

Powerhouse Ventures Limited

Material Price Sensitive Disclosure

Degradation in Value of Portfolio Company Hydroworks Limited

Christchurch, New Zealand, 10 August 2017

Powerhouse (PVL) holds an investment of 22.7% of the share capital of Hydroworks Limited. This represents approximately 17.6% of the Powerhouse portfolio of technology companies as at 31 December 2016, noting year end revaluation processes and audit confirmations are currently underway.

The Directors of PVL are of the opinion that a material degradation has occurred to the value of Hydroworks Limited. Powerhouse is aware Hydroworks continues to face significant financial issues. The following table summarises the PVL **balances at risk** in respect of its Hydroworks investment as at 30 June 2017:

Balance sheet account	\$'000
Investment in Equity	4,314
Short Term Loans (incl interest)	1,342
Trade debtors	168
Term Deposit subject to guarantee	1,000
Total amount at risk as at 30 June 2017	6,824

PVL has exercised extreme prudence and is therefore writing its investment down to a Nil carrying value, but may retrieve some value from a restructuring, partial or full sale of the Company.

PVL has always been a supporter of Hydroworks and believes there are prospects for the Company's growth if some changes are made urgently. It has excellent technical capabilities and products to be proud of. We are committed to working through this situation with other Hydroworks shareholders and will update our own shareholders when we have further details.

Paul Viney

Company Secretary

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ASX Release
Powerhouse Ventures Limited
(ASX Code: "PVL")



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About Powerhouse Ventures Limited

Powerhouse is a leading intellectual property commercialisation company which focuses on developing brilliant research from New Zealand and Australian universities into world changing businesses. It has developed a unique approach to develop these innovations and businesses by providing access to business building expertise, capital, networks, recruitment and ongoing business support. Powerhouse has a successful track record with an existing active portfolio of 23 early stage to mature businesses across four main sectors: engineering and clean-tech, medical and healthcare, agritech and environmental and digital and ICT.

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