

15th January 2019

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Byte Power Group Ltd update on Cryptocurrency Exchange

Byte Power Group Ltd (ASX:BPG) is pleased to advise that the cryptocurrency exchange (**Exchange**) being developed by its subsidiary, Byte Power Pty Ltd (**BPPL**) was launched by Byte Power X Pty Ltd (**BPXPL**), a fully owned subsidiary of BPPL on 13 January 2019 and has commenced trading.

BPXPL launched the Exchange with pairings of BTC/USD, BTC/AUD, LTC/BTC (BTC – BITCOIN, LTC – LITECOIN) and added the pairing ETH/BTC (ETH – ETHEREUM) on 14 January 2019. BPXPL plans to introduce additional cryptocurrencies to the Exchange by 31 January 2019. Updates will be available on the Byte Power X website.

As detailed in:

- BPG's response to the ASX query letter released on 4 January 2019, the Exchange was "soft launched" on 18 December 2018. The soft launch meant that the Exchange had opened for registrations.
- BPG's ASX Announcement dated 18 December 2018, trading on the Exchange was disabled until BPXPL had verified updates and completed its security testing. As detailed in the response to the ASX query letter on 4 January 2019, trading functionality remained outstanding and would be available once Byte Power X completed trialing of the functionality.

The Exchange is now open for trading as technical updates have been verified and security testing and the trialing of trading functionality have been successfully completed.

The verification, testing and trialing detailed above involved the following:

- **Update verification:** BPPL, along with its cryptocurrency exchange developer Noetic Synergy, have completed testing to verify recent technical updates including some trading functionality;

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- **Security testing:** BPPL and Noetic Synergy have also successfully completed testing on the security features of the Exchange. These security features include secure internal wallet transfers and cryptocurrency storage risk management processes. Testing of these features was undertaken to ensure that the exchange risk management systems were in place and functional before launch; and
- **Functionality trial:** BPPL and Noetic Synergy have trialed the functionality of the Exchange by ensuring trading and wallet functions of the exchange were tested and functional before trading commences.

BPG has been requested by ASIC to provide the legal advice received from BPG's legal advisors relating to the BPX loyalty tokens. BPG is working with its legal advisors to assist with ASIC's requests and remains of the firm view that these tokens are not interests in a managed investment scheme. BPG will continue to assist ASIC with any queries. These queries have no implications on the launch of the Exchange.

Michael Wee
Company Secretary
Byte Power Group Limited