LWP and Hallmark finalise Indian joint venture arrangements

- **Represents another step in LWP's commercialisation of its ceramic proppants**
- **Indian government offering significant incentives for oil and gas investment**
- **LWP and Hallmark Founder to exploit new opportunities in India and Indian Ocean Rim**
- **LWP remains fully committed to its ceramic proppants operations while also investing in the GraphenEra battery technology business**

ASX ANNOUNCEMENT **11 July 2016**

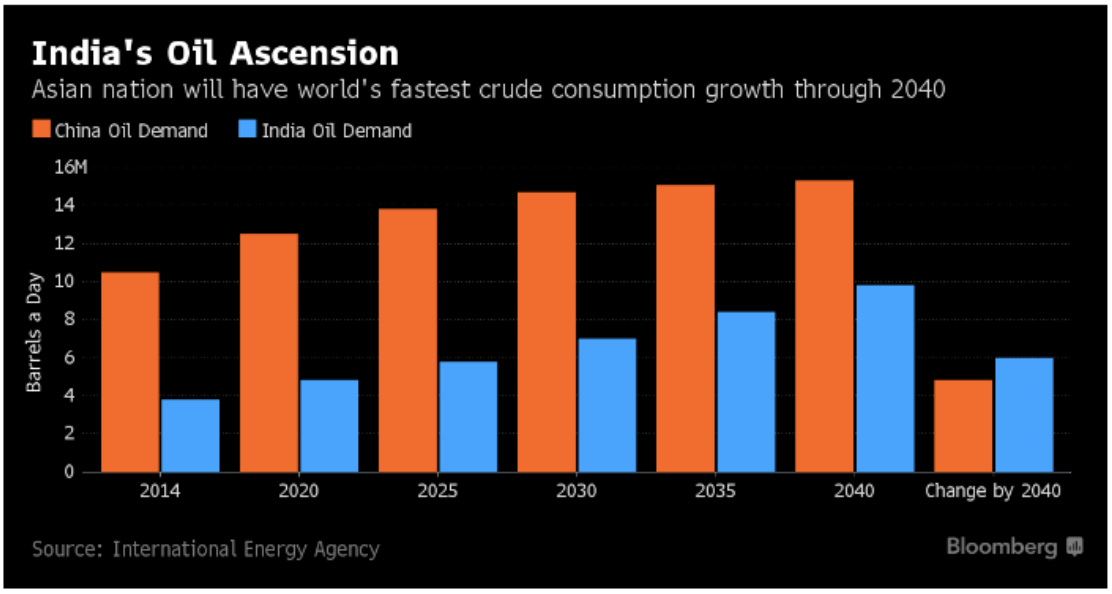
Energy Technology company, LWP Technologies Limited (ASX: LWP) ("LWP" or "the Company"), is pleased to announce that following a four-day visit by Hallmark principals, LWP has finalised its joint venture (JV) arrangements with Hallmark for the operation of its Indian proppant plant in the city of Pune in the state of Maharashtra.

The elements of the final agreement are essentially those previously announced under the Heads of Agreement that was executed and reported to shareholders on 20 July 2015, with the exception being that the funds will now predominantly change hands on the commencement date. The JV partners have agreed on a condition precedent that requires an off-take agreement to first be secured for the first year of the Pune plant's production capacity to be pre-sold, and with pre-conditions to be fulfilled in an agreed timeframe.

Securing off-take agreement(s) will trigger the majority of funding expenditure for the plant upgrade to a 24/7 operation and the commencement date of the final executed agreement. The target date for securing these off-take agreements is before the end of calendar year 2016.

The Indian Government is providing significant incentives for heavy investment into domestic oil and gas production and India represents one of the World's brightest spots for oil and gas investment and growing consumption

India currently relies on imports for around 80% of its oil and related products needs, with petroleum crude accounting for about 34 percent of India's total inward shipments. Asia's third biggest economy consumed four million barrels of oil per day last year compared to domestic production of only 760,000 barrels per day. India's demand for energy is expected to increase rapidly as shown in the chart below.



Courtesy Bloomberg April 8, 2016

As the Pune plant annual capacity is expected to be only 20,000 tons post conversion from a batch plant to a 24/7 operation, there is an expectation that within India itself the requirement for both High Strength ceramic proppants and Low Strength ceramic proppants will well exceed the capacity of the Pune plant. LWP's Indian joint venture partners believe the benefits of (a) utilising an abundant waste product, (b) manufacturing in India and (c) fulfilling the need within the Indian marketplace for cost-effective ceramic proppants will appeal highly to both the Indian government and the domestic oil & gas industry.

With that background, in addition to finalising the agreements, the founder of Hallmark and LWP have also agreed to actively pursue additional opportunities that are presenting themselves in the Indian market, as the Indian government drives towards reducing reliance on energy imports and its "Make in India" initiatives. The Hallmark founder is ideally placed to exploit these Indian Government's initiatives for reducing oil imports and driving exploitation of India's oil and gas reserves.

LWP CEO Sean Corbin said "The market for ceramic proppants has changed somewhat since we began our journey with Hallmark almost a year ago, however our Joint Venture partners have been accommodating in understanding the need for change, and we are very pleased to finalise our arrangements with Hallmark. Further, Hallmark's founder has highlighted a number of exciting opportunities in areas outside the State of Maharashtra in India and we look forward to working with them and their team to bring these opportunities to fruition.

As previously stated, LWP remains fully committed to the commercialisation of its ceramic proppants business and the finalisation of this Indian JV agreement is further evidence of this strong commitment. With the recent investment in the GraphenEra business, LWP is now focused on commercialising a broader suite of energy-related technologies at the same time. We look forward to updating shareholders on our progress across all divisions in the near term."

Hallmark Director Ajay Kumar Dasgupta said "Hallmark has shared its vision with LWP to take a leadership position in the Indian energy market, to deliver superior ceramic proppants

sustainably using an abundant waste product at a very low manufacturing cost. The Pune plant is just the beginning, and we believe there are significant opportunities in greater India and the Indian Ocean Rim, therefore we will be executing a targeted marketing plan focusing on the Indian government and Indian oil & gas companies. We look forward to working with the LWP team to deliver on our vision."

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About LWP Technologies

LWP Technologies Limited (LWP) is an Australian energy technology company focused on commercialising its disruptive energy technologies. LWP developed its next generation, fly-ash based proppants for use in hydraulic stimulation of oil and gas wells globally and commenced proppant production from its pilot scale proppant manufacturing plant in Queensland, Australia, in Q3, 2015. The Company has developed (1) an ultra low cost ceramic proppant which has the potential to compete with mined frac sand on price in shallow wells, as well as (2) a high end ceramic proppant for deep wells. 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. LWP plans to seek joint venture partners and/or licensing agreements to commercialise its proppant products, 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 Graphene Synthesis and Al-Graphene 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.

About Proppants Technology

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 hydraulic stimulation 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:

- low manufacturing cost and low logistic costs have the potential to compete with mined frac sand on price;
- 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.