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ASX ANNOUNCEMENT **11 April 2016**

POSITIVE TEST RESULTS DELIVER SUPERIOR QUALITY PROPPANT FROM LWP'S BRISBANE PILOT PLANT

- **Fly-ash testing work at Brisbane pilot plant ongoing with positive results achieved**
- **R&D team testing local Queensland fly-ash to optimise proppant mix achieves minimum 6,000 Psi proppant**
- **6,000 Psi proppant significantly higher in compressive strength than most mined frac sand proppants - positive results achieved up to 9,000 Psi proppant**
- **Financial modelling indicates LWP's fly-ash based proppants to be cost effective**
- **Results further validate LWP's fly-ash based proppants commercialisation strategy**
- **LWP well funded with strong cash balance and budgeted works program**

Oil & Gas technology company, LWP Technologies Limited (ASX: LWP) ("LWP" or "the Company"), is pleased to report very positive results from the ongoing fly-ash test work being undertaken at the Company's Brisbane-based pilot plant.

LWP's Research & Development (R&D) team has been testing Queensland-sourced fly-ash at the pilot plant with laboratory results showing very positive results which further validate LWP's path to commercialising cost effective, fly-ash based proppants for use in oil & gas hydraulic fracturing.

To date, LWP has been primarily focused on competing in the ceramic proppants market, however, the ability to deliver a superior product and compete on price with imported mined frac sand gives LWP access to a large portion of the proppants market not previously envisaged.

The focus is on developing proppants using minimal bauxite to compete in Australian markets where mined frac sand is often imported. The high transport and logistics costs of importing frac sand to Australia from the United States provides an excellent opportunity for an LWP licensee to manufacture and sell a far superior product at a similar price point to mined frac sand.

Further, the more that proppants are handled during the transportation and handling process, the more proppants degrade, which may result in the proppants received at the unconventional oil and gas well bearing little resemblance to the proppants that left the mine gate, and may contain more than the 10% fines specified as the maximum allowable in the API and ISO standards.

Potential end users have shown keen interest in being able to obtain pristine, spherical proppants that conform to the API and ISO standards, provided they are available at a price point that was competitive with mined frac sand.

The primary objectives for LWP's R&D team has been to:

1. Formulate a financial model to evaluate whether LWP proppants are able to be manufactured at a price point to compete with imported mined sand proppants.

   The financial model indicates that proppants made from Australian fly-ash are able to be locally produced for less than the transportation and handling costs of importing frac sand proppants mined in the USA. The profit margin should be attractive to a potential licensee.

2. Optimise the proppant mix design to minimise bauxite required (a high cost input item) to achieve a minimum 6,000 Psi proppant, as 6,000 Psi is significantly higher in compressive strength than most mined frac sand proppants delivered to Australian unconventional oil and gas wells.

   The in-house test results outlined below confirm that this objective has been not only achieved, but exceeded.

3. Determine the maximum compressive strength ceramic proppants achievable using Australian flyash with 10% bauxite or less in the mix design. The R&D team is confident that given further time for optimisation, the proppants produced in the pilot plant will achieve even higher compressive strength proppants.

   That the Company's technology can be adjusted/modified to take advantage of proppant markets where the primary proppant costs are for transportation and handling, using the same flyash resource bodes well for the Company's prospects.

   The highly encouraging test results to date using Queensland fly-ash are below:

Pounds per square inch (psi)	**6,000**	**7,500**	**8,000**	**9,000**
Pre Testing [grams]	30	30	30	30
After Testing [grams]	**28,9**	**28,2**	**27,7**	**26,7**
Fines Produced [grams]	1,1	1,8	2,3	3,3
% fines	**3,7**	**6,0**	**7,7**	**11,0**

LWP's Chairman Siegfried Konig said: "Test work at the Brisbane pilot plant is ongoing and delivering very positive outcomes. The fact that the pilot plant can produce a proppant of compressive strength of above 6,000 Psi is clear and further validation of our technology. We are confident of improving these results as test work continues."

"The unconventional oil & gas industry is aggressively assessing technology that delivers lower finding and development costs for hydraulic fractured horizontal and vertical wells. While the US remains the biggest market, interested parties from a number of countries are assessing our fly-ash based proppants. We continue to negotiate with a range of parties and are encouraged by the growing interest which are at various stages of negotiation."

"With test work ongoing and LWP pursuing commercial discussions, the Company is well funded to continue to deliver on its objectives. We look forward to updating shareholders on other developments in the near term."

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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 (fracking) 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 fracking 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 licensing agreements 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 (API) and the ISO standards.