



SHAREHOLDER UPDATE

ASX ANNOUNCEMENT

24 April 2017

Energy technology company LWP Technologies Limited (ASX: LWP) ("LWP" "the Company") is pleased to provide this operational and corporate update to shareholders.

Operational progress

Second patent lodged: LWP is pleased to confirm that it has lodged a second patent with the United States Patent and Trademark Office (USPTO) to protect the new technology developed around the Company's low cost fly ash-based proppants. The patent relates to protection of both the proppant material and the methods of manufacture. Further details will be provided when the patent is granted.

While LWP continues to invest in the protection of its proprietary technology and discussions with potential licensees and manufacturing partners in the United States is continuing, some negotiations to date have become protracted. Interest in the Company's low cost proppant technology remains strong, however, securing the quantum of investment required to establish a Greenfields US manufacturing facility requires significant due diligence and modelling by interested third parties, and the timing of any possible agreement cannot be determined by LWP at this time.

Pune manufacturing facility update: As announced to shareholders on 20 February 2017, to allow the conceptual engineering design for the Pune manufacturing upgrade to be finalised, the board engaged third party, independent experts, Porocel Corporation, to estimate the anticipated throughput capacity of the primary sintering kiln at the facility.

The report has now been received. The original capacity of the plant when making bauxite proppants was 10,000-12,000 tons per annum, and LWP was hopeful that by implementing its manufacturing processes for fly-ash proppants, the upgrade could increase capacity to 20,000 tons per annum. However, the independent experts concluded that 15,000 tons per annum should be used. This report now facilitates the completion of the conceptual engineering design for the Pune plant upgrade, another important step in the plant's future commissioning.

Corporate progress

As shareholders are aware, LWP holds investments in a number of listed securities and one unlisted unit trust. The sell down of these holdings is progressing, and the majority of holdings are expected to be sold within the next 45 days. Given the Company's immediate focus on markets outside of Australia, and the fact that meetings have been scheduled with an interested party in the United States early next month, LWP does not intend to attend the APPEA conference in Perth in mid-May.

Management Commentary

LWP Chairman Siegfried Konig commented: "We continue to make progress in the United States and India, and the stabilising of oil & gas markets over recent months underpins our confidence in the future of our core technology. We have worked diligently to streamline our cost base and operational focus, and funds from the ongoing and measured sell down of our equity investments provide LWP with the financial flexibility to advance our operations. We will keep shareholders informed of the Company's progress."

– 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.