

Companies Announcements Office  
Australian Stock Exchange

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### Corporate Update

**SciDev Ltd (ASX: SDV) ('SciDev' or 'the Company')** remains on track for a solid December 2018 quarter with steady sales in Australia and the US. However, due to a re-structuring that involves the divestment by Lion Dairy & Drinks (Lion) of its dairy manufacturing business, the Company has been advised by Lion that it is standardising its chemical sourcing requirements across its 20+ sites in Australia under one supplier. Consequently, the Company will no longer be a supplier of chemicals to Lion from early 2019. Historically, Lion has been the Company's largest customer by revenue, however, its share of Company sales has been in decline due to increased sales into other sectors, particularly mining.

The cessation of sales to Lion from early 2019 is expected to affect cashflows next year, therefore, management is undertaking a comprehensive review of the Company's cost structure in order to mitigate the commercial impact of the reduction in sales in the short term. However, it also represents an opportunity for existing SciDev personnel and resources to focus on key commercial growth areas; including the following:

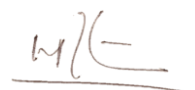
**Iluka Resources Limited (Iluka):** The OptiFlox® System, which is the subject of a multi-month commercial trial agreement, has been installed and is operating at an Iluka mineral sands project in Australia. The associated chemical trial is scheduled to take place in early 2019. Success in the trials may result in a long-term contract for the permanent installation of an OptiFlox® System at the site, as well as the potential for ongoing chemical sales.

**Coking Coal Producer, Bowen Basin:** The OptiFlox® System previously deployed to a major coking coal project in the Bowen Basin, Queensland, has been commissioned. This system will be trialled over a six-month period on a Phoenix Processing Equipment Co. (Phoenix) belt press filter in the coal handling preparation plant to increase productivity. The trial will also aim to optimise the client's consumables, reduce operational engagement and provide insights into process data. A successful trial could lead to the potential for a long-term installation contract on the multiple belt press filters at the site and potential chemical sales agreements.

**US Sales:** SciDev continues to receive ongoing orders from a Peabody Energy coal mine in the United States. SciDev will also continue to pursue additional sales opportunities in North America with the support of its MOU partner, Phoenix.

The prospective annual sales represented by the three revenue opportunities described above would collectively represent a multiple of the historical sales to Lion during the most recent financial year.

**Yours Sincerely**  
**SciDev Ltd**



**Heath Roberts**  
Company Secretary