Vortex Pipes Limited
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ASX Announcement
14 August 2014

Company Update

- **LOI for funding and listing of the ShieldLiner System on the Canadian Securities Exchange (CSE)**
- **Placements to raise up to $592,500**
- **Share Purchase Plan (SPP) to all Shareholders to Raise up to $1,000,000**
- **Board Reorganisation**

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, and other developments.

The ShieldLiner System

The Company is pleased to announce that it has executed a Letter of Intent ("LOI") with Noor Energy Corporation ("Noor") for Noor to be granted an exclusive option to acquire all of the assets and intellectual property of the ShieldLiner System (the "Acquisition"). The Acquisition will be made by way of a plan of arrangement between the companies and result in the Canadian registered Holding Company ("Holding Company") of the ShieldLiner System becoming listed on the Canadian Securities Exchange ("CSE").

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 ongoing development and deployment of the ShieldLiner System into the US market. Feedback received from various parties interested in the ShieldLiner System has led the Company to conclude that a North American listing of the ShieldLiner System is the preferred way in which to attract ongoing development capital.

It is proposed that the ongoing development capital will be used for the building of 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.

The consideration for the Acquisition will be 15 million shares in the Holding Company at a deemed issue price of CAD$0.10 per share or CAD$1,500,000. It is envisaged the 15 million shares will represent approximately 51.7% of the issued capital of the Holding Company, thus providing Vortex and its shareholder a highly leveraged ongoing exposure to the development of the ShieldLiner System yet alleviating the Company of the ongoing funding requirements.

The Acquisition is conditional upon the satisfaction of various conditions precedent including but not limited to due diligence by the parties on each other, an initial capital raising by Noor/the Holding Company of not less than CAD$700,000, receipt of all third party and regulatory approvals, shareholder approvals and the CSE confirming the securities of the Holding Company will be admitted to trading on the CSE.

Shareholder approval for the purposes of Listing Rule 11.2 and 11.4 will be sought with respect to the Acquisition. It is expected that these resolutions will be put at the upcoming AGM of the Company to be held in October 2014. The directors of the Company expect that if shareholder approval is obtained for the Acquisition, completion of the Acquisition will occur in the first half of 2015.

Further details in respect of the Acquisition will be included in the notice of meeting to be despatched to shareholders in due course.

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Placement

The Company is pleased to advise that it has received commitments from various sophisticated investors to subscribe for up to 785 million shares at an average subscription price of $0.0005 to raise up to $392,500 before costs of the issue. The shares will be issued with a free attaching unlisted option (exercisable at $0.00125, expiring 31 August 2018). The issue of the attaching options will be subject to the receipt of shareholder approval at a meeting to be held as soon as is practicable.

Share Consolidation

The Board has resolved to seek shareholder approval for a consolidation of capital on a 20 for 1 basis. This will result in the various issues of shares referred to within this announcement having a post consolidation issue price of $0.01 and the options a post consolidation exercise price of $0.025.

Share Purchase Plan (SPP)

The Board has also resolved to undertake a Share Purchase Plan for existing shareholders to subscribe for up to $15,000 worth of shares at an issue price of $0.01 (on a post consolidation basis). Subject to the receipt of shareholder approval, it is planned the SPP will raise up to a maximum raise of $1,000,000. The shares will be issued with a one for five free attaching option (exercisable at $0.025, expiring 25 October 2015). Subject to satisfaction of the listing requirements, the Company intends to apply to the ASX for this series of options to be listed.

Board Changes

As a result of the proposed listing of the ShieldLiner System on the CSE, Mr Brett Matich and Mr Trevor Gosatti have resigned from the Board of Vortex to focus on the ShieldLiner System listing. Each of the above, along with Mr James Robinson are proposed to be Board members of the ShieldLiner System Holding Company. Mr Patrick Corr and Mr Sean McGrath have also resigned as Directors of Vortex.

The Company is pleased to announce the appointments of Mr Harry Karelis and Mr Andrew Haythorpe as Directors.

Mr Karelis is the founder of Titan Capital Partners - a privately held investment group involved in a range of projects. He graduated from The University of Western Australia with Bachelors and Honours in Science majoring in Biochemistry and Microbiology as well as a Masters in Business Administration. He is a Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and has qualified as a Chartered Financial Analyst (CFA) from the CFA Institute in the United States.

Prior to establishing Titan, Mr Karelis worked in the financial services industry with roles in financial analysis and funds management both in Australia and overseas including extended periods at Hartley Poynton (now Hartleys) and Challenger Group. He has in excess of 20 years diversified experience in the financial services sector including fundamental analysis, funds management and private equity investing and has acted as a Director on several public and private companies in Australia, Singapore and the United Kingdom.

The Board believes that the skill-set and experience that Mr Karelis brings to the Board will be invaluable as the company progresses with its intention of reviewing and securing new opportunities.

During the past 15 years Mr Haythorpe has been involved in a number of junior company turnarounds with ASX and TSX listed companies. Mr Haythorpe is currently the Managing Director of Liberty Resources Ltd. In the past he has held numerous Board positions, including Managing Director of Michelago and Crescent Gold, Non-executive Chairman of Liberty, Aurox Resources, Golden Heritage Mines, (which merged into Address Express Holdings), Central Kalgoorlie Gold Mines and Top End Uranium, as well as a non-executive Director of

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131 Shop, Club Crocodile PL, a resort property company and Salmon Resources (Canada). During this time Mr Haythorpe was involved in over $200m worth of equity and debt raisings, often during difficult market times.

Prior to this, he was a Fund Manager (Global Energy and Resources) and Analyst at Bankers Trust Australia, which grew and merged from $2billion under management to over $40billion in its Global Funds management business during the 1990's.

Issue of Securities to Board Members

The Company will seek shareholder approval for Mr Karelis and Mr Haythorpe to subscribe for shares on the same terms as the placement. Approval will be sought for each of Mr Karelis and Mr Haythorpe to subscribe for $100,000 worth of shares at $0.01 - 10,000,000 shares on a post consolidation basis (with a free attaching unlisted option exercisable at $0.025, expiring 31 August 2018).

Approvals will also be sought for the issue of 5,000,000 shares on a post consolidation basis (with a free attaching unlisted option exercisable at $0.025, expiring 31 August 2018) to each of Mr Matich and Mr Robinson in satisfaction of outstanding fees owed to them for the previous financial year.

Pro-Forma Capital Structure

	Shares	**Listed Options***	**Unlisted Options**
Current	3,141,972,236	3,125,000,000	
Placement	785,000,000		785,000,000
	3,926,972,236	3,125,000,000	785,000,000
Consolidation - 20 for 1	196,348,612	156,250,000	39,250,000
Issues to Board Members	30,000,000		30,000,000
Share Purchase Plan (SPP)	100,000,000	20,000,000	
Total	**326,348,612**	**176,250,000**	**69,250,000**

* Subject to satisfaction of the listing requirements, the Company intends to apply to the ASX for this series of options to be listed.

For further information contact:

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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.

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.