27 February 2017

Results for announcement to the market

		6 months to 31 December 2015 $		6 months to 31 December 2016 $
Revenue from ordinary activities	Up 811.4% from	420,279	to	3,830,265
Loss from ordinary activities after tax attributable to members.	Up 252.6% from	2,334,848	to	8,233,096
Net loss for the period attributable to members	Up 252.6% from	2,334,848	to	8,233,096

No interim dividend was paid or declared for the period ended 31 December 2016

Net tangible assets per security	Down from	28.9 cents	to	(0.005) cents

Entities over which control was gained or lost during the period

Nil

Explanation of Results

Refer the commentary on results in the Directors' Report

Auditor's Review Report

The Auditor's Independent Review Report includes an Emphasis of Matter



LOCALITY PLANNING
ENERGY

Locality Planning Energy Holdings Limited

ABN 90 147 867 301

Interim Financial Report

For the Half Year ended 31 December 2016

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Corporate Directory

NON-EXECUTIVE CHAIRMAN
Mr Andrew Pierce

EXECUTIVE DIRECTORS
Mr Damien Glanville
Mr Ben Chester

COMPANY SECRETARY & CFO
Mr Charles Furness

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SHARE REGISTRAR
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325 Pitt St
Sydney NSW 2000
Phone: +61 2 8096 3502

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 2016.

DIRECTORS

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

Mr Andrew Pierce
Mr Damien Glanville
Mr Ben Chester

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 2016 was $8,233,096 (31 December 2015: $2,334,848).

REVIEW OF OPERATIONS

The Company maintained its momentum during the half-year, billing 71.59 GWh by the end of the reporting period. This is a 125% increase on 31.8GWh at 30 June 2016. Growth is driven by strong pipeline conversions, and this is continuing in 2017.

In September 2016 LPE achieved its first performance milestone of 50GW under management, nine months ahead of schedule.

In addition to its primary market of residential strata communities, LPE has recognised opportuniies in both direct market retail contracts and commercial contracts and these are contrbuting to the growth of the product mix offered by the Company.

The Company secured a $2 million loan facility from directors Andrew Pierce and Ben Chester. $1 million of this was utilised at balance date

EVENTS SUBSEQUENT TO REPORTING DATE

In January 2017 LPE attained the second performance milestone of 75GW under management, 11 months ahead of schedule. As a result, the second tranche of 284 million shares were converted to fully paid ordinary shares on 7 February.

In February 2017 the Company completed a placement of 289 million shares at 2 cents per share to institutional and other sophisticated investors.

No other matters or circumstances that have arisen since 31 December 2016 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 2016.

Signed in accordance with a resolution of directors.



Andrew Pierce
Non-Executive Chairman
Maroochydore, 24 February 2017

Bentleys
THINKING AHEAD

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 2016 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

Bentleys Brisbane (Audit) Pty Ltd

Chartered Accountants

S T D S

Stewart Douglas

Director

Brisbane

24 February 2017

Consolidated Statement of Profit or Loss and other Comprehensive Income for the half-year ended 31 December 2016

	December 2016 $	December 2015 $
Income		
Electricity Sales	**3,830,265**	**420,279**
Less Costs of Goods Sold		
Network Charges	(1,590,635)	(184,517)
Energy Usage Charge	(1,320,181)	(120,133)
Other Costs of Goods Sold	(377,310)	(31,885)
Total Costs of Goods Sold	**(3,288,126)**	**(336,535)**
Gain/ (loss) from Trading	**542,139**	**83,744**
Other Income		
Interest received	20,731	5,000
Other receipts	34,440	100,000
Loss on sale of assets	(5,463)	-
Gain on sale of subsidiaries	-	110,109
Subsidiary loans write off	-	(117,700)
Other expenses		
Employee costs	(1,114,312)	(399,401)
Professional costs	(224,168)	(179,512)
Share based payments	(6,795,865)	(1,646,101)
Depreciation and amortisation	(147,463)	(41,147)
Borrowing costs	(57,274)	(51,200)
Provision for doubtful debts	(68,578)	-
Other expenses	(417,283)	(198,640)
Net loss from Operations	**(8,233,096)**	**(2,334,848)**
Income tax benefit/(expense)	-	-
Net loss for the year	**(8,233,096)**	**(2,334,848)**
Other comprehensive income	-	-
Other comprehensive income net of tax	-	-
Total comprehensive loss for the year	**(8,233,096)**	**(2,334,848)**
Earnings per share	**$**	**$**
Basic/diluted loss per share (cents per share)	(0.0057)	(0.0068)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2016

	December 2016 $	June 2016 $
Current Assets		
Cash and cash equivalents	654,279	2,631,507
Trade and other receivables	1,827,690	994,141
Other current assets	128,059	27,646
Total Current Assets	**2,610,028**	**3,653,294**
Non-Current Assets		
Plant and equipment	440,763	414,896
Intangibles	2,915,594	1,280,690
Total Non-Current Assets	**3,356,357**	**1,695,586**
TOTAL ASSETS	**5,966,385**	**5,348,880**
Current Liabilities		
Trade and other payables	1,805,414	707,820
Employee entitlements - annual leave	146,893	85,200
Borrowings	45,524	55,948
Total Current Liabilities	**1,997,831**	**848,968**
Non-Current Liabilities		
Non-current borrowings	1,128,086	222,213
Total Non-Current Liabilities	**1,128,086**	**222,213**
TOTAL LIABILITIES	**3,125,917**	**1,071,181**
NET ASSETS	**2,840,468**	**4,277,699**
Equity		
Issued capital	20,850,468	14,584,862
Reserves	7,066,249	6,535,990
Accumulated losses	(25,076,249)	(16,843,153)
TOTAL EQUITY	**2,840,468**	**4,277,699**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2016

	Issued Capital $	Accumulated Losses $	Share Based Payments Reserve $	Total $
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**
Balance at 1 July 2016	**14,584,862**	**(16,843,153)**	**6,535,990**	**4,277,699**
Conversion of Performance Shares to Ordinary Shares	6,265,606	-	(6,265,606)	-
Share based Payment Expense	-	-	6,795,865	6,795,865
Total comprehensive income for the period		(8,233,096)		(8,233,096)
Balance at 31 December 2016	**20,850,468**	**(25,076,249)**	**7,066,249**	**2,840,468**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2016

	December 2016 $ Inflows/(Outflows)	December 2015 $ Inflows/(Outflows)
Cash Flows from Operating Activities		
Receipts from customers	3,219,633	259,123
Payments to suppliers and employees	(4,607,054)	(910,613)
R & D tax concession receipt	115,168	-
Interest received	20,731	5,000
Borrowing costs	(57,274)	(31,657)
Other income	-	100,000
Net cash provided by (used in) operating activities	**(1,308,796)**	**(578,147)**
Cash Flows from Investing Activities		
Net cash flow deficit acquired in business combination	-	(843,055)
Proceeds from sale of subsidiaries	-	110,109
Proceeds from sale of plant and equipment	137,715	(611,590)
Payment for plant and equipment	(180,274)	
Payments for intangibles	(1,521,322)	
Net cash provided by (used in) investing activities	**(1,563,881)**	**(1,344,536)**
Cash Flows from Financing Activities		
Proceeds from loans	1,000,000	128,590
Repayment of loans	(104,551)	(330,000)
Proceeds from issue of shares	-	6,000,000
Payments for cost of issue of shares	-	-
Net cash provided by (used in) financing activities	**895,449**	**5,798,590**
Net increase/(decrease) in cash held	(1,977,228)	3,875,907
Cash and cash equivalents at beginning of year	2,631,507	16,844
Cash and cash equivalents at end of financial year	**654,279**	**3,892,752**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the half-year ended 31 December 2016

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 2016 was authorised for issue in accordance with a resolution of the directors on 24 February 2017.

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 report for the year ended 30 June 2016 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 and are consistent with those applied in the 30 June 2016 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.

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.

Any significant impact on the accounting policies of the Group from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Group has incurred a net loss after tax for the year ended 31 December 2016 of $8,233,096, after accounting for share based payment expense of $6,795,865. Net cash used in operating activities $1,308,796 for the period. At 31 December 2016, the Group's current assets exceeded its current liabilities by $612,197.

The ability of the consolidated entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and generate sustained growth of the business. Should the consolidated entity not be able to raise capital when required, there exists a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

In February 2017, the Company completed a placement of 289 million shares at 2 cents per share, yielding net proceeds of $5.4 million.

Notes to the Financial Statements for the half-year ended 31 December 2016

Note 2 Issued capital

(a) Issued and paid up capital

	31-Dec-16 Number	30-Jun-16 Number
Ordinary shares fully paid of no par value	1,641,935,869	1,357,135,611

(b) Movement in ordinary shares on issue

	Number	$
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	465,076,616	8,755,534
Balance at 30 June 2016	**1,357,135,611**	**14,584,862**
Conversion of performance shares to ordinary shares	284,800,258	6,265,606
Balance at 31 December 2016	**1,641,935,869**	**20,850,468**

(c) Share options

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

Issue date	Number	Exercise price	Expiry
15/01/2015	500,000	0.25	15/04/2018
15/01/2015	600,000	0.25	23/01/2017
11/12/2015	75,000,000	0.025	30/06/2017
11/12/2015	30,000,000	0.025	30/06/2017

Note 3 Contingent liabilities and assets

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

Note 4 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 5 Events subsequent to period end

In January 2017 LPE attained the second performance milestone of 75GW under management, 11 months ahead of schedule. As a result, the second tranche of 284 million shares were converted to fully paid ordinary shares on 7 February.

In February 2017 the company completed a placement of 289 million shares at 2 cents per share to institutional and other sophisticated investors.

No other matters or circumstances that have arisen since 31 December 2016 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

Declaration by Directors

The directors of the Company declare that:

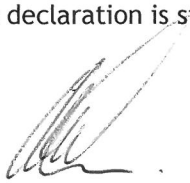
1. the financial statements and notes, as set out on pages 7 to 13 are in accordance with the *Corporations Act 2001* and:

    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 2016 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, 24 February 2017

Bentleys
THINKING AHEAD

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 2016, 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 2016 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 2016 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 Note1 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

24 February 2017

KRESTON

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Accountants
Auditors
Advisors