



ASX CODE (GPP)

ABN 22 000 002 111

ABOUT GREENPOWER

Greenpower Energy is a clean energy technology developer, and is currently progressing the development of 'zero carbon' processes for converting coal to transport fuels, which it can then apply to the company's own sizeable inferred resource of Victorian brown coal. Go to greenpowerenergy.com.au

CAPITAL STRUCTURE

- Shares on issue 608.9m

- Unlisted options 45.45m

As at 31 Mar 2016:

- Cash 0.6m

- Shares in listed co 0.4m

- Exploration assets 1.3m

CONTACT US

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GREENPOWER ENERGY LIMITED (ABN 22 000 002 111)

QUARTERLY REPORT 30 JUNE 2016

MINING PRODUCTION REPORT - LISTING RULE 5.1

Greenpower Energy Limited (ASX: GPP) (the Company) is not presently in production or development in any of its mining tenements.

MINING EXPLORATION REPORT - LISTING RULE 5.2

The Company holds Exploration Licenses 4500, EL4860, 4877 and 5227, situated near Moe township, in the Latrobe Valley, Victoria.

The Company did not undertake exploration during the quarter.

Thermaquatica 'OHD' Coal to Liquid Technology

Oxidative Hydrothermal Dissolution (OHD) is a patented process for the conversion of coals to liquids, the rights to which are owned by US firm Thermaquatica Inc. The Company has an agreement with Thermaquatica which entitles it to take a license to use the process in Australia

The Company can only make use of the process if it can build a pilot plant to demonstrate the process works at a commercial scale, and then it can then carry on a profitable commercial business selling the liquid so produced. To do that the company will have raise the equity portion of sufficient funding to build the plant.

The Company is now actively seeking investors either as joint venture partners or as investors in the company, to fund this step.

Recapitalisation

During the quarter the Group completed a Rights issue, raising net of costs \$450,895. The funds raised are being applied in accordance with the Entitlement Issue Prospectus and utilised to finalise the Thermaquatica "OHC" Coal to Liquid Technology commitments, payment of creditors and accrued interest on loans.

Subsequent Events

In late July 2016, the Company took the opportunity to strengthen its balance sheet by completing a placement of new shares to raise \$675,000 (before costs). Greenpower will use the placement proceeds to further progress the evaluation of its mineral permits and to augment working capital.

The placement consists of 150 million ordinary shares which were priced at A\$0.0045 each, representing a 10% discount to the 26 July 2016 closing price.

The funds will be raised via a two tranche placement. The first tranche of 91.0 million shares is within the Company's existing 15% placement capacity under ASX Listing Rule 7.1 and will settle on 3 August 2016. The second tranche of 59.0 million shares will be issued following shareholder approval at an Extraordinary General Meeting in September 2016. Settlement of the second tranche is scheduled to occur following receipt of shareholder approval at that meeting.

Greenpower has also resolved to allot 1 new unlisted option with an A\$0.01 exercise price and a 3 year term for every two new shares subscribed under the placement. A total of 75 million options will be issued subject to shareholder approval.

Directorship Changes

At the end of the quarter, Mr. Alan Flavelle retired from the Board and relinquished his role as Executive Chairman.

Two new non-executive directors, Mr. Edwin Bulseco and Mr. Tim Wall have been appointed. Mr. King remains a director and has assumed the role of chairman.