

Go Energy Group Limited

ABN 27 084 656 691

Appendix 4D

Half Year Report

For the period ended 31 December 2015

		%	Dec-15	Dec-14
Revenue	up	2241%	37,594,057	1,606,102
Loss before income tax	down	-7%	(2,571,062)	(2,751,810)
Net loss for the period attributable to members	up	66%	(3,392,617)	(2,039,962)
Basic and diluted loss per share (cents per share)	down	-13%	(0.34)	(0.39)
Net tangible assets per ordinary securities (cents per share)	down	nm	(0.36)	0.13

nm - not meaningful

No dividends were paid or provided during or since the end of the financial year.

Brief Commentary on the results

As a result of reverse acquisition, details of which are disclosed in 30 June 2015 financial report, the comparative figures for December 2014 are the results of GoEnergy Pty Ltd only.

During the half-year period the number of billable electricity sites increased from 281 to 2,108, an increase of 1,827 in comparison to June 2015. Revenue increased by \$35,987,955 due to customers consumption of 63,778MWh of electricity and 246,392Gj of gas. The Group's activity in retail energy and gas has been steadily climbing as a result of targeted sales activities. Installation of solar generation and other products continued its development with the signing of roll out programs with a number of multi location businesses.

The business of aggregation and sale of small scale renewable energy certificates (STCs) was integrated into the main operations of the Group and 528,000 STCs were transacted.

The Group continues to refine its product positioning and operating structure. To reduce operating inefficiencies a number of activities were either discontinued or merged. As at 31 December 2015 the Group operates in one business unit, which incorporates is retail energy, solar generation products and STC aggregation as one integrated activity.

There were several one-off events that occurred during the half-year period that contributed to the reported result. Due to uncertainty around the timing of its recoupment, the deferred tax gain recognised as at 30 June 2015 of \$821,555 was reversed during the half-year period and resulted in an income tax expense of \$821,555. Volatility in the energy markets increased wholesale electricity costs by an estimated \$200,000 in December 2015. The reported loss also included costs of restructuring including redundancies and ceasing unprofitable product offerings. An expense of \$180,000 was also included relating to fraudulent activity by a number of customers of the STC aggregation business. This activity was observed across the industry and the Group is working with the Clean Energy Regulator (CER) to resolve customer identification issues. Further 7,121 STCs were identified as fraudulent post reporting date and will be surrendered to CER.

Subsequent to the end of the half-year a number of financing facilities have been put in place, as detailed in the attached Directors' Report.

Go Energy Group Limited

(formerly Solco Limited)

ABN 27 084 656 691

Half-year report

31 December 2015

Go Energy Group Limited

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Go Energy Group Limited

Definitions and terms

BMQ	Bank Minimum Quantity (amount of energy a financier will assume is produced in determining the cash flows of an SGU subject to PPA)
CER	Clean Energy Regulator
CMQ	Customer Minimum Quantity (minimum amount of energy a customer agrees to purchase under a PPA)
GO energy	Goenergy Pty Ltd
GO Group	Go energy and other related businesses and entities acquired by Go Energy Group Limited
the Company	Go Energy Group Limited
the Group	Go Energy Group and its subsidiary companies
LGC	Large-scale generation certificates
PPA	Power plant agreement, which is an agreement whereby customers contract to purchase energy generated by a solar generation unit installed on their premises
RET	Renewable Energy Target
SGU	Solar generating unit
STC	Small-scale renewable technology certificates
UGE	Urban Group Energy Holdings Pty Limited (the Group's majority shareholder)

Go Energy Group Limited

Directors' Report

Your directors present their report on the consolidated entity (or Group) consisting of Go Energy Group Limited (the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

DIRECTORS

The following persons were directors of Go Energy Group Limited during the whole of the half-year and up to the date of signing of this report, unless otherwise noted:

Mr Brian Thomas	Resigned 19 February 2016
Mr Lui Pangiarella	
Mr Adam Pearse	Resigned 15 December 2015
Mr Rodney Harvey	Appointed 14 December 2015
Mr Walker Dean	Appointed 14 December 2015
Mr Craig Vivian	Resigned 12 August 2015
Mr Ian Campbell	Resigned 12 August 2015

PRINCIPAL ACTIVITIES

The principal activities of the Group, following the legal acquisition of GO Energy Pty Limited and related entities (GO Group) in February 2015, are the aggregation of environmental certificates, sale of solar generation systems and the provision of electricity and gas to business customers. The Group operates under a single business unit that provides a range of products to its customers.

REVIEW OF OPERATIONS

During the half-year period the listed parent entity changed its name from Solco Limited to Go Energy Group Limited (ASX code GOE).

The loss after tax of the Group for the half-year ended 31 December 2015 was \$3,392,617 (2014: \$2,039,962).

As a result of reverse acquisition, details of which are disclosed in 30 June 2015 financial report, the comparative figures for December 2014 are the results of GoEnergy Pty Ltd only.

During the half-year period the number of billable electricity sites increased from 281 to 2,108, an increase of 1,827 in comparison to June 2015. Revenue increased by \$35,987,955 due to customers consumption of 63,778MWh of electricity and 246,392Gj of gas. The Group's activity in retail energy and gas has been steadily climbing as a result of targeted sales activities. Installation of solar generation and other products continued its development with the signing of roll out programs with a number of multi location businesses.

The business of aggregation and sale of small scale renewable energy certificates (STCs) was integrated into the main operations of the Group and 528,000 STCs were transacted.

The Group continues to refine its product positioning and operating structure. To reduce operating inefficiencies a number of activities were either discontinued or merged. As at 31 December 2015 the Group operates in one business unit, which incorporates is retail energy, solar generation products and STC aggregation as one integrated activity.

There were several one-off events that occurred during the half-year period that contributed to the reported result. Due to uncertainty around the timing of its recoupment, the deferred tax gain recognised as at 30 June 2015 of \$821,555 was reversed during the half-year period and resulted in an income tax expense of \$821,555. Volatility in the energy markets increased wholesale electricity costs by an estimated \$200,000 in December 2015. The reported loss also included costs of restructuring including redundancies and ceasing unprofitable product offerings. An expense of \$180,000 was also included relating to fraudulent activity by a number of customers of the STC aggregation business. This activity was observed across the industry and the Group is working with the Clean Energy Regulator (CER) to resolve customer identification issues. Further 7,121 STCs were identified as fraudulent post reporting date and will be surrendered to CER.

A review by the Board of the Group's funding arrangements, instigated a program to recapitalise the Group. This has resulted in subsequent to year end a number of financial arrangements being put in place:

- (i) a secured \$3,600,000 Financing facility, with the following key terms:
 - maximum limit \$3,600,000,
 - no fixed term, subject to minimum 3 month notice of withdrawal,
 - interest is charged at a variable rate of 1.25% above bank overdraft rates, which currently totals 8.58%,
 - secured by first ranking charge over assets of Goenergy Pty Ltd, and charges and guarantees provided by Go Energy Group Limited and other Group subsidiaries.
- (ii) a secured \$5,000,000 converting loan, with the following key terms:
 - maximum limit \$5,000,000,
 - 3 year term,
 - no fixed term, convertible at the option of the holder into ordinary shares of the Company,
 - conversion of the loan is calculated by using an issue price the lower of 7 cents or a 5 day volume weight average price based on trading of the Company's ordinary shares,
 - interest is charged at a fixed rate of 9.75% per annum,
 - secured by a charge over assets of Go Energy Group Limited, until converted in ordinary shares of the Company.

Go Energy Group Limited

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes to the Group's state of affairs during the half-year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 370C of the *Corporations Act* is set out on page 22.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Pangiarella', is written over a light grey horizontal line.

Mr Lui Pangiarella
Director
26 February 2016

Go Energy Group Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2015

		31 December Notes 2015 \$	31 December 2014 \$
Continuing operations			
Revenue	3(a)	37,594,057	1,606,102
Other income	3(b)	1,818	-
Raw materials and consumables used		(35,307,521)	(1,195,222)
Depreciation and amortisation expense	4(a)	(360,174)	(157,105)
Finance costs	4(c)	(247,603)	(40,872)
Other expenses	4(b)	(4,251,639)	(2,964,713)
Loss before income tax		(2,571,062)	(2,751,810)
Income tax (expense)/benefit		(821,555)	711,848
Loss after tax from continuing operations		(3,392,617)	(2,039,962)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the half-year		(3,392,617)	(2,039,962)
Loss per share (cents per share)			
– basic and diluted	15	(0.34)	(0.39)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Go Energy Group Limited

Condensed Consolidated Statement of Financial Position As at 31 December 2015

	Notes	31 December 2015 \$	30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,168,663	1,042,301
Trade and other receivables		4,068,346	1,777,895
Inventories		2,407,488	2,504,940
Other		433,695	645,308
Total Current Assets		10,078,192	5,970,444
Non-current Assets			
Deferred tax assets		-	821,555
Property, plant and equipment	7	749,932	869,954
Intangible assets	8	1,408,075	1,490,495
Total Non-current Assets		2,158,007	3,182,004
TOTAL ASSETS		12,236,199	9,152,448
LIABILITIES			
Current Liabilities			
Trade and other payables		8,062,118	4,080,757
Interest-bearing loans and borrowings	9	3,685,006	2,029,557
Other liabilities		1,392,942	484,791
Provisions		226,562	229,989
Total Current Liabilities		13,366,628	6,825,094
Non-current Liabilities			
Interest-bearing loans and borrowings	9	774,037	763,379
Provisions		223,290	303,674
Total Non-current Liabilities		997,327	1,067,053
TOTAL LIABILITIES		14,363,955	7,892,147
NET ASSETS / (LIABILITIES)		(2,127,756)	1,260,301
EQUITY			
Issued capital	10	12,741,456	12,736,896
Accumulated losses		(14,869,212)	(11,476,595)
TOTAL EQUITY		(2,127,756)	1,260,301

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Go Energy Group Limited

Condensed Consolidated Statement of Changes in Equity For the half-year ended 31 December 2015

	<i>Issued capital</i> \$	<i>Accumulated losses</i> \$	<i>Total equity</i> \$
Balance at 1 July 2014	38,203,609	(35,856,659)	2,346,950
Loss after income tax for the half-year	-	(2,039,962)	(2,039,962)
Total comprehensive loss for the half-year	-	(2,039,962)	(2,039,962)
Transactions with owners in their capacity as owners:			
Issue of ordinary shares in settlement of debt to holding company	1,600,000	-	1,600,000
Balance at 31 December 2014	39,803,609	(37,896,621)	1,906,988
Balance at 1 July 2015	12,736,896	(11,476,595)	1,260,301
Loss after income tax for the half-year	-	(3,392,617)	(3,392,617)
Total comprehensive loss for the half-year	-	(3,392,617)	(3,392,617)
Transactions with owners in their capacity as owners:			
Capital raising costs	(49,876)	-	(49,876)
Contributions of equity net of transaction cost	54,436	-	54,436
Balance at 31 December 2015	12,741,456	(14,869,212)	(2,127,756)

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Go Energy Group Limited

Condensed Consolidated Statement of Cash Flows For the half year ended 31 December 2015

	Notes	31 December 2015 \$	31 December 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		39,985,314	2,597,269
Payments to suppliers and employees		(39,077,330)	(4,236,602)
Interest received		27,489	2,045
Interest paid		(125,667)	(41,575)
Net cash flows from/(used in) operating activities		809,806	(1,678,863)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(19,378)	(101,706)
Payments for intangible assets		(157,732)	(41,258)
Net cash flows used in investing activities		(177,110)	(142,964)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings - related parties		3,627,000	2,278,509
Repayments of borrowings - related parties		(2,871,800)	-
Proceeds from borrowings		984,972	-
Repayments of borrowings - other		(251,066)	(49,552)
Proceeds from issue of shares		54,436	-
Share issue transaction costs		(49,876)	-
Net cash flows from financing activities		1,493,666	2,228,957
Net increase in cash and cash equivalents		2,126,362	407,130
Cash and cash equivalents at beginning of period		1,042,301	15,957
Cash and cash equivalents at end of period	6	3,168,663	423,087

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2015

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2015 are general purpose financial statements prepared in accordance with Australian Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These condensed consolidated interim financial statements do not include full disclosure of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and revised Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new and revised Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The half-year financial report has been prepared on a historical cost basis. The Company is domiciled in Australia and all amounts are presented in Australian dollars.

(b) Going concern

The directors have prepared the financial statements on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2015 the Group's total assets of \$12,236,199 were exceeded by total liabilities of \$14,363,955 and the Group's current assets of \$10,078,192 were exceeded by current liabilities of \$13,366,628. For the half-year period ended 31 December 2015 the Group recorded a loss after taxation of \$3,392,617 and net cash from operating and investing activities was \$632,696.

These results are in line with management and the Board's expectations as the Group undertakes the development phase of its business. During the development phase the generation of sufficient funds from operating and financing activities in accordance with the Group's current business plan and growth forecasts is dependent on:

- the availability of financing facilities to fund working capital requirements; and
- increased revenue and cash flows from current trading. This is dependent upon increases in customer numbers and generating cash inflows to offset the forecast expenditure.

The Group's current forecasts indicate that in order to meet its current business plans, further capital is required. As part of the ongoing business operations and capital structure planning, the Group continues to investigate funding requirements and opportunities. The ability of the Group to find support amongst existing and new financiers has been demonstrated during the current financial period and subsequently by increases in the available loan facilities. These consist of:

- A converting loan with M&H Developments Pty Ltd (M&H Facility), an entity associated with the Company's majority shareholder, Urban Group Energy Holdings Pty Ltd, was put in place during the reporting period. The M&H Facility had a balance of \$1,800,000 as at 31 December 2015 and a further \$2,000,000 has been advanced since that date.
- Since 31 December 2015, a secured debt facility with a maximum limit of \$3,600,000 has been put in place. The amount able to be drawn is limited to the balance of receivable amounts outstanding adjusted by certain factors (refer Note 14).
- Since 31 December 2015, a secured converting loan facility with a maximum limit of \$5,000,000 has been put in place (refer Note 14).

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2015

(b) Going concern (continued)

In the event that sufficient cash flows from operations are not generated and/or the Group's existing financing facilities are inadequate, the Group would seek to implement alternative arrangements. These would include alternative funding arrangements and/or operational changes to ensure the Group has sufficient working capital.

The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied regarding the Group's ability to maintain the continued support of current financiers and creditors and/or other sources of funding.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Should the Group not be successful in generating sufficient cash flows from operations and/or the Group's existing or alternative funding arrangements, this would indicate a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

(d) Reverse acquisition

As a result of reverse acquisition, details of which are disclosed in 30 June 2015 financial report, the comparative figures for December 2014 are the results of GoEnergy Pty Ltd only.

Weighted average number of shares used in the calculation of loss per share for the comparative half-year period, was adjusted to reflect the reverse acquisition share number adjustment.

2 SEGMENT INFORMATION

Segment information in the financial statements for the year ended 30 June 2015 presented two segments, CO2markets and GO energy. To reduce operating inefficiencies within the business a number of activities were either discontinued or merged. As at 31 December 2015 the Group operates in one business segment. All operating activities are now perceived as products of GO energy and reported to the chief decision maker accordingly.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

	31 December 2015	31 December 2014
	\$	\$
3 REVENUE		
<i>Revenue and Expenses from Continuing Operations</i>		
(a) Revenue		
Energy certificates trading	21,510,021	-
Energy revenue	13,082,623	1,100,694
Other revenue	3,001,413	505,408
Total revenue	37,594,057	1,606,102
(b) Other income		
Net foreign currency gain/(loss)	(25,671)	-
Interest received	27,489	-
Total other income	1,818	-
4 EXPENSES		
(a) Amortisation and depreciation expense		
Depreciation	120,022	112,939
Amortisation	240,152	44,166
	360,174	157,105
(b) Other expenses		
Impairment of current and non-current assets	189,626	484,751
Wages and salaries	2,359,889	1,600,814
Operating expenses	1,702,124	879,148
Total other expenses	4,251,639	2,964,713
(c) Finance costs		
Greenbook facility interest charges	92,140	-
Other loans (incl. convertible redeemable preference shares)	26,728	-
Finance charges under finance leases & hire purchase contracts	128,735	40,872
	247,603	40,872

5 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or declared since the start of the period. The directors do not recommend the payment of a dividend in respect of the half-year period.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

	31 December 2015	30 June 2015
	\$	\$
6 CASH AND CASH EQUIVALENTS		
Cash in hand	1,400	1,400
Cash at bank	1,441,786	999,194
Restricted cash	1,725,477	41,707
	3,168,663	1,042,301

Cash that is on deposit with financial institutions as security for bank guarantees issued to various counterparties as credit support, is defined as restricted cash.

7 PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements

At cost	112,346	112,346
Accumulated depreciation	(23,355)	(9,311)
Net carrying amount	88,991	103,035

Office furniture & equipment

At cost	134,612	134,612
Accumulated depreciation	(52,025)	(37,525)
Net carrying amount	82,587	97,087

Solar Generating Units - under lease

At cost	914,791	914,791
Accumulated depreciation	(336,437)	(244,959)
Net carrying amount	578,354	669,832

Total property, plant and equipment

At cost	1,161,749	1,161,749
Accumulated depreciation	(411,817)	(291,795)
Net carrying amount	749,932	869,954

Movement in property, plant and equipment

Leasehold improvements

Balance at the beginning of the period	
At cost	112,346
Accumulated depreciation	(9,311)
Net carrying amount	103,035
Depreciation charge for the period	(14,044)
Balance at the end of the period	88,991

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

	31 December 2015 \$	30 June 2015 \$
7 PROPERTY, PLANT AND EQUIPMENT (continued)		
Movement in property, plant and equipment (continued)		
<i>Office furniture & equipment</i>		
Balance at the beginning of the period		
At cost	134,612	
Accumulated depreciation	(37,525)	
Net carrying amount	97,087	
Depreciation charge for the period	(14,500)	
Balance at the end of the period	82,587	
 <i>Solar Generating Units - under lease</i>		
Balance at the beginning of the period		
At cost	914,791	
Accumulated depreciation	(244,959)	
Net carrying amount	669,832	
Depreciation charge for the period	(91,478)	
Balance at the end of the period	578,354	
 <i>Total Property, plant and equipment</i>		
Balance at the beginning of the period		
At cost	1,161,749	
Accumulated depreciation	(291,795)	
Net carrying amount	869,954	
Depreciation charge for the period	(120,022)	
Balance at the end of the period	749,932	

Solar generating units (SGUs) completed in financial year 2013 and provided as security for a financing arrangement were designated as a sale and lease back under AASB 117 and treated as finance leases. The SGUs were recognised as non-current assets and depreciated over the term of the lease.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

	31 December 2015	30 June 2015
	\$	\$
8 INTANGIBLES		
<i>Development costs</i>		
Cost (gross carrying amount)	1,909,763	1,752,031
Accumulated amortisation and impairment	(501,688)	(261,536)
Net carrying amount	1,408,075	1,490,495

Movement in intangibles

Development costs

Balance at the beginning of the period

At cost	1,752,031
Accumulated amortisation	(261,536)
Net carrying amount	1,490,495
Additions	157,732
Amortisation	(240,152)
Balance at the end of the year	1,408,075

Development costs include projects undertaken during the period to establish operational systems. Amortisation is recognised on a straight line basis over the projects' expected lives.

9 INTEREST-BEARING LOANS AND BORROWINGS

Current

Borrowings secured - at amortised cost

– finance lease and hire purchase borrowings	126,799	113,227
– Greenbook facility (c)	1,758,207	871,530
– Convertible loan (a)	1,800,000	-
– Borrowing under repurchase agreement - related party (b)	-	1,044,800
	3,685,006	2,029,557

Non-current

Borrowings secured - at amortised cost

– finance lease and hire purchase borrowings	774,037	763,379
	774,037	763,379

(a) Convertible loan

On 9th of September the Group entered into a convertible loan agreement with M&H Developments Pty Ltd (M&H), an entity associated with the Group's majority shareholder Urban Group Energy Holdings Pty Ltd. The term of the loan is 15 months and has an interest rate of 9% per annum. The loan can be converted to ordinary shares of the Company at the election of M&H, but not earlier than 12 months after the commencement of the agreement. The conversion is subject to approval by the Company's shareholders.

(b) Borrowings under repurchase agreement

The repurchase agreement was extinguished in December 2015.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

31 December	30 June
2015	2015
\$	\$

(c) Greenbook facility

The Group's financiers provide a facility which allows the Group to forward sell renewable energy certificates specifically STCs that have been generated pursuant to the Federal Government Renewable Energy Trade Scheme as security for advances under the facility. The STCs are usually forward sold when they have a status "pending registration" and are then pledged as security. Once the STCs are considered as "available registered" by the Clean Energy Regulator (CER) they are then applied to reduce the facility balance.

The main terms of the Greenbook facility are:

- A limit of \$5 million;
- At all times the aggregated quantity of STCs pledged as security with "available registered" or "pending registration" must be greater than a minimum coverage ratio (MCR). The MCR is 110% of the quantity of STCs that have been forward sold if a related party to UGE holds directly or indirectly at least 50% interest in the share capital of the Company or 112% otherwise.
- Forward sale transactions must be settled (by transferring STCs to the financier) within 42 days.
- The facility is subject to annual review and contains conditions normally included in bank facility agreements.
- Interest charge incurred since the beginning of the period was \$92,140.

10 ISSUED CAPITAL

Ordinary shares

988,428,252 fully paid ordinary shares	13,367,282	13,312,748
Capital raising costs	(625,826)	(575,852)
	12,741,456	12,736,896

Movement in Fully paid ordinary shares

Half-year ended December 2015

	No	\$
Balance at 1 July 2015	985,706,502	13,312,748
Issue of ordinary shares	2,721,750	54,435
Balance at 31 December 2015	988,428,252	13,367,183

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

11 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments – as lessee

The Group has been given a notice to vacate the current office space at North Sydney by 30 June 2016.

	31 December 2015	30 June 2015
	\$	\$
Within one year	69,828	139,656
After one year but not more than five years	-	200,103
	<u>69,828</u>	<u>339,759</u>

(b) Finance lease and hire purchase commitments - Company as lessee

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	31 December 2015	30 June 2015
	\$	\$
Within one year	185,090	183,733
After one year but not more than five years	809,323	902,335
Total minimum lease payments	994,413	1,086,068
Less amounts representing finance charges	(173,022)	(209,462)
Present value of minimum lease payments	<u>821,391</u>	<u>876,606</u>

Fair value of the finance lease liability is approximately equal to the carrying amount, of the leased assets.

(c) Solar generating units utilisation

The Group installs Solar Generation Units (SGUs) at customers' premises that are subject to Power Plant Agreements (PPA). During the life of the SGU, the PPA requires the customer to pay a minimum of either the actual generation by the SGU or a minimum quantity (CMQ) specified in the contract. Where the receivable amount is then on sold to a financier, a minimum quantity (FMQ) is specified as being required to be received by the financier, which is usually between 90% and 100% of the CMQ. In the event that actual generation is less than the FMQ then the Group can be required by the financier to pay the value of the difference between the actual generation and the FMQ at the contracted rate. There were no instances of actual generation being less than FMQ during the half-year for SGU's subject to sale of the receivable to the financier. The Group calculates the contracted CMQ and FMQ figures so that it is unlikely to be less than actual generation.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

(d) Bank guarantees

The Group has a facility of up to \$3,000,000 to issue bank guarantees. The facility requires cash to be provided for 100% of the amount of the bank guarantee.

The following amounts have been provided as security to counterparties in the form of bank guarantees.

	31 December 2015	30 June 2015
	\$	\$
Australian Energy Market Operator (i)	1,770,000	230,000
Lease arrangements (ii)	61,707	61,707
	<u>1,831,707</u>	<u>291,707</u>
Issued by:		
Group's financier secured by cash and deposits	1,581,707	41,707
Related parties - issued on behalf of the Group	250,000	250,000
	<u>1,831,707</u>	<u>291,707</u>

- (i) The Group has provided bank guarantees in favour of the Australian Energy Market Operator to support its obligations to settle electricity and gas purchases from the National Electricity Market and Short Term Trading Market.
- (ii) The Group has provided a bank guarantee in relation to office lease arrangements.

12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

All financial instruments of the Group are Level 1 hierarchy for all financial periods reported.

13 RELATED PARTY DISCLOSURES

On 4 December 2015, 35,000 LGCs were sold to UGE Environmental Trading Pty Ltd (a party related to Urban Group Energy Holdings Pty Ltd) in an arm's length transaction. The transaction formed part of a series of transactions to ultimately sell the Group's LGC holdings to an unrelated party.

14 EVENTS AFTER BALANCE DATE

Subsequent to the end of the half-year period the following events occurred:

- (i) M&H Developments Pty Ltd advanced a further \$2,000,000 under its Convertible loan agreement (refer to Note 11).
- (ii) a secured \$3,600,000 Financing facility was put in place with the following terms:
 - maximum limit \$3,600,000
 - no fixed term, subject to minimum 3 month notice of withdrawal.
 - interest is a variable rate, being 1.25% above Westpac variable overdraft rate (currently 7.33%). Total rate 8.58%.
 - secured by first ranking charge over assets of Goenergy Pty Ltd, and charges and guarantees provided by Go Energy Group Limited and other Group subsidiaries.
- (iii) a secured \$5,000,000 converting loan was put in place with the following terms:
 - maximum limit \$5,000,000,
 - 3 year term, convertible at the option of the holder into ordinary shares of the Company,
 - conversion of the loan is calculated by using an issue price the lower of 7 cents or a 5 day volume weight average price based on trading of the Company's ordinary shares,
 - interest is charged at a fixed rate of 9.75% per annum,
 - secured by a charge over assets of Go Energy Group Limited, until converted in ordinary shares of the Company.

Go Energy Group Limited

Notes to the Condensed Consolidated Financial Statements For the half-year ended 31 December 2015

14 EVENTS AFTER BALANCE DATE (continued)

- (iv) On 24th of February 2016 a further bank guarantee of \$2,000,000 was provided to a counterparty as credit support. As a result, a further amount of \$2,000,000 in the form of cash has been provided as security for this additional guarantee.

15 LOSS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>31 December 2015</i>	<i>30 June 2015</i>
Loss attributable to ordinary equity holders (used in calculating diluted EPS)	(3,392,617)	(2,039,962)
Weighted average number of ordinary shares	987,950,196	38,999,237
- basic and diluted	(0.34)	(0.39)

Go Energy Group Limited

Directors' Declaration

In the opinion of the directors:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give true and fair value of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Lui Pangiarella', written over a horizontal line.

Mr Lui Pangiarella

Director

26 February 2016

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Go Energy Group Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
26 February 2016



L Di Giallonardo
Partner

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Go Energy Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Go Energy Group Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Go Energy Group Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1(b) in the financial report, which indicates that as at 31 December 2015 the Group's total assets of \$12,236,199 were exceeded by total liabilities of \$14,363,955 and current assets of \$10,078,192 were exceeded by current liabilities of \$13,366,628. In addition, for the period ended 31 December 2015, the Group recorded a loss after taxation of \$3,392,617. The Group is dependent on successfully generating sufficient cash flows from operations and/or the Group's existing or alternative funding arrangements in order to continue as a going concern. Should the Group not be successful in doing so, this would indicate a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



HLB Mann Judd
Chartered Accountants



L Di Giallonardo
Partner

Perth, Western Australia
26 February 2016

Go Energy Group Limited

Corporate Directory

ABN: 27 084 656 691

Registered office:

Level 6, 221 Miller Street
North Sydney New South Wales, 2060

Principal place of business

Level 6, 221 Miller Street
North Sydney New South Wales, 2060
Telephone: 02 8907 7400

Share registry:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, Western Australia, 6000
Telephone: 1300 787 272

Auditors:

HLB Mann Judd
Level 4, 130 Stirling Street
Perth, Western Australia, 6000
Telephone: 08 9227 7500

Bankers:

Australian and New Zealand Banking Corporation
242 Pitt Street
Sydney New South Wales

Securities Exchange Listing:

Go Energy Group Limited's ordinary shares are listed on the Australian Securities Exchange (ASX:GOE).

Website:

www.goenergy.com.au