



## Pilot Plant Update

ASX ANNOUNCEMENT

27 April 2016

LWP Technologies Limited (LWP) is pleased to provide an update to Shareholders regarding the progress at the Pilot Plant, the submission to Moreton Bay Council, and the dispute with our neighbour at Robson Street, Clontarf.

### PILOT PLANT

Progress at the Pilot Plant has seen LWP Technologies develop two types of ceramic Proppants. The second an intermediate strength and high conductivity ceramic proppant to compete with imported, mined frac sand on price and improved well yield and has now been sent for external expert testing.

As scale-up trials have now been successfully completed, LWP Technologies intends in the near future to place the Pilot Plant on care and maintenance until such time as further trials need to be undertaken. This will result in considerable cost savings for LWP.

Any future operations at the Pilot Plant will be for the demonstration of LWP's technology to potential licensees in an operational plant and to carry out testing of new mix designs for prospective licensee's/JV partners where testing in an operational plant is deemed necessary.

### PLANNING APPROVAL

As previously announced to ASX on 16 March 2016, LWP received a letter from Moreton Bay Council dated 8 February 2016, asking LWP to provide a submission within 14 days on why LWP had not sought planning approval for its pilot plant.

LWP had advised Council and its legal advisors by way of written submission and subsequent meetings that is LWP's and our expert advisor's view that LWP's pilot plant is operating as a Medium Density business in a General Industrial area within Moreton Bay Council. Under Moreton Bay by-laws, Medium Density businesses are self-assessable and therefore LWP was not required to apply for planning approval. This position was submitted to Council and LWP has received no response to date, and plant operations continue as normal.

Both the Environmental Protection and Health Authority and Workplace Health & Safety also visited and inspected LWP's pilot plant in response to complaints they received regarding the operation of LWP's plant. LWP has since received clearances from both of these organisations.

LWP remains firmly of the view that its pilot plant operates within the law and is environmentally sound.

### NEIGHBOUR

As announced to ASX on 22 February, the neighbour sought an injunction in the Supreme Court seeking to halt LWP from operating its plant. The Supreme Court refused the neighbour's application, and we are still awaiting the Courts decision on costs in relationship to the injunction.

LWP Technologies Limited, Suite 29 Level 54 111 Eagle Street Brisbane Qld 4000

ABN 80 112 379 503 | T +61 (0)7 3122 2233 | F +61 (0)7 3012 6699 | E admin@Lwptech.com | W www.Lwptech.com

The neighbour has also lodged a claim for damages in the Supreme Court. LWP brought a security for costs application to ensure that if that matter did go to trial, the neighbour will have the capacity to meet LWP's legal costs, if the court finds in LWP's favour.

This application was set down to be heard on 22<sup>nd</sup> April, however our neighbour did not have a barrister present and therefore the Court felt it would be procedurally unfair to proceed and adjourned the hearing until the 11<sup>th</sup> May 2016. The costs of the hearing on 22<sup>nd</sup> April were found in LWP's favour and the neighbour has been given 14 days to pay LWP its costs.

- ENDS -

Siegfried Konig  
Chairman  
LWP Technologies Limited  
Ph.: 0411 111 193  
E: [sb.konig@lwptech.com](mailto:sb.konig@lwptech.com)

**For Media & investors please contact:** Ben Jarvis, Six Degrees Investor Relations +61 (0) 413 150 448

#### **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 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) standards and the ISO standards.