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ALTECH OPENS MALAYSIAN SUBSIDIARY OFFICE AT JOHOR HPA SITE

Highlights

- Altech opens Malaysian subsidiary office in Johor
- Office situated close to site of proposed HPA plant
- Malaysian based project coordinator appointed
- Applications for various permits and approvals commenced

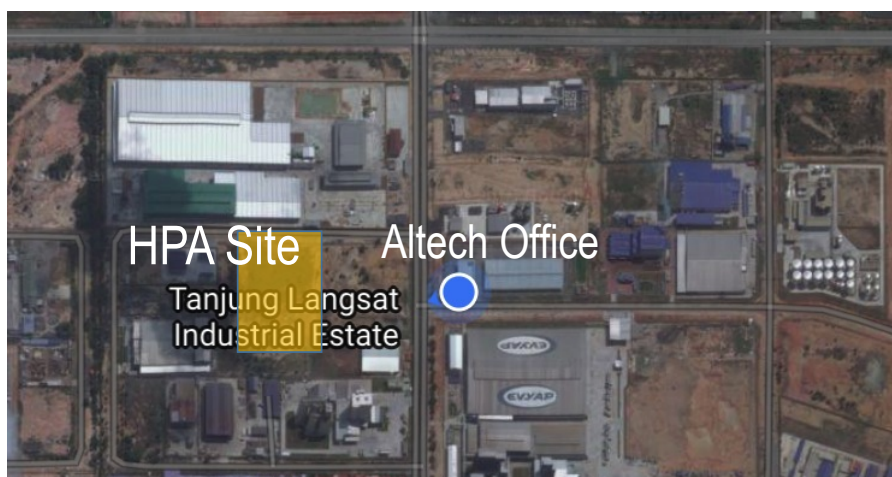
Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to announce that it has opened an office for its wholly owned Malaysian subsidiary company Altech Chemicals Sdn Bhd in Johor, Malaysia. The office is conveniently located approximately 300 metres from the site of Altech's proposed high purity alumina (HPA) plant in the Tanjung Langsat Industrial Complex, Johor, Malaysia.

Altech has also appointed a Malaysian based project co-ordinator, who together with engineers from M+W Group (Altech's Engineering, Procurement and Construction (EPC) contractor) will be based in the new office building during construction of the HPA plant.



Altech Chemicals' Malaysian subsidiary office in Johor, Malaysia

Altech managing director Mr Iggy Tan commented, *"The opening of the Company's Malaysian office is another positive step in advancing development of Altech's HPA project. Having an office so close to the site of the proposed HPA plant is ideal. Also, the appointment of a site based project co-ordinator will enable the various applications for permits and approvals to be efficiently progressed"*, he concluded.



Altech office location in relation to HPA site



Managing Director, Iggy Tan opening the office with Altech staff and M+W Group Engineers

About Tanjung Langsat Industrial Complex

Tanjung Langsat is located approximately 40km to the south-east of the city of Johor Bahru and caters to light, medium to heavy industries. The industrial hub contains multinational production groups from petrochemical, oil and gas, resource-based, ferrous and non-ferrous metal, biofuel, marine, palm oil and oleochemicals. Major companies operating within the Tanjung Langsat industrial complex include major Spanish steel manufacturer Acerinox Group; Titan Petrochemicals; Kiswire; Dairen Chemicals; Dialog and Lion Eco Chemical.

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For more information, please contact:

Corporate

Iggy Tan
Managing Director
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Shane Volk
Company Secretary
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

About Altech Chemicals (ASX: ATC)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the **world's leading suppliers of 99.99% (4N) high purity alumina (HPA)** (Al_2O_3).

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of artificial sapphire. Artificial sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant artificial sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of artificial sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at an annual rate of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in Q2-2017.



Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.