera IP Pty Ltd as at 30 June 2016, the directors impaired the remaining asset in full for the 2017 financial year.

7 Current assets - Cash and cash equivalents

	Consolidated	
	Dec 2017 $	Jun 2017 $
Cash at bank and on hand	**182,474**	666,377
Total cash at bank and on hand	**182,474**	666,377

8 Current assets - Trade and other receivables

	Consolidated	
	Dec 2017 $	Jun 2017 $
GST and other receivables (net of provision for doubtful debts)	**41,288**	35,261
Total trade and other receivables	**41,288**	35,261

9 Current assets – Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are all held for trading and include the following:

	Consolidated	
	Dec 2017 $	Jun 2017 $
Financial assets at fair value through profit or loss	**50,000**	373,150
Balance at 1 July 2017	**373,150**	1,442,384
Payments for financial assets	**-**	145,000
Proceeds from sale of financial assets	**(276,027)**	(1,062,874)
Reversal of fair value impairment	**50,000**	-
Fair value loss/impairment expense during the half-year	**(97,123)**	(151,360)
Total financial assets at fair value through profit or loss	**50,000**	373,150

All ASX listed shares are Level 1 financial assets.

10 Current assets – Other assets

	Consolidated	
	Dec 2017	**Jun 2017**
	$	**$**
Prepayments	**27,033**	20,479
Total other assets	**27,033**	20,479

11 Non-current assets – Equity accounted investees

	Consolidated	
	Dec 2017	**Jun 2017**
	$	**$**
Graphenera Pty Ltd		
Contribution of share capital to Graphenera Pty Ltd	**-**	718,897
Share of loss of equity-accounted investee and impairment	**-**	(718,897)
Total equity accounted investees	**-**	-

Graphenera Pty Ltd

LWP Technologies entered in to an agreement to invest $1.6 million over time and subject to various milestones, to progress an Graphene-Aluminium-Air battery on the 14th June 2016 through a 50% investment in Graphenera Pty Ltd and Graphenera IP Pty Ltd with the other party being VVV Technologies. During the year ended 30 June 2016, LWP spent $221,000 on cash and $150,000 in share based payments on the technology and issued 30 million LWP shares to VVV Technologies.

During the 2017 financial year, LWP had spent a further $718,897 on the development of the technology in July and August 2016 prior to issuing a breach notice on 25th August 2016. After several attempts to have these breaches remedied without success, LWP terminated the agreements on 30th September 2016.

On 27 January 2017, LWP commenced legal proceedings in the Queensland Supreme Court against VVV Technologies Pty Ltd (VVV) in relation to LWP's investment in Graphenera. LWP sought compensation for breach of the Shareholders Agreement as well as cancellation of the 30 million shares issued by LWP to VVV and its 50% stake in Graphenera.

After equity accounting the loss in Graphenera Pty Ltd and Graphenera IP Pty Ltd as at 30 June 2016, the directors impaired the remaining asset in the 2017 financial year.

On 21 July 2017, the Court dismissed the matter and awarded costs against LWP. On 2 November 2017 LWP received a Costs Statement in the sum of $134,678 and an accrual for this amount was made in the accounts at 30 June 2017.

On 30 November 2017 the matter was settled with a full and final payment of $95,000 and a gain on re-negotiation of $36,077 (net of GST) was recognised as Other Income in the Statement of Profit or loss and Other Comprehensive Income for the half-year to 31 December 2017.

12 Current liabilities – Trade and other payables

	Consolidated	
	Dec 2017	**Jun 2017**
	$	**$**
Trade payables	**88,968**	39,645
Other payables and accrued expenses	**14,850**	195,493
Total trade and other payables	**103,818**	235,138

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current and the carrying values are considered to be a reasonable approximation of fair value.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the consolidated entity and comprise items such as employee taxes, employee on costs, GST and other recurring items.

13 Current and non current liabilities – Provisions

	Consolidated Dec 2017 $	Jun 2017 $
Current liabilities		
Provisions	**43,382**	52,081
Total provisions	**43,382**	52,081

Provision for Settlement of Tax Dispute
During the previous financial year, the consolidated entity announced that LWP has met with ATO representatives regarding the monies owed to LWP under the R&D tax offset grant in respect of the 2015 financial year. ATO representatives have visited LWP's Pilot Plant in Queensland. LWP has since provided additional information to the ATO. R&D offset tax experts BDO, have been retained to assist LWP. Further information requested by the ATO was forwarded to them regarding LWP's claims.

The ATO initially rejected the R&D tax offset claimed in the 2015 income tax return and imposed shortfall interest charge of $52,080. The ATO has also reduced the proposed amounts for the Ecopropp 2014 and 2015 claims to zero.

During the half-year to 31 December 2017 the ATO offset GST refunds due from the August 2017 and September 2017 Business Activity Statements (BAS) against the shortfall interest charge. The ATO also imposed a general interest charge of $1,262 resulting in a provision amount of $43,382 at 31 December 2017.

The Company lodged formal objections to the rulings by the ATO and held a facilitation meeting with the ATO on 12 December 2017.

Subsequent to the end of the reporting period, the ATO have agreed to a settlement amount of $252,000 for the Company's claim under the R&D tax offset grant for 2015 year. These funds will be received following the Company signing a settlement deed with the ATO.

14 Contributed equity

	Consolidated Dec 2017 $	Jun 2017 $
(a) Share capital		
5,929,872,725 ordinary shares (30 June 2017: 5,929,872,725)	**465,158**	465,158
Total share capital	**465,158**	465,158

(b) Movements in ordinary share capital	**Number of shares**	**Price per share**	**$**
Ordinary shares			
Balance at 1 July 2017	**5,929,872,725**	-	**465,158**
Balance at 31 December 2017	**5,929,872,725**	-	**465,158**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back

There are no externally imposed capital requirements.

15 Earnings per share

		Consolidated HY Dec 2017 $	Consolidated HY Dec 2016 $
a.	**Basic Loss per share**		
i.	Basic Loss per share (cents per share)	**(0.01)**	(0.14)
ii.	Net loss used to calculate basic loss per share	**(658,454)**	(7,614,627)
iii.	Weighted average number of ordinary shares outstanding during the half-year used in calculating basic loss per share	**5,929,872,725**	5,471,440,084
b.	**Diluted loss per share**		
	The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.	**(0.01)**	(0.14)

16 Events after the balance sheet date

On 28 February 2018, the Company executed a Heads of Agreement with the ATO. Under the agreement, LWP will receive a settlement amount of $252,000 under the R&D tax offset grant for Ecopropp Pty Ltd for the 2014 and 2015 financial years. A separate claim for LWP Technologies for part of financial year 2015 is still awaiting determination.

The Company now plans to lodge an R&D claim for the Financial Year ended 30 June 2016 and 30 June 2017.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 16 are in accordance with the Corporations Act 2001:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements; and give a true and fair view of the financial position as at 31 December 2017 and of the performance for the half-year ended on that date of the company and consolidated group; and

    b. giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: ____

Dan Lanskey
Chairman and Non Executive Director

28 February 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of LWP Technologies Limited

Report on the Half-Year Financial Report

Qualified Conclusion

We have reviewed the half-year financial report of LWP Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

a) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Qualified Conclusion

LWP Technologies Limited's 50% investment in Graphenera Pty Ltd and Graphenera IP Pty Ltd (Graphenera), investments in associates acquired during the year ended 30 June 2016 and accounted for by the equity method, are carried at a nil value on the statement of financial position as at 31 December 2017 (30 June 2017: Nil). LWP Technologies Limited's share of Graphenera's net loss and impairment to 31 December 2017 was nil (31 December 2016: $668,724) is included in LWP Technologies Limited's statement of profit or loss and other comprehensive income for the half year then ended.

Notwithstanding the 50% investments in Graphenera are carried at a nil value, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of LWP Technologies Limited's investments in Graphenera as at 30 June 2017, 30 June 2016 and 31 December 2016, or LWP Technologies Limited's share of Graphenera's net loss and impairment for the half year ended 31 December 2016 and for the years ended 30 June 2017 and 30 June 2016. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Our audit report and review conclusion for the years ended 30 June 2016, 30 June 2017 and half year ended 31 December 2016 were modified accordingly. Our review conclusion for 31 December 2017 half year financial report is also modified because of the possible effect of this matter on the comparability of the current half year's figures and the corresponding figures.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 2(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

BDO

C R Jenkins
Director

Brisbane, 28 February 2018