

ASX Announcement
28 November 2013

Outstanding results from applications of ShieldLiner technology

- **Independent field inspections validate effectiveness of ShieldLiner pipe rehabilitation technology**
- **No faults, or defects found in three pipelines rehabilitated with ShieldLiner technology**
- **ShieldLiner proven to be a superior alternative to traditional rehabilitation techniques**

Vortex Pipes Limited (ASX: VTX or “the Company”) is pleased to announce the results of independent condition reports undertaken on three historical applications of the ShieldLiner trenchless pipeline rehabilitation technology.

Inspections were conducted by independent contractor, *Perth Pressure Jet Services* – a specialist company in pressure jetting and CCTV in the drainage, sewer and water asset industry.

City of Rockingham WA: Storm water pipe rehabilitation using ShieldLiner, 2008

Remote CCTV inspection of a 23mx300mm storm water pipeline, previously severely damaged and blocked by tree root infusions, found that the ultra-thin 3mm liner installed using the ShieldLiner system (2008), remained in excellent condition. No faults, subsequent tree root infusions, signs of local flooding or infrastructure ageing were detected in the new in-situ pipe. *See images 1 and 2 for comparison of pipelines.*

The City of Rockingham rehabilitation work used an epoxy resin to bond the ultra-thin liner to the existing damaged pipe.

City of Stirling WA: Storm water pipe rehabilitation using ShieldLiner, 2005

Remote CCTV inspection of two storm water pipelines, one measuring 48mx300mm and the second measuring 23mx300mm, previously damaged and blocked by tree root infusions, found that both rehabilitated pipelines remained fully sealed eight years post ShieldLiner application. No faults, evidence of subsequent tree root infusion or local flooding was detected.

In the case of the two City of Stirling pipelines, both were rehabilitated using a vinyl ester resin to bond the ultra-thin liner to the existing damaged pipe.

Director of Vortex Pipes, Brett Matich, commented:

“The condition reports provide further validation of the effectiveness and quality performance of our cutting-edge trenchless pipe rehabilitation technology. It is material proof that the ShieldLiner is an excellent solution for ageing or deteriorating pipelines.

“Our technology is attracting significant interest in water, oil and gas industries around the world, and as such, we continue to hold discussions about distribution with potential North American strategic partners.”

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Image 1: Storm water pipeline in City of Rockingham, December 2008



Image 2: Storm water pipeline in City of Rockingham, November 2013

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About ShieldLiner Technology:

ShieldLiner's unique, international award-winning design utilises pressure to impregnate structural resins through the new ultra-thin liner and the existing damaged pipe line. The major competitive advantages include renewing pipe line structural integrity, significantly reducing the thickness of the liner, lengthening the pipes functional life and annulling moisture in the damaged pipe line.

Investigations by Vortex to date indicate that the ShieldLiner system, which can rehabilitate the existing damaged pipe line and bond the new liner, is a world first.

Traditional trenchless methods requires two access points and feeds a resin wet cloth, to form a new pipe within the damaged pipe. There can be issues for water, oil, and gas pressure pipes, as a thick structural liner is required, and moisture, corrosion and root infestation continues within the surrounding damage pipe line.

Key industry statistics:

- *The Water Industry Market - "U.S. water & wastewater infrastructure are nearing end of life, as evidenced by 650 water main leaks per day and two trillion gallons of treated water lost every year, costing more than US\$2.6 billion" and "US water & wastewater infrastructure investment needs is up to \$4.8 trillion over the next 20 years."*
[Source - US Majors 2013, Spending on US Water Infrastructure]
- *The Oil & Gas Industry Market - "US has 2.5 million miles of pipelines that transport 100% of its natural gas, 70% of its oil/products and other hazardous products" this year the "US Senate Panel approves bill, in response to several pipeline accidents."*
[Source – US Transport Department]

Forward Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward looking statements are not historical facts but rather are based on Vortex's current expectations, estimates and projections about the industry in which Vortex operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Vortex, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Vortex cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Vortex only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Vortex will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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