



Appendix 4C

ASX ANNOUNCEMENT

29 July 2016

LWP Technologies Limited (LWP) had cash outflows from Operations of \$833,000 for the June Quarter 2016 and holds a current cash balance of \$1.83 million at the end of the June Quarter. It should be noted that a further \$865,000 in cash was received in early July pertaining to the late June capital raise.

The company is well placed with not only current cash resources, but with further cash inflows from the investment from Lanstead Capital LP (subject to Shareholder approval), the monies received in early July from the capital raise in late June and the expectation of receipt of payments from the ATO in the September Quarter

Late in the June Quarter the company invested an additional \$700,000 in equity investments. It is worth noting that the equity portfolio realised an 45.57% return to 30 June 2016 on initial funds invested early in the first half of 2016.

An investment of \$221,000 was also made in commencing our investment into the Graphenera battery technology.

Other impacts on the Cash Flow in the June Quarter were:

- The company had an adverse movement on Foreign Currency of \$108,000, with the majority of funds now repatriated to AUD this will not re-occur.
- Expenditure on marketing and R&D were reduced significantly in the quarter.
- Legal fees continued to be high with \$106,000 for the quarter. These fees are expected to be significantly reduced in the coming quarter.
- Laboratory equipment purchases were \$217,000 for the quarter.

It is expected that operational cash flows will be lower in the September Quarter because staff and Directors have chosen to receive all or part of their salaries or fees in shares in lieu of cash.

Overall expenditure in the September Quarter is expected to be similar to the June Quarter however as LWP honour their cash commitments to the Pune joint venture and Graphenera.

- 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 (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 plans to seek joint venture partners and/or licensing agreements to commercialise its proppant product, and deliver significant returns to shareholders.

LWP has also acquired a 50% share in Al-Graphene Synthesis technology, with the first application targeting Al- Graphene batteries for the electrical vehicle and home storage markets.

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.

About Graphene Synthesis and Aluminium-Graphene-Oxygen Battery Technology

Graphene is a monolayer of sp² bonded carbon atoms in a honeycomb lattice which, since its discovery in 2004, has seen a surge in research over the last decade due to its high current density, ballistic transport, chemical inertness, high thermal conductivity, optical transmittance and super hydrophobicity at nanoscale. Graphene is considered to become the building block for the next industrial revolution creating bendable phones, tiny self-powered oil and gas sensors, synthetic blood and superclass battery technology. LWP's Joint Venture, GraphenEra, has the technology rights to both the chemical synthesis/manufacturing process of quality graphene on a cost effective commercial scale and to build a proprietary designed aluminium graphene oxygen battery proto-type that will have vastly superior features compared to current Lithium based batteries, as the first steps in commercialising the suite of novel patent applications in this revolutionary technology field.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

LWP Technologies Limited

ABN

80 112 379 503

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Jun 2016 Quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	(321)	(1,274)
(b) advertising and marketing	(108)	(631)
(c) research and development	(218)	(1,794)
(d) leased assets	-	-
(e) other working capital	(186)	(885)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		22
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		(93)
Net operating cash flows	(833)	(4,655)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	(833)	(4,655)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments	(921)	(1,856)
(c) intellectual property		
(d) physical non-current assets	(217)	(460)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		(550)
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		(91)
	(1138)	(2,957)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1971)	(7,612)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	992	6,735
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (Capital Raising Costs)		(341)
	992	6,394
Net financing cash flows		
Net increase (decrease) in cash held	(979)	(1,218)
1.21 Cash at beginning of quarter/year to date	2,917	3,130
1.22 Exchange rate adjustments	(108)	(82)
1.23 Cash at end of quarter	1,830	1,830

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	228
1.25	Aggregate amount of loans to the parties included in item 1.11	0
1.26	Explanation necessary for an understanding of the transactions	
	The amount in 1.24 includes director fees and fees for executive services, company secretarial fees and service fees paid to directors or entities associated with directors.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

+ See chapter 19 for defined terms.

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Quarterly report for entities
admitted on the basis of commitments

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,750	2,837
4.2 Deposits at call	80	80
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	1,830	2,917

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 29TH July 2016

Print name: Sean Corbin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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