



## UPDATE ON GRAPHENERA AND VVV TECHNOLOGIES

ASX ANNOUNCEMENT

21 November 2016

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Energy technology company **LWP Technologies Limited (ASX: LWP)** (“LWP” “the Company”) provides this update to shareholders on its progress to recover costs and cancel LWP shares issued as part of the GraphenEra Pty Ltd (GraphenEra) transaction, as reported on 14 June 2016.

As shareholders are aware, on 30 September 2016 LWP cancelled its involvement in the GraphenEra project and terminated the agreements that it held with VVV Technologies Pty Ltd (VVV), a company associated with Mr. Viktor Volkov, and VVV Technical Services Pty Ltd (VVTs) and its employees.

The cancellation was due entirely to Breaches of the GraphenEra Shareholder Agreement by VVV and its Directors. The specific reasons for the cancellation are outlined in LWP’s statement to the ASX on 30 September 2016.

LWP’s legal representatives wrote to VVV and its Directors, seeking the following undertakings by 16 November 2016:

- Full repayment of AUD\$774,000, based on the minimum amount of damages suffered by LWP which includes funds invested by LWP into GraphenEra;
- The Cancellation of 30 million LWP shares issued as part of the GraphenEra transaction;
- VVV Technologies agreeing to cancel of all its shares in GraphenEra;
- VVV agreeing not to deal in LWP shares or GraphenEra shares; and
- To not procure parties other than GraphenEra or LWP to exploit the technology as set out in the Shareholders Agreement.

LWP’s legal representatives have not received a satisfactory correspondence from VVV Technologies and/or its Directors or legal representatives and will now take the necessary legal action to fully and adequately protect its interests without further notice.

LWP is confident of its legal position, however under the terms of the Shareholders Agreement, LWP is obliged to first seek independent arbitration before commencing legal action, and LWP has commenced that process, with the intention of moving to 100% ownership of GraphenEra and the patent applications, and to cancel the 30 million LWP shares that are held by VVV.

– 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.