

ASX RELEASE**LPI:ASX - 12 April 2018****LPI RESPONDS TO MEDIA COVERAGE**

Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) provides this announcement in response to information contained in a “Mergermarket” article dated 12 April 2018. The article quotes LPI CEO Martin Holland regarding the potential divestment of LPI’s Western Australian exploration assets and certain other potential transactions.

LPI is pleased to advise that it is considering a range of options regarding its Western Australian assets (Pilbara and Greenbushes), including the potential disposal of the assets, joint venture arrangements or spinning out the assets into a newly listed vehicle. It has recently received approaches from two potential transaction partners with respect to the assets and from time to time engages in confidential discussions with other parties as part of its regular business activities.

The article refers to estimated valuations of LPI’s Western Australian Projects. LPI advises that there is no basis upon which that valuation was determined and that these statements contained in the article should be disregarded. Investors should not rely on these estimated valuations for their investment decisions.

The Company wishes to emphasise that there is currently no actual or proposed transaction with respect to its Western Australian assets and that the Company is considering various options for the development or monetisation of those assets as part of its regular business activities. In any event, no transaction for those assets may eventuate and no determination has been made by the Board with respect to any potential transaction.

LPI further updates the market on the progress of the sale of its Centenario project to Albertson Resources (as previously disclosed to ASX). The transaction is currently due to close on or before 30 April 2018. In the event that the transaction does not close by this date, the parties will explore options which may include an extension of the closing date or a joint venture. LPI advises that no agreement has been reached with Albertson Resources with respect to these options and will update the market as and when required.

Finally, the Company advises that the non-binding Memorandum of Understanding with Fulin Group that was disclosed to the ASX in November 2017 has recently expired. The Company remains in discussions with Fulin Group and regularly receives unsolicited inquiries from other potential offtake, project funding and/or construction funding partners as part of its normal business operations.

However, the Company does not have the present need, or intention, to enter into arrangements with funding joint venture or offtake partners and as previously disclosed to ASX is fully funded through to the final investment decision at Maricunga.

Upon making the final investment decision, the Company will seek appropriate project funding to finance the construction of Maricunga. As disclosed in the Preliminary Feasibility Assessment, released in January 2018, the estimated cost of construction for the Maricunga project is US\$360m. To date the Company has received several unsolicited informal inquires to fund the construction of the Maricunga, however the Company does not intend to further progress these inquires until the completion of all matters leading to the finalisation of the Definitive Feasibility Study.

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