

19 January 2016

ASX ANNOUNCEMENT

Expiry of Options, Exercise of Options and Appendix 3b (Cleansing Prospectus)

Locality Planning Energy Holdings Ltd (**LPE, the Company**) advises that a major class of options it has on issue is due to expire today.

The 73,787,807 options on issue in this class are exercisable at \$0.02 per share by 29 February 2016.

Of those, 46,547,843 are escrowed until at least 11 December 2016, having been issued under the prospectus dated 10 October 2015 upon conversion of loans at settlement of the LPE acquisition (Re-compliance Prospectus).

The remainder are not escrowed.

12,500,000 were issued with shareholder approval upon conversion of loans in January 2015.

14,739,964 were issued between January and September 2015, gaining shareholder approval at the general meeting on 2 November 2015. As this group of options were not issued under the Re-compliance Prospectus, and the Company was suspended during the re-compliance process for more than 5 days, any shares issued pursuant to their exercise would not be tradable under the Corporations Act. The Company thus lodged a Cleansing Prospectus on 24 February 2016 primarily for the purpose of removing any trading restrictions on these shares. These parcels will be tradable upon issue.

The Company has received many requests to exercise options, and is currently reconciling and auditing the exercise notices and funds, and performing its compliance obligations. LPE expects to issue those validly exercised by 4 March 2016, and will update the market with an Appendix 3b at that point.

Appended below is an Appendix 3b, applying for quotation of the shares offered under the Re-compliance Prospectus (being 1,000 at \$0.03). LPE does not expect to issue these shares and updated figures will be included in the pending Appendix 3b applying for quotation of shares issued upon exercise of options.

Damon Sweeny
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Locality Planning Energy Holdings Limited

ABN

90 147 867 301

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Ordinary Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 1,000

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

1. N/A

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <p>J the date from which they do</p> <p>J the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</p> <p>J the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>	<p>1. Yes</p>
5	<p>Issue price or consideration</p>	<p>1. \$0.03 per share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. Issue under cleansing prospectus dated 24 February 2016</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p>	<p>No</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	
6e	<p>Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	
6f	<p>Number of securities issued under an exception in rule 7.2</p>	
6g	<p>If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.</p>	

+ See chapter 19 for defined terms.

6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements																							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1																						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Not yet issued																						
8	Number and +class of all +securities quoted on ASX (including the securities in section)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>600,601,887</td> <td>Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	600,601,887	Ordinary Shares																		
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9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>692,689,625</td> <td>Ordinary Shares; <i>3,000,000 escrowed to 10/08/16</i> <i>41,562,500 escrowed to 02/11/16</i> <i>1,800,000 escrowed to 23/11/16</i> <i>84,981,561 escrowed to 11/12/16</i> <i>561,345,564 escrowed to 04/01/18</i></td> </tr> <tr> <td>854,400,776</td> <td>Performance Shares <i>106,800,097 escrowed to 11/12/16</i> <i>747,600,679 escrowed to 04/01/18</i></td> </tr> <tr> <td>73,787,807</td> <td>Options (\$0.02 @ 29-Feb-16) <i>27,239,964 no escrow</i> <i>46,235,343 escrow to 11/12/16</i> <i>312,500 escrow to 04/01/18</i></td> </tr> <tr> <td>105,000,000</td> <td>Options (\$0.25 @ 30-Jun-17) <i>105,000,000 escrow to 04/01/18</i></td> </tr> <tr> <td>250,000</td> <td>Options (\$0.25 @ 15-Apr-16)</td> </tr> <tr> <td>5,500,000</td> <td>Options (\$0.40 @ 15-Apr-16)</td> </tr> <tr> <td>3,000,000</td> <td>Options (\$0.25 @ 7-Jun-16)</td> </tr> <tr> <td>3,000,000</td> <td>Options (\$0.35 @ 7-Jun-16)</td> </tr> <tr> <td>600,000</td> <td>Options (\$0.25 @ 23-Jan-17)</td> </tr> <tr> <td>500,000</td> <td>Options (\$0.25 @ 15-Apr-18)</td> </tr> </tbody> </table>	Number	+Class	692,689,625	Ordinary Shares; <i>3,000,000 escrowed to 10/08/16</i> <i>41,562,500 escrowed to 02/11/16</i> <i>1,800,000 escrowed to 23/11/16</i> <i>84,981,561 escrowed to 11/12/16</i> <i>561,345,564 escrowed to 04/01/18</i>	854,400,776	Performance Shares <i>106,800,097 escrowed to 11/12/16</i> <i>747,600,679 escrowed to 04/01/18</i>	73,787,807	Options (\$0.02 @ 29-Feb-16) <i>27,239,964 no escrow</i> <i>46,235,343 escrow to 11/12/16</i> <i>312,500 escrow to 04/01/18</i>	105,000,000	Options (\$0.25 @ 30-Jun-17) <i>105,000,000 escrow to 04/01/18</i>	250,000	Options (\$0.25 @ 15-Apr-16)	5,500,000	Options (\$0.40 @ 15-Apr-16)	3,000,000	Options (\$0.25 @ 7-Jun-16)	3,000,000	Options (\$0.35 @ 7-Jun-16)	600,000	Options (\$0.25 @ 23-Jan-17)	500,000	Options (\$0.25 @ 15-Apr-18)
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)																							

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7. | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements in full through a broker?	
31	How do +security holders sell part of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

-) the date from which they do
-) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
-) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now
Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

		Number	+Class
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

+ See chapter 19 for defined terms.

Quotation agreement

1. +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Damon Sweeny
Company Secretary
29 February 2016

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	195,916,129
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • Include only ordinary securities here – other classes of equity securities cannot be added • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	11,689,348 1,085,685,035
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
"A"	1,293,290,512

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of "A"	
"B"	0.15
Multiply "A" by 0.15	193,993,577
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period not counting those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	Nil
"C"	Nil
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15	193,993,577
Subtract "C"	1000
Total ["A" x 0.15] – "C"	193,992,577

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" Note: number must be same as shown in Step 1 of Part 1	N/A
Step 2: Calculate 10% of "A"	
"D"	0.10
Multiply "A" by 0.10	
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
"E"	
Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 Note: number must be same as shown in Step 2	
Subtract "E" Note: number must be same as shown in Step 3	
Total ["A" x 0.10] – "E"	

+ See chapter 19 for defined terms.