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Hello, ASTRO: Announcing the Astroport Governance Token Drops

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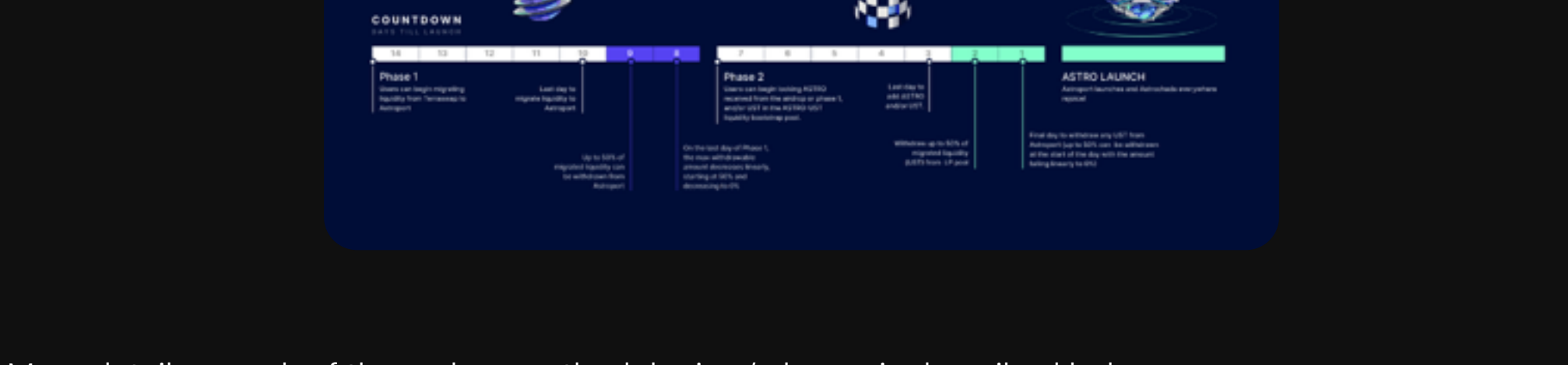


tl;dr: With the upcoming launch of Astroport, there will be three ways to obtain Astroport governance tokens (ASTRO):

1. An ASTRO airdrop for active TeFi users
2. An ASTRO lockdrop for migrating liquidity from Terraswap to Astroport
3. An ASTRO lockdrop in exchange for committing ASTRO and/or UST tokens to the ASTRO-UST pool

We've deemed these token distributions ASTROdrops.

Article update: An earlier version mentioned that participants would be able to withdraw locked LP tokens before their lock has expired. That will no longer be possible. A footnote has also been added to clarify non-endorsement by Delight Labs (updated Nov. 4, 2021).



More detail on each of these drop methodologies / phases is described below.

**Note: Delight Labs, the team running <https://terraswap.io/>, has not endorsed and is not affiliated with Astroport.*

The Great TeFi / DeFi Chad Airdrop

The ASTRO airdrop is "virtual", in that it occurs in the past. ASTRO will be retroactively airdropped to historical participants in major TeFi protocols. This airdrop will be aimed at legendary TeFi power users as evidenced by on-chain data, including users who have engaged in governance staking, voting and LPing in the selected systems. More specific criteria including the supported protocols and snapshot date will be announced prior to the start of Phase 1. *Please note, you cannot do anything now to qualify for the airdrop — please do not use any TeFi systems in order to try to obtain ASTRO through the airdrop.*

Once the lockdrop is live, you'll be able to check your airdrop eligibility by pasting your Terra addresses in on the Astroport website. Then, you can either wait until Astroport's launch to claim your airdropped ASTRO tokens or commit them to the ASTRO/UST pool and receive more ASTRO in Phase 2 (see below).

There will be a three-month post-launch airdrop claim period, which will be the sole opportunity to claim any ASTRO to which you may be entitled in the airdrop. After 3 months, ownership and control of all unclaimed airdrop ASTRO will be transferred to the Astral Assembly (aka, the Astroport DAO), and you will lose all ability to obtain or receive any benefit from such ASTRO.

Phase 1: The Lockdrop

✦ Phase 1 Overview

Terraswap is the Terra ecosystem's original and highest-volume AMM system. Therefore, of course, it also has Terra's most experienced and knowledgeable user base. Phase 1 is designed so that these power users become part of the Astroport community (and lend their accumulated AMM knowledge to its governance) from day one of the Astroport launch.

During a seven-day period ahead of the Astroport launch ("Phase 1"), Terraswap LPs who commit to migrate their Terraswap liquidity to Astroport once it launches will receive a one-time up-front ASTRO reward.

On Terra, money is speech — thus, Terraswap LPs express their intentions to migrate by depositing their Terraswap LP tokens into Astroport (specifically, the ASTROdrop smart contracts) during Phase 1 — in turn, this will result in moving their liquidity from Terraswap to Astroport.

When depositing their LP tokens, each user will also commit to a minimum period of time during which they intend to remain deposited in Astroport after it launches. This time commitment can be seen as a "trial period" during which Terraswap LPs intend to try out Astroport and see what it has to offer.

In exchange for "locking" LP tokens (and the liquidity they represent) in Astroport, users will receive a "drop" of ASTRO tokens... hence the name, "lockdrop."

The amount of ASTRO each migrating Terraswap LP receives will be a function of the selected time commitment and other factors, as outlined below.

✦ Phase 1 Timeline & Ability to Withdraw from Phase 1

Phase 1 will last seven days. Terraswap LPs can join the migration at any time during the first five days of the seven-day period by depositing eligible Terraswap LP tokens into the lockdrop smart contracts. Starting on Day 6, no new deposits will be accepted and only limited withdrawals will be allowed from days 6–7.

During the first five days of Phase 1, participants can freely withdraw any or all of their deposited Terraswap LP tokens (reducing or completely terminating their participation in Phase 1).

Starting on Day 6, each LP will only be able to withdraw up to 50% of the Terraswap LP tokens they deposited during the initial five-day period (thus, on Day 6, Phase 1 participants can no longer completely terminate their participation in Phase 1, but can reduce their participation in Phase 1 by up to 50%).

During the course of Day 7, each LP's withdrawal allowance for LP tokens they deposited during days 1–5 (and thus each LP's ability to reduce their participation in Phase 1) will fall linearly from 50% to 0% over the course of the day, until by the end of the day no withdrawals of any LP tokens will be possible (and thus participation levels can no longer be reduced).

During days 6–7, it is only possible to withdraw from / reduce any particular LP token deposit position one time — for example, if you made a deposit of 100 LP tokens on day five, you could withdraw up to 50 of those LP tokens at the start of Day 7, but if instead of withdrawing all 50 you only withdraw a few, you cannot later change your mind and withdraw more.

✦ Phase 1 — Calculation of Each Participant's ASTRO reward

ASTRO rewards will be calculated based on three factors for each particular migration-eligible Terraswap pool:

- the total number of ASTRO to be ASTROdropped to all users migrating from that particular Terraswap pool to the equivalent Astroport pool (to be announced prior to the start of Phase 1);
- that particular user's percentage of all liquidity migrating from that particular Terraswap pool to the equivalent Astroport pool (which will equal that particular user's percentage of all LP tokens deposited into the ASTROdrop smart contract from that pool during Phase 1); and
- the length of that particular user's selected "Astroport trial period".

✦ Phase 1 — Migration Risks and Benefits

Migrating Terraswap LPs will be entitled to ASTRO while retaining all the normal assets and proceeds of their underlying pool positions. In other words, migrating Terraswap LPs who participate in Phase 1 will ultimately receive all of the following benefits:

Once the migration is finished, the migrating LPs will be just like any other Astroport LPs, except that their liquidity is locked for the selected period and they received extra ASTRO because of their participation in Phase 1.

If desired, all Astroport LPs who participate in the migration will be able to withdraw their Astroport liquidity after their "trial period" ends on the specific date they pre-selected. Otherwise, like any Astroport LP, the migrating LPs will receive ongoing trading fees from their respective AMM pools (but now these are Astroport AMMs instead of Terraswap AMMs) and ongoing token rewards from the ASTRO Generators (varying by pool size and pool type, as determined by the Astral Assembly's governance votes).

NOTE: The owners/operators of <https://apo.terraswap.io/> are not affiliated with and have not endorsed Astroport.

Also note that participation in Phase 1 involves significant technical risks and uncertainties. Please carefully review the "Disclaimers" section at the end of this article for important information about the nature of such risks, the practical irreversibility of the relevant blockchain transactions and the absence of reliable or readily available remedies for any loss or impairment of tokens or other damages you might suffer by participating in Phase 1.

Upon the conclusion of Phase 1, Phase 2 will begin.

Phase 2: The ASTRO-UST Bootstrapping Pool

Phase 2 will act like a price discovery period for ASTRO tokens — which really means they will act as a value discovery for Astroport governance. The price will be determined by how much UST and ASTRO users add to the pool and at what ratio they add it. For example, if there are 1,000 ASTRO tokens and 1,000 UST in the pool, the price of ASTRO will be 1 UST (1,000/1,000) when Astroport launches. *Thus, the value of ASTRO (and the value of having a governance voice in Astroport) is 100% decided by Astroport users.*

During Phase 2, users will be able to check their eligibility for the ASTRO airdrop. Then, the most diehard Astrochads can pre-commit their airdropped and/or lockdropped ASTRO (along with UST if desired) to the ASTRO-UST "liquidity bootstrapping pool" on Astroport for a period of time.

All Phase 2 participants will receive both a one-time grant of additional ASTRO (an ASTROdrop) and the following normal benefits of LPing in an Astroport pool:

✦ Phase 2 timeline

All liquidity added to the ASTRO-UST pool will **initially be fully locked (non-withdrawable) at the end of Phase 2** and will unlock linearly over 3 months as shown in the graph below.

IMPORTANT: Because Phase 1 and Phase 2 liquidity cannot be withdrawn ahead of schedule, if you choose to participate, you will be forced to remain in your positions until your locks expire. In Phase 1, your locks will expire on the date(s) you selected at the time you committed your liquidity to Astroport. In Phase 2, you will be forced to remain an LP in the ASTRO/UST Astroport AMM pool for three months. Providing liquidity to any pool including the ASTRO/UST AMM pool carries serious risks and might not be profitable (or might lead to losses) unless you expertly and actively manage your own risks. These risks include exposure to 'impermanent loss' (arising from changes in the ratio of market values of ASTRO and UST or other deposited token pairs), depreciation (arising from decreases in the market values of ASTRO and/or UST or other deposited token pairs at a time when you cannot withdraw and sell them because your liquidity is locked), or the Astral Assembly using its governance powers to reduce the proportion of ASTRO emissions allocated to the ASTRO/UST pool or other pools through the ASTRO Generator (see *The Astroport Litepaper — "Recalibrating The ASTRO Generator"*). Please only participate in Phase 1 or Phase 2 if you understand, can manage and wish to fully accept all associated risks.

✦ Phase 1 and 2 withdrawal schedules

Phase 3: Astroport launch!

When Phase 2 ends, the Astroport protocol will launch and all of its liquidity pools will be live and tradeable.

All unlocked ASTRO tokens received from the airdrop and ASTROdrops will be transferable (except for tokens subject to any early withdrawal requirements).

Decentralized, permissionless and open-source, Astroport's marketplace is a public good governed by its community of ASTRO token holders. We hope you'll be among those initial holders.

Follow [Astroport on Twitter](#) for dates and additional information on the upcoming lockdrop and token launch. For additional information on the upcoming ASTROdrops, please read the technical questions and "Disclaimers" below before participating.

✦ Technical questions

Q: If I participate in Phase 1 and/or 2, will I continue earning LP trading fees before the launch of Astroport?

A: During Phase 1 and Phase 2 (see above for Phase 2 timeline), participating Terraswap LPs will keep accumulating fees on their Terraswap pool positions (as well as remaining subject to the risks of such positions, such as the risk of "impermanent loss" and any technical risks posed by the Terraswap smart contract code or the Terra blockchain).

Q: What's actually happening to my Terraswap LP tokens if I participate in Phase 1?

A: Once Phase 1 and Phase 2 are completed and the Astroport AMM system goes live, the Astroport smart contract system will automatically redeem the deposited Terraswap LP tokens from the Terraswap AMM pools and migrate the underlying Terraswap pool tokens from those pools into token-pair-equivalent Astroport AMM pools. For example, a Phase 1 participant who deposited Terraswap LP tokens from the LUNA/bLUNA Terraswap AMM pool will now hold LP tokens in the LUNA/bLUNA Astroport AMM pool, and all the LUNA and bLUNA tokens they once had in that Terraswap AMM pool will now be in the corresponding Astroport AMM pool. Note that third-party rewards that could be earned by "farming" with or otherwise using Terraswap LP tokens might not be available in relation to the Astroport LP tokens users receive as a result of the migration, unless such third-party rewards qualify for "dual distributions" from the ASTRO Generators (see *The Astroport Litepaper — "Dual Governance Token Distribution with ASTRO Generators"* for more info).

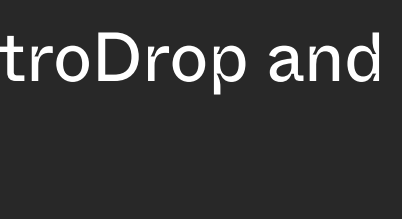
✦ IMPORTANT DISCLAIMERS:

This article has been written and published by the joint venture devoted to the research, development and deployment of Astroport, and is qualified in its entirety by the [Astroport Medium Disclaimers](#).

The Terraswap → Astroport migration and each other transaction described herein is not intended to be an investment, a capital-raising transaction for an enterprise, a sale of your tokens to any person or group of persons or a purchase of ASTRO from any person or group of persons. It is also not intended to be a loan, consignment or deposit of your tokens to or with, or a service provided to you by, any person or group of persons. The smart contracts which will hold Terraswap LP tokens are not owned by or under the control of any person or group of persons involved in creating Astroport; instead, these smart contracts are operated on an unaffiliated basis by the block validators for the Terra mainnet blockchain. However, these validators also do not have individual ownership or control of the relevant smart contracts or the Terra blockchain and lack any obligation or method to coordinate a reversal or mitigation of any adverse results of such smart contracts. **This means that if the migration does not work as described herein and your tokens are lost, frozen or impaired or you suffer other damages or harms as a result of participating in Phase 1, Phase 2 or any other transaction described herein, you might have no legal or practical remedy, regardless of the causes of or reasons for these adverse events.** There is no "transaction counterparty" which has the power to reverse your transactions or recover your assets, or which has made you a promise to return or refund any lost, frozen or impaired assets. There is also no guarantee, indemnification or insurance available to compensate users for any assets lost, frozen or impaired in connection with Phase 1, Phase 2 or other damages users suffer in connection therewith.

Therefore, although participation in Phase 1, Phase 2 or the other transactions described herein do not involve traditional "counterparty risk" from a seller or borrower, **Phase 1, Phase 2 and those other transactions do involve significant technical risks.** You should not rely on this article or any published code audit as an accurate description or evaluation of the Astroport smart contracts, but instead you should only participate in Phase 1 or Phase 2 after thoroughly reviewing and understanding the code of the relevant smart contracts in your own independent due diligence process.

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