

Appendix 4D

1.

Current Reporting Period: 31 December 2015

Previous Corresponding Period: 31 December 2014

2. Results for announcement to the Market

		Percentage Change		\$
Revenue from ordinary activities	up	% N/A	to	420,279
Loss from ordinary activities after tax attributable to members	up	1,370%	to	(2,334,848)
Net loss for the period attributable to members	up	1,370%	to	(2,334,848)

Brief explanation of Results

There was nil revenue in the previous corresponding period.

The loss of \$2,334,848 is in most part due to the recognition of a share based payments expense of \$1,646,101 resulting from securities being issued in association with the settlement of the acquisition of the energy retailer Locality Planning Energy Pty Ltd on 11 December 2015.

Dividends

	Amount per security	Percentage Franked
Final Dividend	N	N/A
Interim Dividend	N	N/A
Date the Dividend is Payable:	N/A	N/A
Record Date for determining entitlements to the Dividends:	N/A	N/A

The company did not declare a dividend during the financial period and has not declared a dividend since the end of the financial period.

3. Net Tangible Assets per Security

As at 31 December 2015	0.32 cents
As at 31 December 2014	(18,987) cents

The half year report is based on accounts that have been subject to an audit review and there is no dispute or qualification with the auditors in relation to these accounts.

4. Gain/loss of control over entities

Name of entity	Gain/Loss of Control	Date of change
Locality Planning Energy Pty Ltd	Gain	11 December 2015
Menzies Goldfields Limited	Loss	15 December 2015
Riqo Pty Ltd	Loss	15 December 2015

This report is based on the Consolidated 2015 half year financial statements which have been reviewed by Bentleys with the Independent Auditors Review Report included in the 2015 half year financial statement.



ABN 90 147 867 301

Interim Financial Report

For the Half-year ended 31 December 2015

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Corporate Directory

NON-EXECUTIVE CHAIRMAN

Mr Andrew Pierce

EXECUTIVE DIRECTORS

Mr Damien Glanville

Mr Ben Chester

COMPANY SECRETARY & CFO

Mr Damon Sweeny

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STOCK EXCHANGE LISTING

Australian Securities Exchange

Code: LPE

Director's Report

Your directors submit the financial report of Locality Planning Energy Holdings Limited (**LPE**) and its subsidiaries (the **Group**) for the half-year ended 31 December 2015.

DIRECTORS

Directors holding office during and up to the date of this report are:

Mr Andrew Pierce

Mr John Shepherd (resigned 11 December 2015)

Mr Daniel Moore (resigned 11 December 2015)

Mr Damien Glanville (appointed 11 December 2015)

Mr Ben Chester (appointed 11 December 2015)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

RESULTS

The loss after tax for the half-year ended 31 December 2015 was \$2,334,848 (31 December 2014: \$158,860).

REVIEW OF OPERATIONS

The December half-year saw the Company dispose of its mining assets. The Board explored every avenue with a number of parties to maximise the value of these assets. In the final analysis only one party maintained their interest.

On the positive side, the Company entered into a new era with the shareholders overwhelmingly voting in favour of the reverse takeover of Locality Planning Energy Pty Ltd, a regulated retail supplier of electricity, with Settlement taking place on 11 December 2015. Despite operating for only three weeks during the period to 31 December 2015 the Company grew its business in line with expectations with gross margins being slightly higher. The focus during this period was on increasing the pipeline of strata communities, converting strata communities under contract, as well as implementing the expansion of operational capacity to support future growth.

CORPORATE

Key corporate activities during, and subsequent to, the half-year ended 31 December 2015 were as follows; and are explained in more detail below:

- On 1 July 2015, the Company (then Stratum Metals Ltd) entered into an Option Agreement with Locality Planning Energy Pty Ltd (**the Acquisition**), settlement took place on 11 December 2015.
- After approval from shareholders the Company changed the nature of its activities from a mining exploration company to electricity retailer and changed its name to Locality Planning Energy Holdings Limited (LPE).
- At settlement Mr Damien Glanville and Mr Ben Chester were appointed to the Board.
- LPE completed a Public Offer of 300,000,000 shares at \$0.02 per share raising \$6,000,000.
- Australian Mineral Partners Pty Ltd exercised their option to purchase the Subsidiaries (Menzies Goldfield Ltd and Riqo Pty Ltd) of Stratum Metals Ltd which hold the mineral assets. Formal documents are being prepared.

Locality Planning Energy Pty Ltd reverse acquisition and merger

On 2 July the Company (then Stratum Metals Ltd) announced it executed an exclusive option agreement to acquire 100% of the issued capital in energy retailer Locality Planning Energy Pty Ltd (LPE Pty Ltd).

On 2 November 2015, members in General Meeting approved a number of items associated with the proposed acquisition. The approvals required the suspension of the Company from trading on the ASX until recompliance and requotation and included the items below;

- Change to nature and scale of activities, and change of name
- Creation of a new class of Securities (Performance Shares)
- Issue of Securities to promoters and vendors of the transaction
- A Capital Raising of \$6 million in connection with its readmission to ASX
- The appointment of 2 Directors of the Company at settlement
- The conversion of Convertible Loans and Notes
- The grant of options to Directors

Settlement occurred on 11 December 2015. Securities issued at settlement were;

- **Vendor Consideration**
640,800,582 Ordinary Shares
854,400,776 Performance Shares. Performance Shares shall convert in the following proportions upon LPE having annualised energy contracts under management (supply and sell under contract) within the timeframe (shown);
 - 1/3 for 50GW within 18 months from the Settlement Date;
 - 1/3 for 75GW within 24 months from the Settlement Date;
 - 1/3 for 100GW within 30 months from the Settlement Date.
- **Conversion of Notes and Loans**
Issued to unrelated parties who had loaned funds to the Company between October 2014 and November 2015 were;
89,542,168 Ordinary Shares
47,094,718 Options exercisable at \$0.02 expiring 29 February 2016
- **Armada Options**
Issued to nominees of Armada Capital Pty Ltd in consideration for introducing the Acquisition to the Company and assisting with its implementation;
75,000,000 Options exercisable at \$0.025 expiring 30 June 2017
- **Public Offer**
300,000,000 shares at an issue price of \$0.02 per share, raising \$6,000,000.

Capital Raising

Convertible Loans

August & November 2015 – Stratum completed a capital raising totalling \$250,000 on 10 August 2015. The funds were raised through unsecured loans convertible into shares at 2 cents each. The loans were convertible at the completion of the acquisition of LPE Pty Ltd. 3,000,000 ordinary LPE shares were issued in satisfaction of interest payable in advance. A further \$150,000 was raised on 20 November 2015 on the same terms. Interest was satisfied by the issue of 1,800,000 ordinary LPE shares.

Option Exercise

August 2015 – Stratum issued 7,666,667 fully paid shares after the receipt of notice of exercise of options. The exercise price of the options was \$0.02 raising \$153,333.

Public Offer (Prospectus)

December 2015 – Stratum completed a public offer under the re-compliance prospectus dated 12th of October 2015. The public offer closed oversubscribed after attracting strong support from both institutional and retail investors. The capital raising was 300,000,000 shares at an issue price of \$0.02 per share, raising \$6,000,000.

Other Securities Issued

During the period 451,235 Ordinary Shares were issued in satisfaction of interest for the June and September 2015 quarters on convertible notes.

2,200,000 Ordinary Shares and 2,200,000 Options exercisable at \$0.02 expiring 29 February 2016 were issued upon conversion of a portion of outstanding loans.

All securities issued were later approved by shareholders, and all outstanding loans were converted as described above.

Change of Directors

At Settlement, Messrs Glanville & Chester, two founders of Locality Planning Energy Pty Ltd, were appointed as executive directors of the Company.

Damien Glanville – Chief Executive Officer and Director

Damien has 13 years' experience in senior management, logistics and executive director roles with a focus in the renewable energy, on-site generation and solar PV industry. Damien developed the retail architecture and successfully sold the business case for the Sunshine Coast Regional Council's Valdora Solar Farm.

Ben Chester – Chief Operating Officer and Director

Ben has 7 years' experience in large scale development and deployment of energy assets, along with energy to market strategy. He also has 4 years' experience with an ASX listed company specialising in renewable and energy projects, as the principal project engineer for several commercial & utility scale deployments.

The two new appointments to the board replace the outgoing directors, following the contemporaneous resignations of John Shepherd and Dan Moore, as non-executive directors. John and Dan have each been instrumental in managing the change of direction of the Company and successful completion of the acquisition of Locality Planning Energy Pty Ltd.

Sale of exploration subsidiaries

Exploration activity was limited to administrative reporting and preparation for the sale of exploration interests. In December 2015, Australian Mineral Partners Pty Ltd notified LPE of its intention to exercise its option to acquire 100% of LPE's interests in Menzies Goldfield Ltd and Riqo Pty Ltd and all loans owing to by Menzies and Riqo to LPE. The consideration for the purchase was \$100,000.

EVENTS SUBSEQUENT TO REPORTING DATE

The securities of LPE were reinstated to official quotation on 4 January 2016 following the Company's compliance with listing rule 11.1.3 and chapters 1 and 2 of the ASX listing rules.

11,689,348 Ordinary Shares were issued after receipt of \$233,787 in funds and exercise notices for options exercisable at \$0.02 expiring 29 February 2016.

On 3 February 2016 received a waiver from ASX allowing LPE to issue the director options (in consideration for past services) granted by shareholders in general meeting on 2 November 2015 later than one month after the date of the meeting. On 12 February 2016 LPE issued 10,000,000 options exercisable at \$0.025 on or before 30 June 2017 to each of John Shepherd, Andrew Pierce and Dan Moore (a total of 30,000,000 Options).

No other matters or circumstances that have arisen since 31 December 2015 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION UNDER s 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration required by Section 307C of the *Corporations Act 2001* has been received and is included on the following page of the interim financial report for the half-year ended 31 December 2015.

Signed in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'Andrew Pierce', with a large, sweeping loop at the end.

Andrew Pierce

Non-Executive Chairman

Maroochydore, Queensland, 29 February 2015

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas
Director
Brisbane

29 February 2016

Consolidated Statement of Profit or Loss and other Comprehensive Income for the half-year ended 31 December 2015

	Note	December 2015 \$	December 2014 \$
Income			
Electricity sales		420,279	-
Less Costs of Goods Sold			
Retail usage		(120,133)	(2,062)
Network charges		(184,517)	(4,232)
Other COGS		(31,885)	(574)
Total Costs of Goods Sold		(336,535)	(6,868)
Gain/ (loss) from Trading		83,744	(6,868)
Other Income			
Interest received		5,000	-
Other receipts		100,000	-
Gain on sale of subsidiaries		110,109	-
Subsidiary loans write off		(117,700)	-
Other expenses			
Employee costs		(399,401)	-
Professional costs		(179,512)	(103,077)
Share-based payments	4	(1,646,101)	-
Depreciation and amortisation		(41,147)	(1,748)
Borrowing costs		(51,200)	(12,099)
Other expenses		(198,640)	(35,068)
Loss from Continued Operation		(2,334,848)	(158,860)
Loss before Income Taxes		(2,334,848)	(158,860)
Income tax benefit/(expense)		-	-
Net loss for the period		(2,334,848)	(158,860)
Other comprehensive income		-	-
Other Comprehensive Income net of Tax		-	-
Total Comprehensive Loss for the Half-Year		(2,334,848)	(158,860)
Earnings per share		\$	\$
Basic/diluted loss per share (dollars per share)		(0.0068)	(0.0002)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2015

	Note	December 2015 \$	June 2015 \$
Current Assets			
Cash and cash equivalents		3,892,752	16,844
Trade and other receivables		335,449	45,369
Other current assets		12,593	12,175
Total Current Assets		4,240,794	74,388
Non-Current Assets			
Plant and equipment		283,053	50,446
Other Assets		450,025	110,834
Total Non-Current Assets		733,078	161,279
TOTAL ASSETS		4,973,872	235,668
Current Liabilities			
Trade and other payables		454,658	149,186
Provisions		58,720	25,994
Borrowings		39,700	212,861
Total Current Liabilities		553,078	388,041
Non-Current Liabilities			
Non-current borrowings		264,885	293,134
Total Non-Current Liabilities		264,885	293,134
TOTAL LIABILITIES		817,963	681,176
NET ASSETS		4,155,908	(445,508)
Equity			
Issued capital	3	13,073,871	301,643
Options reserve		1,646,101	-
Accumulated losses		(10,564,064)	(747,151)
TOTAL EQUITY		4,155,908	(445,508)

The accompanying notes form part of these financial statements.

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

	Issued Capital \$	Accumulated Losses \$	Options Reserve \$	Total \$
Balance at 1 July 2014	1,200	(233,790)	-	(232,590)
Total comprehensive income for the period	-	(158,860)	-	(158,860)
Shares issued during the period	300,443	-	-	300,443
Balance at 31 December 2014	301,643	(392,650)	-	(91,007)
Balance at 1 July 2015	301,643	(747,151)	-	(445,508)
Reverse acquisition of SXT	5,527,685	(7,482,065)		(1,954,380)
Shares issued during the period	7,244,543	-	-	7,244,543
Total comprehensive income for the period	-	(2,334,848)	-	(2,334,848)
Options issued during the period	-	-	1,646,101	1,646,101
Balance at 31 December 2015	13,073,871	(10,564,064)	1,646,101	4,155,908

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2015

	December 2015 \$ Inflows/(Outflows)	December 2014 \$ Inflows/(Outflows)
Cash Flows from Operating Activities		
Receipts from customers	259,123	(32,171)
Payments to suppliers and employees	(910,613)	(141,288)
Interest received	5,000	-
Interest paid	(31,657)	-
Other income	100,000	-
Net cash provided by (used in) operating activities	(578,147)	(173,459)
Cash Flows from Investing Activities		
Net cash flow deficit acquired in business combination	(843,055)	-
Proceeds from sale of subsidiaries	110,109	-
Payments for plant and equipment	(611,590)	(71,350)
Net cash provided by (used in) investing activities	(1,344,536)	(71,350)
Cash Flows from Financing Activities		
Proceeds from issue of shares	6,000,000	330,886
Proceeds from loans	128,590	12,591
Repayment of loans	(330,000)	-
Net cash provided by (used in) financing activities	5,798,590	343,477
Net increase/(decrease) in cash held	3,875,907	98,668
Cash and cash equivalents at beginning of period	16,844	9,510
Cash and cash equivalents at end of financial period	3,892,752	108,178

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the half-year ended 31 December 2015

Note 1 Statement of Significant Accounting Policies

Basis of Preparation

The interim financial report of Locality Planning Energy Holdings Limited (**LPE** or the **Company**) and its controlled entities (the **Group**) for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 25 February 2016. LPE is a company incorporated in Australia and limited by shares.

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134 Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board including Australian Accounting Interpretations.

It is recommended that this interim financial report be read in conjunction with the annual financial reports for the year ended 30 June 2015 for Stratum Metals Limited and Locality Planning Energy Pty Limited and any public announcements made by LPE during the period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Group, apart from any changes in accounting policy noted below, and are consistent with those applied in the 30 June 2015 annual report.

The interim financial report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The interim report has been prepared on an accruals basis and is based on historical costs.

The Group accounts for business combinations using the acquisition method. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Under AASB 'Business Combinations' Locality Planning Energy Pty Ltd was deemed to be the accounting acquirer of the group under a reverse acquisition. Due to this the prior year comparatives of the Group are that of Locality Planning Energy Pty Ltd.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

The adoption of the above standards have not had a material impact on this half-year financial report.

Going Concern

The financial report for the half-year ended 31 December 2015 is prepared on a going concern basis.

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a loss for the period of \$2,334,848 while the accumulated losses total \$10,564,064. The Group's forward cash flow projections currently indicate that the Group will be required to raise additional funds or obtain additional finance to meet its forecast needs.

The Directors have considered this position and have assessed available funding options and believe should funding be required, that sufficient funds could be sourced to satisfy creditors as and when they fall due. The Group also expects to generate increased sales income during the remainder of the 2016 year from new electricity contracts as a result of the successful acquisition of Locality Planning Energy Pty Ltd.

However, if adequate capital raising or additional finance approval is not achieved the Group may be unable to continue as a going concern. No adjustments have been made relating to the recoverability and classification or recorded assets amounts and classification of liabilities that might be necessary should the company not constitute as a going concern.

Note 2 Business Combination

Locality Planning Energy Pty Ltd

On 1 July 2015 The Group entered into an option agreement to purchase 100% of issued capital of Locality Planning Energy Pty Ltd (LPE Pty Ltd).

In accordance with AASB 3 'Business Combinations' the transaction has been accounted for as a reverse acquisition of LPE (formerly Stratum Metals Ltd) by LPE Pty Ltd who was deemed to be the 'acquirer' for accounting purposes. The factors considered included the relative voting rights after the business combinations, Board and management composition of the consolidated group and other factors, such as operational objectives.

LPE has been consolidated into the group from the date of control which was 11 December 2015.

	Accounting acquiree's carrying amount	Fair value
Fair value consideration transferred		
Market capital		5,527,685
Less:		
Assets	533,860	533,860
Liabilities	(2,488,239)	(2,488,239)
Identifiable assets and liabilities assumed	(1,954,379)	(1,954,379)
Transaction Costs		7,482,064

Note 3 Issued capital

(a) Issued and paid up capital

	31-Dec-15 Number	30-Jun-15 Number
Ordinary shares fully paid of no par value	1,281,601,163	2,800

(b) Movement in ordinary shares on issue

	Number	\$
Balance at 1 July 2014	1,200	1,200
Issued for repayment of loans and cash	1,600	300,443
Balance at 30 June 2015	2,800	301,643
Balance at 1 July 2015	2,800	301,643
Reverse acquisition of Stratum Metals Ltd	892,056,195	5,527,685
Issued subsequent to reverse acquisition	389,542,168	7,244,533
Balance at 31 December 2015	1,281,601,163	13,073,871

(c) Share options

At the end of the period, the following options over unissued ordinary shares were outstanding:

Number	Exercise price \$	Expiry
3,000,000	0.25	7/06/2016
3,000,000	0.35	7/06/2016
500,000	0.25	15/04/2018
600,000	0.25	23/01/2017
250,000	0.25	15/04/2016
5,500,000	0.4	15/04/2016
36,182,437	0.02	29/02/2016
2,200,000	0.02	29/02/2016
75,000,000	0.025	30/06/2017
30,000,000	0.025	30/06/2017
21,093,750	0.02	29/02/2016
26,000,968	0.02	29/02/2016

Note 4 Share-based payments

During the half-year ended 31 December 2015, as part of the reverse acquisition and merger, the Company issued options to key personnel and convertible note holders. Details of the terms and conditions of the issue of options can be found in the Notice of Meeting announcement on 29 September 2015.

Grant Date	Number of Instruments	Exercise Price	Expiry date	Fair Value expensed during the period
1/09/2015	2,200,000	\$ 0.020	29/02/2016	\$12,320*
11/12/2015	75,000,000	\$ 0.025	30/06/2017	\$667,500
11/12/2015	30,000,000	\$ 0.025	30/06/2017	\$267,000
11/12/2015	21,093,750	\$ 0.020	29/02/2016	\$78,047
11/12/2015	26,000,968	\$ 0.020	29/02/2016	\$96,204
11/12/2015	854,400,776	n/a	various	\$537,350
				<u>\$1,646,101</u>

*Excluded from expense as was incurred by Stratum Metals Limited before the acquisition.

Note 4 Share-based payments (continued)

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the binomial option-pricing model. The contractual life of the option is used as an input into this model.

	Convertible note options issued on 1/09/2015	Consultant & Director Options issued on 11/12/2015	Loan conversion options issued on 11/12/2015
Fair value at measurement date	\$0.0056	\$0.00089	\$0.0037
Share price on grant date	\$0.02	\$0.02	\$0.02
Exercise price	\$0.02	\$0.025	\$0.02
Expected volatility <i>(expressed as weighted average volatility used in the modeling under binominal option-pricing model)</i>	100%	100%	100%
Option life <i>(expressed as weighted average life used in the modeling under binominal option-pricing model)</i>	6 months	1.5 years	3 months
Expected dividends	-	-	-
Risk-free interest rate <i>(based on national government bonds)</i>	2.75%	6.25%	2.75%

Note 5 Contingent liabilities and assets

The Directors are not aware of any change in contingent liabilities since the last annual reporting date.

Note 6 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the board of directors which is at the consolidated entity level. The financial results this segment are equivalent to the financial statements of the continued operation of Group as a whole.

Note 7 Events subsequent to period end

The securities of LPE were reinstated to official quotation on 4 January 2016 following the Company's compliance with listing rule 11.1.3 and chapters 1 and 2 of the ASX listing rules.

11,689,348 Ordinary Shares were issued after receipt of \$233,787 in funds and exercise notices for options exercisable at \$0.02 expiring 29 February 2016.

On 3 February 2016 received a waiver from ASX allowing LPE to issue the director options (in consideration for past services) granted by shareholders in general meeting on 2 November 2015 later than one month after the date of the meeting. On 12 February 2016 LPE issued 10,000,000 options exercisable at \$0.025 on or before 30 June 2017 to each of John Shepherd, Andrew Pierce and Dan Moore (a total of 30,000,000 Options).

On 24 February 2016 LPE lodged a cleansing prospectus at the ASIC offering up to 1,000 Shares at an issue price of \$0.03 per Share to raise approximately \$30. The prospectus was intended primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

Declaration by Directors

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 9 to 16 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. give a true and fair view of the Group's financial position as at 31 December 2015 and of its performance and cash flows for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Andrew Pierce
Non-Executive Chairman
Maroochydore, Qld 29 February 2016

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED

Report on the half-year financial report

We have reviewed the accompanying interim financial report of Locality Planning Energy Holdings Limited ("the Company") and controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Locality Planning Energy Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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 interim financial report of Locality Planning Energy Holdings 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 period 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 opinion, we draw attention to Note 1 in the interim financial report, which indicates that the Group operations are dependent on the raising of capital, obtaining of additional finance or continued growth on an on-going basis to fund its operations. These conditions along with other matters set out in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the ability of the entity to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas
Director
Brisbane

29 February 2016