LWP TECHNOLOGIES LIMITED
Appendix 4E 2015 Final Report
Results for Announcement to the Market

1. Company Details and Reporting Period

Name of Entity:	LWP Technologies Limited
ABN:	80 112 379 503
Reporting Period:	30 June 2015
Previous Corresponding Period:	30 June 2014

2. Results for Announcement to the Market

	$
Revenue from ordinary activities down to:	NA
Net loss for the period attributable to members is:	6,116,910

No dividends were paid or payable during the period.

Refer to pages 2 to 5 of the Preliminary Financial Statements for the operational and financial review of the Entity.

3. Statement of Comprehensive income with Notes to the Statement

Refer to Page 6 of the 2015 Preliminary Financial Statements and accompanying Notes.

4. Balance Sheet with Notes to the Statement

Refer to Page 7 of the 2015 Preliminary Financial Statements and accompanying Notes.

5. Statement of Cash Flows with Notes to the Statement

Refer to Page 9 of the 2015 Preliminary Financial Statements and accompanying Notes.

6. Dividends

No dividends were paid or payable during the period.

7. Statement of Changes in Equity

Refer to Page 8 of the 2015 Preliminary Financial Statements and accompanying Notes.

8. Net Tangible Assets per Security

2015	$0.0014
2014	($0.0248)

9. Entities over which Control has been Gained or Lost during the Period.

Refer to Page 17 of the 2015 Preliminary Financial Statements.

10. Associates and Joint Venture Entities

Not applicable.

11. Other Significant Information

Not applicable.

12. Accounting Standards used for Foreign Entities

Not applicable.

13. Commentary on the Results for the Period

Refer to pages 2 to 5 of the Preliminary Financial Statements for the operational and financial review of the Entity.

14. Status of Audit

The attached 2015 Financial Statements are currently being audited.

15. Dispute or Qualifications if not yet audited

No disputes or qualifications are expected.

16. Dispute or Qualifications if audited

Not applicable.

Director
31 August 2015

LWP Technologies

PRELIMINARY FINANCIAL REPORT

FOR THE YEAR ENDED
30 June 2015

CHAIRMAN'S LETTER

Dear Fellow Shareholder

It gives me great pleasure to present the LWP Technologies Limited 2015 Preliminary Financial Report, and I thank all shareholders for their continued support.

The past year has been one of considerable growth and progress for your company as we continued our plans to develop and commercialise our 'next generation' fly-ash based ceramic proppant for use in the hydraulic fracturing (fracking) of oil and gas wells globally.

Significant advances have been made in pursuit of this goal and I would like to acknowledge the considerable efforts of the entire LWP team over the past year. While there is still much more to do in exploring the significant global interest received to date, we remain committed to achieving our corporate objectives and delivering value for our shareholders.

During the year we completed the formal acquisition of Ecopropp Pty Ltd. Pursuant to the Acquisition Agreement entered into in May 2014, the milestones required to complete the full acquisition were satisfied, and Ecopropp vendors received LWP shares as consideration for the acquisition, paid in three tranches in line with achieving the three milestones agreed upon. I would like to thank the loyal shareholders of Ecopropp for their commitment to the business and our goals.

A key component of our proppant business plan is the construction of a pilot scale plant to validate the scale-ability of our fly-ash proppant product as a cost effective and superior alternative to bauxite based and clay based proppants, traditionally used in fracking operations.

This has been a considerable undertaking for the Company and I am pleased to report that after commencing construction in December 2014, construction of the plant was completed in May this year – on schedule and within budget.

The final stages of commissioning are now underway, ahead of initial proppant manufacture, which is expected in the current quarter. This is a key milestone for your Company, and we look forward to demonstrating our proppant production capabilities in a 'live' environment at the pilot plant.

One obvious change you will have observed during the year is our change of company name to LWP Technologies Limited, replacing the previous name, Coretrack Limited. The name change (short for **L**ight **W**eight **P**roppant Technologies), along with our new website and new logo provide a clear message as to the Company's focus.

Subsequent to the end of the financial year, the Company achieved another major milestone with the signing of its first commercial proppant transaction – the 60/40 joint venture with Indian company Hallmark Minerals for the production of LWP proppants at Hallmark's manufacturing facility, in the Indian state of Maharashtra. Further details on this exciting opportunity will be provided over the coming months.

I, and every member of the LWP Technologies team, remain fully focused on unlocking the commercial value of our unique proppant product, and I look forward to sharing news of our progress with you in the year ahead.

Yours sincerely

Siegfried Konig
Executive Chairman
LWP Technologies Limite

REVIEW OF RESULTS AND OPERATIONS

In the year ended 30 June 2015, the Company focussed primarily on its core business of developing and commercialising a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. Proppants are a sand-like commodity, and are a major input and cost item in fracking operations. Significant progress was made during the year.

Completion of Ecopropp Pty Ltd acquisition

In March 2015, the Company announced it was completing the formal acquisition of all of the issued share capital of Ecopropp Pty Ltd (Ecopropp), pursuant to the terms of the Acquisition Agreement between the parties, which was announced on 12 May 2014. Consideration for the acquisition was by the issue of three tranches of LWP shares to Ecopropp vendors, based on the achievement of three agreed milestones. Details of the Milestones and the Acquisition Agreement were provided in the ASX announcement of 12 May 2014.

Upon Milestone 1 being deemed to have been satisfied, the Company then proceeded to acquire all of the Ecopropp shares, by issuing the first tranche of LWP shares (then known as Coretrack Limited, ASX: CKK) to the Ecopropp vendors. On 20 July 2015, the Company reported that as a result of its joint venture with Hallmark Minerals (I) Pvt Ltd in India, that Milestones 2 and 3 had also been satisfied, and tranches 2 and 3 of LWP shares were issued to the Ecopropp vendors, with a final issue of approximately 1.054 billion LWP Shares to the Ecopropp vendors. These events formally completed the 100% acquisition of the Ecopropp proppant business by LWP, thereby securing our significant global technology rights.

New Company Name

Consistent with its change in business focus to developing the next generation, fly-ash based proppant, the Company formally changed its name to LWP Technologies Limited (LWP is an abbreviation of “Light Weight Proppant”), effective 1 June 2015, after receiving Shareholder approval. From that date, the Company’s ASX ticker/code changed from CKK to LWP.

In June 2015, LWP also launched a new Company website; www.lwptech.com which was the culmination of the Company’s rebranding process from Coretrack to LWP Technologies. LWP also changed the address of its corporate office to Suite 29, Level 54, 111 Eagle Street, Brisbane QLD 4000.

Pilot Plant

In December 2014, the Company commenced construction of a pilot-scale proppant manufacturing plant in Queensland. The pilot plant is located in the Brisbane suburb of Clontarf and was built to validate the scale-ability of LWP’s unique fly-ash based proppant as a cost effective and superior alternative to bauxite and clay based proppants, traditionally used in fracking operations currently.

LWP’s German-based technical team arrived onsite in January 2015 to oversee construction, and on completion will assume responsibility for the operations and management of the plant. Construction of the plant progressed on schedule during the March 2015 quarter and the Company reported in May 2015 that construction had been completed, on schedule and within budget. This achievement represented a significant milestone in the development and timeline of LWP’s proppant product.

Each component of the pilot plant is being commissioned separately, commencing with the Fine Grinding Mill (completed) and the mixing and granulation equipment (also completed). These two stages resulted in the production of ‘green’ proppants, with each batch produced delivering a progressively more refined granulation.

After inspection of the green proppants at our onsite laboratory, LWP is delighted with the initial outcomes achieved by its teams at the Clontarf pilot plant, specifically; the green proppants produced show improved sphericity compared to proppants previously produced during the R&D phase of our technology development. This is a critical parameter in generating greater flow/conductivity in a propped fracture.

The final stage is well under way and involves the commissioning of a three-step manufacturing process; drying at around 200°C, sintering up to 1,250°C and finally cooling the proppants before sieving and bagging. This final stage has been commissioned successfully during a "dry run" without feedstock with all three steps reaching the required temperatures as designed. As announced to ASX on 27 August 2015, the LWP technical team determined that the refractory lining of the Sintering Kiln required a re-line due to an installation error by the Kiln manufacturer.

Green proppants have been manufactured and are on site ready for the commencement of sintering. Upon the completion of the Sintering Kiln re-line, LWP will then commence manufacturing LWP fly-ash based proppants at the pilot plant, then have the proppants produced sent to independent experts for certification.

Ecopropp Proppant Test Results

In December 2014 the Company reported highly positive independent test results of its fly-ash based proppants. The tests were designed to determine the maximum pressure that the proppants could withstand before 10% or more of the proppant crushed or became 'fines', which is a generally accepted market threshold.

The tests returned a compressive strength of 15,000 psi (pounds per square inch), which is significantly higher than the 4,000 psi standard ISO threshold for achieving less than 10% fines. This was a best ever result for the Ecopropp proppant and equated to only 3.2% of the Ecopropp proppant being converted to fines at 10,000 PSI, which eclipses the ISO 3502-2 standard.

The tests were conducted by US based Global Energy Laboratories and confirmed an exceptionally high pressure threshold for the Ecopropp proppants, and also highlighted the potential for a significant reduction in manufacturing costs for the Ecopropp fly-ash based proppant compared to traditional bauxite and/or clay-based proppants.

Corporate

EAS Advisors appointed Corporate Advisor

In April 2015, LWP appointed New York-based corporate advisory firm, EAS Advisors LLC (EAS), as the Company's corporate advisor. EAS, established by Edward A Sugar, is an investment advisory firm providing services primarily to natural resource and commodity sector companies. EAS was founded in 2008 and since inception has participated in transactions worth more than $2.5 billion.

EAS is working closely with LWP to help the Company execute its business plan for the commercialisation and growth of its next generation, fly-ash based, proppant. EAS will play a key role in advising LWP and assisting with the growth of the business in the US investment market, and also with potential end users in the US and globally.

Board changes

During the year, the Company made a number of changes to its board, reflective of its new business focus on its next generation proppant product.

In August 2014, the Company appointed Mr Siegfried Konig as Executive Director and Mr David Henson as a Non-Executive Director, to drive its proppant focused business model. Mr Konig was then the Managing Director of Ecopropp Pty Ltd and has more than 30 years' experience in business management and accelerating growth for ASX listed companies. Mr Henson is a Chemical Engineer, and experienced director with over 15 years' experience in process engineering, project management and business development.

Mr Winton Willesee was appointed Non-Executive Chairman, replacing outgoing Chairman, Mr Matt Birney. In March 2015, Mr Willesee stepped down from his role as Chairman. At the same time, Non-Executive Directors

Mr Trevor Beazley and Mr Bernie Kelly resigned from the Board, and were replaced by Mr Ross Henden and Mr Eugene Loy, who both joined the board as Non-Executive Directors. Mr Henden has extensive experience in capital markets and corporate financing.

In May 2015, Mr Loy stepped down from his position on the Board, and was replaced as a Non-Executive Director by LWP Company Secretary, Mr Sean Corbin, a Certified Practicing Accountant with more than 20 years' corporate experience across a wide range of industry sectors.

Capital Raisings

During the year, LWP successfully completed a number of successful capital raisings to help fund the execution of the Company's business plan for the development and commercialisation of its fly-ash based proppant, and also to provide working capital. These capital raisings included:

July 2014: Placement to raise $2 million (before costs) via the issue of 250 million shares at $0.008 per share was completed.

March 2015: LWP announced a Placement which raised $541,600 via the issue of 169.25 million shares at $0.0032 per share, and a Share Purchase Plan (SPP) to existing eligible shareholders, also at $0.0032 per share. The SPP raised $1,199,000.

May 2015: The Company raised a further $1.24 million via Placements to sophisticated investors at prices ranging from $0.0032 to $0.0064.

August 2015: Subsequent to year end, LWP completed a Placement to professional and sophisticated investors in Australia and the United States, which raised $6.6 million at prices of $0.01 to $0.011 per share. The placement was supported by the Company's US advisor, EAS Advisors LLC, acting through Merriman Capital, Inc.

Given the turmoil in global markets, the capital raisings (with the benefit of hindsight) have given LWP a strong balance sheet to pursue further appropriate commercial transactions and to soon upgrade our manufacturing facility in India and commence commercial production of fly-ash proppants utilising LWP's disruptive technology.

Non-core Assets

Successful end of litigation and settlement with Strange Investments

In May 2015, LWP announced the agreement to settle its dispute with Strange Investments (WA) Pty Ltd (Strange) in relation to the GT3000 Drill Rig and Rod Handler, owned by wholly owned LWP subsidiary Globe Drill Pty Ltd (Globe Drill). In March 2015 the parties had agreed, without admission of liability, to settle all claims relating to Proceedings and to resolve all disputes between them, with each party agreeing to pay their own costs.

On 5 May 2015, LWP received the final payment of $450,000, which, in addition to a non-refundable deposit of $50,000 previously received, constituted full payment of $500,000. With this payment received, the litigation by both parties was concluded and the matter was fully resolved.

CLRS Technology

In April 2015, the Company entered into an Agreement to divest its non-core Core Level Recorder System Technology (CLRS) to Specialised Oilfield Services Pty Ltd (SOS). The CLRS Technology, including the Patent Rights, was part of Coretrack's legacy oil and gas technology portfolio of assets, prior to its acquisition of Ecopropp and the change of focus on to finalising development of a disruptive proppant technology in the global oil and gas fracking market.

Under the terms of the Agreement, LWP sold to SOS (and SOS agreed to purchase) the CLRS Technology, all intellectual property and Patent Rights and materials associated with the CLRS Technology. LWP agreed to forfeit any benefit arising from the Patent Rights and rights arising from them. SOS took over and will continue to pay all associated costs to continue any IP or Patent Rights. The consideration for SOS's purchase of the CLRS Technology was AUD$50,000, which was paid on the effective date of the transaction, in addition to other commercial arrangements detailed in the ASX announcement dated 28 April 2015.

First Commercial Proppant Transaction

On 20 July 2015, LWP entered into a 60/40 Joint Venture Agreement with Hallmark Minerals (I) Pvt Ltd (Hallmark) for the production of LWP's flyash-based proppants, in the state of Maharashtra in India. This was a major milestone for LWP and represented the first commercialisation transaction for its next generation, light weight ceramic proppants. Hallmark is a leading manufacturer of ceramic proppants in India.

Under the terms of the Joint Venture, LWP's technology will be utilised to produce its fly-ash proppants in the Hallmark manufacturing facility, which has previously manufactured bauxite-based ceramic proppants. A joint venture company is being formed which will be co-owned by LWP and Hallmark (JV Company); LWP will own 60% of the JV Company and Hallmark will own the remaining 40%. Pursuant to the Heads of Agreement terms:

- The JV Company will own the manufacturing plant;
- LWP will receive US$1 million for the technology license for the state of Maharashtra in India;
- LWP will receive 10% of gross revenues in royalties for the technology license;
- The Partners of the JV Company will establish a Board consisting of five members and LWP will nominate three members including the Chairman; and
- The JV Company will investigate additional opportunities for expansion in Maharashtra province including the major cities of Mumbai and Nagpur.
- LWP and Hallmark have agreed to prepare such further documentation as may be required to implement the Joint Venture Agreement.

The Manufacturing Facility is located in the city of Pune in the Maharashtra province of India, and currently has a maximum manufacturing capacity of 12,000 tonnes per annum (operating primarily on a batch processing basis). It is the Joint Venture partners' intention to increase existing manufacturing capacity via automation to a 24/7 operation.

Project Manager appointed for Indian Proppant Joint Venture

On 4 August 2015, the Company announced the appointment of senior energy and infrastructure executive Mr Kieran Bourke as Project Manager for the joint venture proppant manufacturing facility in the state of Maharashtra in India. The appointment was made with immediate effect.

Mr Bourke is a highly experienced and successful senior project and construction management professional with 34 years' experience in the oil, gas and petrochemical industries, including executive management of both EPCM (Engineering, Procurement and Construction Management) and EPC Projects. He has previously held senior executive roles with global EPC, consulting and advisory firm Worley Parsons, including Senior Project Manager and Project Director for Northern Operations in Brisbane, Australia. Mr Bourke has also held the positions of Senior Project Manager – Field Compression Station Expansion Projects – for Queensland Gas Company and General Manager Major Projects and Pipelines, Eastern Region, for UGL Resources, amongst other senior roles.

Mr Bourke will be appointed to the board of the Joint Venture Company along with LWP Chairman Mr Siegfried Konig and LWP Company Secretary and Director Mr Sean Corbin.

STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	30 June 2015 $	30 June 2014 $
Interest revenue		9,711	460
Other revenue		-	4,400
Administration expenses		(348,361)	(91,478)
Marketing and travel expenses		(317,180)	(177,731)
Employee benefits expenses		(579,385)	(1,276,189)
Legal expenses		(176,348)	(50,191)
Expenses relating to the advancement of proppant technology		(1,743,575)	(373,929)
Depreciation and amortisation expenses		(519)	-
Finance costs		(4,851)	(28,326)
Listing expense arising on deemed acquisition	2	(3,006,402)	-
Loss before income tax		(6,116,910)	(1,992,984)
R&D income tax concession		-	144,805
Loss after income tax		(6,166,910)	(1,848,179)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss)		**(6,166,910)**	**(1,848,179)**

	Cents	Cents
Earnings per share		
Basic earnings per share	(0.7)	(0.3)
Diluted earnings per share	(0.7)	(0.3)

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements

BALANCE SHEET

Consolidated Balance Sheet
As at 30 June 2015

	Note	30 June 2015 $	30 June 2014 $
CURRENT ASSETS			
Cash and cash equivalents	3	3,129,895	26,970
Trade and other receivables	4	16,834	24,490
TOTAL CURRENT ASSETS		3,146,729	51,460
NON-CURRENT ASSETS			
Plant and equipment	5	12,104	-
TOTAL NON-CURRENT ASSETS		12,104	-
TOTAL ASSETS		3,158,833	51,460
CURRENT LIABILITIES			
Trade and other payables	6	136,864	-
Borrowings	7	-	1,158,311
TOTAL CURRENT LIABILITIES		136,864	1,158,311
TOTAL LIABILITIES		136,864	1,158,311
NET ASSETS		3,021,969	(1,106,851)
EQUITY			
Contributed capital	8	13,559,618	3,263,888
Accumulated losses		(10,537,649)	(4,370,739)
TOTAL EQUITY		3,021,969	(1,106,851)

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

	Contributed Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2013	1,759,446	(2,522,560)	(763,114)
Transactions with owners in their capacity as owners			
Contributions of capital	1,540,442	-	1,540,442
Share issue costs	-	-	-
Total	1,540,442	-	1,540,442
Comprehensive income			
Loss after income tax	-	(1,848,179)	(1,848,179)
Total comprehensive income	-	(1,848,179)	(1,848,179)
Balance at 30 June 2014	3,263,888	(4,370,739)	(1,106,851)
Balance at 1 July 2014	3,263,888	(4,370,739)	(1,106,851)
Transactions with owners in their capacity as owners			
Deemed issue of share capital on acquisition	6,042,330	-	6,042,330
Contributions of capital	4,357,252	-	10,391,353
Share issue costs	(103,852)	-	(95,623)
Total	10,295,730	-	10,295,730
Comprehensive income			
Loss after income tax	-	(6,166,910)	(6,166,910)
Total comprehensive income	-	(6,166,910)	(6,166,910)
Balance at 30 June 2015	13,559,618	(10,537,649)	3,021,969

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	Note	30 June 2015 $	30 June 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	4,840
Payments to suppliers and employees		(3,086,424)	(1,924,704)
Interest received		9,711	460
Finance costs		(4,851)	(28,326)
R&D tax concession received		-	144,805
Net cash provided by/(used in) operating activities		(3,081,564)	(1,802,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(12,623)	-
Proceeds from the sale of Globe Drill shares		513,521	-
Net inflow of cash from the acquisition of LWP Technologies	2	88,929	-
Net cash provided by/(used in) investing activities		589,827	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions of capital		4,357,252	1,403,239
Capital raising costs		(103,852)	-
Proceeds/(repayment) of borrowings		1,341,262	403,465
Net cash provided/(used in) by financing activities		5,594,662	1,806,704
Net increase/(decrease) in cash and cash equivalents held		3,102,925	3,779
Cash and cash equivalents at the beginning of the financial period		26,970	23,191
Cash and cash equivalents at the end of the financial period		3,129,895	26,970

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

This financial report covers the Consolidated Entity of LWP Technologies Limited (the "Company") and its controlled entities (together referred to as the "Consolidated Entity"). LWP Technologies Limited is a listed public company, incorporated and domiciled in Australia. At the May 2015 EGM shareholders approved the change of the Company's name from Coretack Limited to LWP Technologies Limited.

As a result of the acquisition of Ecopropp Pty Ltd (as discussed in Note 2) this financial report represents a continuation of the financial statements of Ecopropp Pty Ltd being the accounting parent entity of the Group.

The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities
LWP Technologies Limited is an Australian oil and gas technology company focused on developing a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. Proppants are a major input and cost item in the fracking process and represent a multi-billion dollar global market annually. They are a sand-like commodity used to 'prop' open fractures in shale rocks which allows oil and gas to flow. LWP Technologies is seeking to commercialise its proppant as a cost effective, superior alternative to bauxite and clay based proppants, typically used in fracking operations currently.

Currency
The financial report is presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the Company.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. LWP Technologies Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of the Consolidated Entity also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention
The financial statements have been prepared under the historical convention, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Consolidated Entity. The estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting policies

(a) Principles of Consolidation

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

<u>Business combinations</u>
Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(b) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of policy for impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset is:

Class of Fixed Asset	Depreciation Rate
Motor vehicles	25%
Office equipment	40% - 67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership is transferred to entities in the Consolidated Entity, are classified as finance leases. Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Entity commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Consolidated Entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature greater than 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss. Available-for-sale financial assets are included in non-current assets where they are expected to be sold greater than 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment
At the end of each reporting period, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Financial guarantees
Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

– the likelihood of the guaranteed party defaulting in a year period;
– the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
– the maximum loss exposed if the guaranteed party were to default.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Other long-term employee benefit obligations
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Contributions to defined contribution plans are expensed when incurred.

(h) Cash and Cash Equivalents

For statement of cash flow presentation purposes cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the balance sheet.

(i) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant tax authority. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the relevant tax authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the relevant tax authority are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Earnings per Share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(m) Comparative Figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Foreign Exchange

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedges. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Intangible Assets

Research and development

Costs associated with maintaining the proppant technology are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique proppant technologies controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the technology so that it will be available for use
- management intends to complete the technology and use or sell it
- there is an ability to use or sell the technology
- it can be demonstrated how the technology will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the technology are available, and
- the expenditure attributable to the technology during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the technology include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(p) Finance Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

For non-specific borrowings, borrowing costs are capitalised using a weighted average capitalisation rate. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

(q) New Accounting Standards

The Consolidated Entity adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2015. There were no material impacts on the financial statements of the Consolidated Entity as a result of adopting these standards.

(r) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

NOTE 2 Ecopropp ACQUISITION ACCOUNTING AND SHARE BASED PAYMENT EXPENSE

On 24 March 2015 the Company completed the acquisition of Ecopropp Pty Ltd (Ecopropp). The consideration paid by LWP to the vendors for the purchase of 100% of Ecopropp was the issue and allotment of 1,410,000,000 fully paid ordinary LWP shares upon satisfaction of each of the three identified milestones being achieved by the respective dates as follows:

Milestones	Milestone shares	Result
1. Ecopropp demonstrates its proppant can be successfully scaled-up for production without material loss of key properties and obtains independent confirmation as to the cost of production in accordance with specified parameters.	295,000,000 shares	Achieved
2. Ecopropp completes a successful down-hole trial utilising its proppants in accordance with specified parameters.	220,000,000 shares; plus $2.2M worth of shares at the 5 day VWAP price at the time (220,000,000 shares)	Achieved subsequent to year end.
3. A third party commits to build and operate a commercial scale proppant manufacturing facility with secured finance and a final investment decision.	350,000,000 shares; plus $3.25M worth of shares at the 5 day VWAP price at the time (325,000,000 shares)	Achieved subsequent to year end.

The acquisition of Ecopropp resulted in Ecopropp shareholders holding a controlling interest in LWP after the transaction. This transaction did not meet the definition of a business combination in AASB 3 Business Combinations. The transaction has therefore been accounted in accordance with AASB 2 Share-based Payment and has been accounted for as a continuation of the financial statements of Ecopropp together with a deemed issue of shares. The deemed issue of shares is, in effect, a share-based payment transaction whereby Ecopropp is deemed to have received the net assets of LWP, together with the listing status of LWP.

Because the financial statements represents a continuation of the financial statements of Ecopropp, the principles and guidance on the preparation and presentation of the financial statements in a reverse acquisition set out in AASB 3 have been applied as follows:

- fair value adjustments arising at acquisition were made to LWP's assets and liabilities, not those of Ecopropp. As the carrying value of all assets and liabilities held by LWP at acquisition date approximated their fair value, no adjustments were required;
- the equity structure (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of LWP, including the equity instruments issued to effect the acquisition;
- Accumulated losses and other equity balances at acquisition date are those of Ecopropp;
- the results for the year ended 30 June 2015 comprise the consolidated results for Ecopropp together with the results of the wider LWP group from 15 September 2014;
- the comparative results represent the consolidated results of Ecopropp only;
- the cost of the acquisition, and amount recognised as contributed equity to affect the transaction, is based on the deemed number of shares that Ecopropp would have needed to issue to give the shareholders of LWP the same shareholding percentage in the Combined Entity that results from the transaction; and
- a share-based payment transaction arises whereby Ecopropp is deemed to have issued shares in exchange for the net assets of LWP together with the listing status of LWP. The listing status does not qualify for recognition as an intangible asset and the relevant cost has therefore been expensed as a listing expense.

The fair value of the deemed number of shares that Ecopropp would have needed to issue is estimated to be $6,042,330.

The fair value of LWP's net assets at acquisition date was $3,035,928. Deducting this from the deemed consideration results in a listing expense of $3,006,402.

NOTE 2 Ecopropp ACQUISITION ACCOUNTING AND SHARE BASED PAYMENT EXPENSE (continued)

The value of the transaction is as follows:

	24 March 2015 $
Assets and liabilities acquired:	
Cash and cash equivalents	88,929
Trade and other receivables	516,406
Amounts owed by Ecopropp to LWP	2,483,916
Trade and other payables	(53,323)
Net assets acquired	**3,035,928**
Fair value of notional shares issued to affect the transaction	6,042,330
Listing expense recognised in statement of comprehensive income	**3,006,402**

The fair value of the shares was assessed on the basis of the market value of LWP Technologies Limited's shares at acquisition date.

	30 June 2015 $	30 June 2014 $
NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	2,430,895	26,970
Cash on deposit	699,000	-
	3,129,895	**26,970**
NOTE 4 TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivables	**16,834**	**24,490**

GST receivables generally arise from transactions outside the usual operating activities of the group.

	30 June 2015 $	30 June 2014 $

NOTE 5 PLANT AND EQUIPMENT

	30 June 2015 $	30 June 2014 $
Motor vehicles at cost	8,909	-
Accumulated depreciation	(185)	-
	8,724	-
Office furniture and equipment at cost	3,714	-
Accumulated depreciation	(334)	-
	3,380	-
Total plant and equipment at cost	12,623	-
Total accumulated depreciation	(519)	-
Total plant and equipment	**12,104**	**-**

Movements during the year

Year ended 30 June 2015	Motor Vehicles	Office Furniture and Equipment	Total
Balance at 1 July 2014	-	-	-
Additions	8,909	3,714	12,623
Depreciation	(185)	(334)	(519)
Balance at 30 June 2015	**8,724**	**3,380**	**12,104**

	30 June 2015 $	30 June 2014 $

NOTE 6 TRADE AND OTHER PAYABLES

	30 June 2015 $	30 June 2014 $
CURRENT		
Trade payables	88,958	-
Other payables and accrued expenses	47,906	-
	136,864	**-**

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the group and comprise items such as employee taxes, employee on costs, GST and other recurring items.

NOTE 7 BORROWINGS

	30 June 2015 $	30 June 2014 $
CURRENT		
Shareholder and director loans	-	**1,158,311**

Shareholder and director loans were interest bearing and were unsecured. All amounts were settled during the 2015 financial year.

As of 30 June 2015, the Group has no borrowing facilities.

	30 June 2015 $	30 June 2014 $
NOTE 8 CONTRIBUTED CAPITAL		
154,550,025 fully paid ordinary shares (30 June 2014: 1)	8,025,393	670,069

	June 2015 Number	June 2014 Number	June 2015 $	June 2014 $
Movements during the period				
Balance at beginning of period	44,596,400	35,522,742	**3,263,888**	1,759,446
Issue of shares in Ecopropp Pty Ltd	405,000	9,073,658	40,500	1,504,442
Reversal of existing share on acquisition	(45,001,400)	-	-	-
LWP shares on acquisition of Ecopropp	604,233,025	-	6,042,330	-
Milestone 1 shares issued to Ecopropp vendors	295,000,000	-	-	-
Issue of shares in LWP Technologies Limited	1,253,090,263	-	4,316,752	-
Share issue costs	-	-	(103,852)	-
Balance at end of period	**2,152,323,288**	**44,596,400**	**13,559,618**	**3,263,888**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 30 June 2015 that require disclosure in the financial report.

NOTE 10 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Consolidated Entity does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Consolidated Entity as having only one reportable segment, developing and commercialising a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. The financial results from this segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segments during the year.

NOTE 11 DIVIDENDS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

NOTE 12 EVENTS AFTER BALANCE DATE

Hall Mark Mineral Joint Venture

On 20 July 2015, LWP entered into a 60/40 Joint Venture Agreement with Hallmark Minerals (I) Pvt Ltd (Hallmark) for the production of LWP's flash-based proppants, in the state of Maharashtra in India. This was a major milestone for LWP and represented the first commercialisation transaction for its next generation, light weight ceramic proppants. Hallmark is a leading manufacturer of ceramic proppants in India.

Under the terms of the Joint Venture, LWP's technology will be utilised to produce its fly-ash proppants in the Hallmark manufacturing facility, which has previously manufactured bauxite-based ceramic proppants. A joint venture company is being formed which will be co-owned by LWP and Hallmark (JV Company); LWP will own 60% of the JV Company and Hallmark will own the remaining 40%. Pursuant to the Heads of Agreement terms:

- The JV Company will own the manufacturing plant;
- LWP will receive US$1 million for the technology license for the state of Maharashtra in India;
- LWP will receive 10% of gross revenues in royalties for the technology license;
- The Partners of the JV Company will establish a Board consisting of five members and LWP will nominate three members including the Chairman; and
- The JV Company will investigate additional opportunities for expansion in Maharashtra province including the major cities of Mumbai and Nagpur.
- LWP and Hallmark have agreed to prepare such further documentation as may be required to implement the Joint Venture Agreement.

The Manufacturing Facility is located in the city of Pune in the Maharashtra province of India, and currently has a maximum manufacturing capacity of 12,000 tonnes per annum (operating primarily on a batch processing basis). It is the Joint Venture partners' intention to increase existing manufacturing capacity via automation to a 24/7 operation.

Issue of Shares

Subsequent to year end, LWP completed a Placement to professional and sophisticated investors in Australia and the United States, which raised $6.6 million at prices of $0.01 to $0.011 per share. The placement was supported by the Company's US advisor, EAS Advisors LLC, acting through Merriman Capital, Inc.

On 20 July 2015, the Company reported that as a result of its joint venture with Hallmark Minerals (I) Pvt Ltd in India, that Milestones 2 and 3 had also been satisfied, and tranches 2 and 3 of LWP shares were issued to the Ecopropp vendors, with a final issue of approximately 1.054 billion LWP Shares to the Ecopropp vendors. These events formally completed the 100% acquisition of the Ecopropp proppant business by LWP, thereby securing our significant global technology rights.

NOTE 13 CONTINGENT LIABILITIES

The company is currently in a dispute regarding GST and R&D claims lodged in prior years. The dispute is still being investigated and the company estimates a settlement of approximately $250,000 may be required if the matter is not resolved in their favour.