PILOT PLANT COMMSSIONING UPDATE

ASX ANNOUNCEMENT **27 August 2015**

LWP Technologies Limited (ASX: LWP) (LWP, the Company) would like to provide the following update on progress of commissioning of its pilot-scale proppant manufacturing plant in Queensland.

Commissioning of the pilot plant, in the Brisbane suburb of Clontarf, is a three stage process. As previously advised (ASX announcement, 27 July 2015), Stage 1, commissioning of the Fine Grinding Mill, has been completed with outstanding results. The mill has successfully processed raw materials from circa 6mm to 45 microns in size.

Stage 2 involved the production of 'green' proppants and this has also been successfully completed, with each batch produced delivering a progressively more refined granulation. After initial inspection of the green proppants at our onsite laboratory, LWP is delighted with the outcome achieved by its teams at the Clontarf pilot plant, specifically; the green proppants produced show improved sphericity compared to proppants LWP previously produced during the R&D phase of our technology development. This is a critical parameter in generating greater flow/conductivity in a propped fracture.

Stage 3 of commissioning is underway and remains ongoing. This is the final stage and involves the commissioning of a three-step manufacturing process; drying at around 200°C, sintering up to 1,250°C and finally cooling the proppants before sieving and bagging. LWP is pleased to announce that this final stage has been commissioned successfully during a "dry run" without feedstock with all three steps reaching the required temperatures as designed. However, during the commissioning of the sintering kiln when temperatures successfully reached up to 1250°C, the LWP technical team determined that the refractory lining of the Sintering Kiln requires a re-line due to an installation error by the Kiln manufacturer. The next step is to allow the Kiln to cool after which the re-line work will commence on the 28th of August and it is expected to take 3 weeks to complete the re-line and re-heating of the Sintering Kiln. Once the Sintering Kiln is re-heated, LWP expects to commence the final stage of manufacturing proppants at the pilot plant by the end of September. Upon completion of the sintering and sieving steps LWP will then send the fly-ash based proppants manufactured from the pilot plant to Expert Laboratories in the USA for independent certification which is expected to take up to four weeks.

LWP would like to highlight that the recent JV with Hallmark in India was finalised because of the due diligence completed by Hallmark on LWP's fly-ash proppant proprietary process and pilot plant plan/design. The decision by Hallmark demonstrates a knowing confidence in the outcomes of LWP's pilot plant which is based on their extensive experience in manufacturing ceramic proppants.

It is important to note that the rotary kiln is a standard piece of equipment in proppant manufacturing plants worldwide with known sintering capabilities. The critical element is the proprietary process in creating the LWP fly-ash based proppant. LWP is excited that the pilot plant has exceeded expectations in reproducing 'green' fly-ash proppants in a scaled up pilot plant based on the materials and proprietary processes used in our Laboratory during the R&D phase of our technology development.

LWP will continue to provide updates on the Sintering Kiln re-line.

LWP Chairman Siegfried Konig said:

"Although I am disappointed with the 3 week delay for the refractory re-line of the Sintering Kiln, we have achieved rapid progress since entering into the agreement to purchase 100% of Ecopropp Pty Ltd in May last year and commencement of construction of the pilot plant in December 2014. With our first JV signed with Hallmark in India, we continue to have ongoing discussions with parties from the US and recently new interest from China. We are poised to take our disruptive proppant technology to global markets, and provide a unique, cost effective alternative for oil and gas services companies globally."

ENDS

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About LWP Technologies

LWP Technologies Limited is an Australian oil and gas technology company focused on developing a next generation, fly-ash based, proppants for use in hydraulic fracturing (fracking) of oil and gas wells globally. Proppants are the single largest cost item in the fracking process and represent a multi-billion dollar global market annually. Proppants are a sand-like commodity used to 'prop' open fractures in shale rocks which allows oil and gas to flow. LWP Technologies is seeking to commercialise its proppants as a cost effective, superior alternative to bauxite and clay based ceramic proppants, typically used in fracking operations currently. The Company is in the final stages of commissioning its pilot scale proppant manufacturing plant in Queesnland, Australia, and plans to commence production in Q3, 2015. LWP then plans to seek joint venture partners and/or licensing agreements to commercialise its proppant product, and deliver significant returns to shareholders.

About Proppants

Proppants are a sand-like commodity which are a major input and cost item in the hydraulic fracturing (fracking) of oil and gas wells. Proppants are pumped into an oil and gas well under pressure to 'prop' open the tiny fractures created in hydrocarbon-bearing shale rocks during fracking, to allow oil and gas to flow from the ground fractures.

Traditional ceramic proppants are made from clay and/or bauxite. LWP Technologies ceramic proppant is majority manufactured from fly-ash, a by-product of coal fired power stations. The Company is of the view that its unique proppant product has the potential to lead the industry due to;

- the widespread availability of fly-ash;
- the fly-ash proppants' ultra-light weight; and
- its ability to withstand very high pressures in deep wells.

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