Vortex Pipes Limited
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ASX Announcement
21 March 2014

Company Update

- **Due diligence investigations continue by The Kelley Group**
- **Initial discussions commenced with potential European based strategic partners**
- **Planning underway for development of ShieldLiner Generation II**

Vortex Pipes Limited (ASX: VTX, "Vortex" or "the Company") is pleased to update investors with the ongoing development of the Company's proprietary trenchless pressure pipeline rehabilitation technology – the ShieldLiner System.

United States

Following the execution of the two year Technology Non-Disclosure Agreement with The Kelley Group in January, the parties have continued due diligence investigations into opportunities for deployment of the ShieldLiner System into the US market. The Kelley Group have focussed on the engineering aspects of the ShieldLiner system and distribution for the US oil and gas pipeline sectors.

Vortex is also in early stage discussions with a number of other potential strategic partners that are related to the trenchless resin, water, oil and gas pipeline sectors in the US.

Europe

The Company has recently opened discussions with a leading European based infrastructure investment and financing group to explore opportunities within the group's portfolio assets and other industry areas in Europe and globally.

The opportunity to introduce the ShieldLiner System to a global market is appealing to Vortex and substantiates the Company's belief that ShieldLiner is the world's first true 'pipe rehabilitation' trenchless system that actually rehabilitates the original damaged or aged pipeline.

ShieldLiner Generation II

Planning is currently underway for building an updated ShieldLiner System by a US engineering firm, in conjunction with updated patent applications relating to ShieldLiner Generation II. The ShieldLiner Generation II design will be engineered for distribution to potential strategic investors related to the water, oil and gas pipeline rehabilitation sectors in the US and around the world.

Both the US Department of Energy and the Department of Environment have requested to view the operation of the ShieldLiner Generation II. The Company plans demonstrations to accommodate requests from governmental departments, media and a number of large organisations related to the pressure pipeline rehabilitation sectors.

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About Vortex Pipes: *Vortex Pipes Limited is an Australian ASX-listed company (ASX: VTX) targeting the global demand for trenchless rehabilitation of vital pipe infrastructure in the water, oil and gas industries, through its world first 'ShieldLiner' proprietary technology.*

The ShieldLiner Technology is a world first, proprietary trenchless pipe rehabilitation technology, developed in-house, which restores the structural integrity and functionality of damaged or ageing pipelines.

The unique, international award-winning design is the world's first true 'pipe rehabilitation' trenchless system as it rehabilitates the original pipe and applies a new thin liner to it for additional properties. It utilises pressure to impregnate structural resins through the new thin liner and the existing damaged pipe line, without any excavation required. The finished 'rehabilitated pipe' by the ShieldLiner system is ideal for pressure pipelines in water, oil and gas industries.

About The Kelley Group: *The Kelley Group is a US-based party focused on investing strategically in businesses with leading-edge technology and systems, then accelerating them through to product commercialisation through strategic partnership or merger/acquisition opportunities. The Group is led by senior business professionals, Kenneth Kelley, Randy Mueller and Edward Martin, who combined, have extensive experience and expertise in finance and corporate transactions for Fortune 500 to Fortune 5000 companies. The Group works with a number of blue chip clients, located in Seattle and around the US.*

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.