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## **LOCALITY PLANNING ENERGY HOLDINGS LIMITED – PRE-QUOTATION DISCLOSURE**

Locality Planning Energy Holdings Limited (ACN 147 867 301) (**Company**) confirms that all conditions precedent to the acquisition by the Company of the issued capital in Locality Planning Energy Pty Ltd (148 958 061) (**LPE**) (**Acquisition**) have now been satisfied and completion of the Acquisition occurred on 11 December 2015.

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the admission to the official list and official quotation of fully paid shares in the Company.

Capitalised terms which have not been otherwise defined in this document have the same meaning as they have in the Prospectus released to ASX by the Company on 12 October 2015

### **SATISFACTION OF CONDITIONS PRECEDENT**

All of the conditions precedent to the binding heads of agreement dated on or about 1 July 2015, as varied by agreement on 8 July 2015 and 15 September 2015 (**Option Agreement**) between the Company, LPE and the shareholders of LPE (**Vendors**) pursuant to which the Company has the conditional right to acquire 100% of the issued capital in LPE have been satisfied and completion of the Acquisition has occurred, including the issue of:

- (a) 300,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.02 per Share (**Public Offer**); and
- (b) the Vendor Consideration Securities to the Vendors as per resolution 3 of the Company's notice of general meeting announced on 2 November 2015 (**Notice**).

A summary of the material terms of the Option Agreement are set out in section 14.1 of the Prospectus.

### **CONFIRMATION OF THE ISSUE OF SECURITIES UNDER THE PROSPECTUS**

The Company confirms that all conditions to the Prospectus have been satisfied and that securities have been issued with respect to the following offers under the Prospectus:

- (a) the Public Offer;
- (b) the Vendor Consideration Offer;
- (c) the Armada Offer;
- (d) the Initial Lender Offer;
- (e) the Subsequent Lender Offer; and
- (f) the SXT Noteholder Offer.

## CAPITAL STRUCTURE

The Company confirms its capital structure is as follows:

	Shares <sup>9</sup>	Options	Performance Shares
Current	246,458,414	51,232,437 <sup>1</sup>	-
Conversion of SXT Convertible Notes (face value)	42,187,500	21,093,750 <sup>2</sup>	-
Conversion of SXT Convertible Notes (interest)	1,353,700	-	-
Conversion under Initial Loan Agreements (face value)	23,000,000	23,000,000 <sup>2</sup>	-
Conversion under Initial Loan Agreements (interest)	3,000,968	3,000,968 <sup>2</sup>	-
Conversion under Subsequent Loan Agreements (face value)	20,000,000	-	-
Conversion under Subsequent Loan Agreements (interest)	4,800,000	-	-
Grant of Options to Armada Capital	-	75,000,000 <sup>3</sup>	-
Capital Raising	300,000,000	-	-
<b>SUB-TOTAL</b>	<b>640,800,582</b>	<b>173,327,155</b>	<b>-</b>
Vendor Consideration	640,800,582	-	854,400,776
<b>TOTAL</b>	<b>1,281,601,164</b>	<b>173,327,155</b>	<b>854,400,776</b>

### Notes:

<sup>1</sup> The terms of the Options currently on issue are as follows:

Number	Exercise Price	Expiry Date
3,000,000	\$0.25	7 June 2016
3,000,000	\$0.35	7 June 2016
500,000	\$0.25	15 April 2018
600,000	\$0.25	23 January 2017
250,000	\$0.25	15 April 2016
5,500,000	\$0.45	15 April 2016
38,382,437	\$0.02	29 February 2016

<sup>2</sup> Exercisable at \$0.02 on or before 29 February 2016.

<sup>3</sup> Exercisable at \$0.025 on or before 30 June 2017.

## NUMBER OF SECURITIES SUBJECT TO ESCROW

Escrow Period	Shares	Options	Performance Shares
Escrow for 24 Months from Quotation	561,345,564	75,312,500	747,600,679
Escrow for 12 Months from issue (11/12/15)	84,434,686	46,782,218	106,800,097
Escrow for 12 Months from issue (10/8/15)	3,000,000	Nil	Nil
Escrow for 12 Months from issue (23/11/15)	1,800,000	Nil	Nil
Escrow for 12 Months from shareholder approval (2/11/15)	41,562,500	Nil	Nil
Escrow for 12 Months from investment (8/1/15)	5,250,000	Nil	Nil

## CONFIRMATION OF FUNDS RECEIVED

The Company confirms that it has received cleared funds for the complete amount of the issue price of every security issued and allotted to every successful applicant for securities under the Prospectus and raised a total of \$6,000,000.

## STATUS OF INITIAL LOAN AGREEMENTS

Pursuant to the Initial Loan Agreements, as at the date of settlement of the Acquisition the Initial Lenders had loaned a total of \$138,000 to the Company (**Initial Loan Face Value**). The total of the Initial Loan Face Value and \$18,005.81 of accrued interest under the Initial Loan Agreements has now been converted into Shares and Options pursuant to the Initial Lender Offer. There are no outstanding monies pursuant to the Initial Loan Agreements.

## STATUS OF SUBSEQUENT LOAN AGREEMENTS

Pursuant to the Subsequent Loan Agreements, the Subsequent Lenders have loaned a total of \$400,000 to the Company (**Subsequent Loan Face Value**). A total of 4,800,000 shares were issued in satisfaction of upfront interest payments on the Subsequent Loan Agreements. The total of the Subsequent Loan Face Value has now been converted into Shares pursuant to the Subsequent Lender Offer. There are no outstanding monies pursuant to the Subsequent Loan Agreements.

## STATUS OF SXT CONVERTIBLE NOTES

The Company had a total of 1,350,000 SXT Convertible Notes on issue with a face value of \$0.50 each and an aggregate face value of \$675,000 (**SXT Convertible Note Face Value**). The SXT Convertible Note Face Value and \$13,536.99 of accrued interest has been converted into Shares and Options pursuant to the SXT Noteholder Offer. There are no outstanding monies pursuant to the SXT Convertible Notes.

## STATUS OF LOANS TO LPE

Pursuant to the Glanville Loan, Damian Glanville has loaned a total of \$155,000 to LPE (**Glanville Loan Face Value**). None of the Glanville Loan Face Value or accrued interest of \$4,230.82 (as at settlement of the Acquisition) has been repaid by LPE. The entirety of the Glanville Loan Face Value together with all interest accrued remains outstanding and will be repaid from the funds raised under the Public Offer.

Pursuant to the Chester Loan, Ben Chester has loaned a total of \$171,500 to LPE on interest free terms (**Chester Loan Face Value**). None of the Chester Loan Face Value has been repaid by LPE. The entirety of the Chester Loan Face Value remains outstanding and will be repaid from the funds raised under the Public Offer.

Pursuant to the Chester Additional Loan, Ben Chester has loaned a total of \$254,000 to LPE (**Chester Additional Loan Face Value**). None of the Chester Additional Loan Face Value or accrued interest of \$3,501.72 (as at settlement of the Acquisition) has been repaid by LPE. The entirety of the Chester Additional Loan Face Value together with all interest accrued remains outstanding and will be repaid from the funds raised under the Public Offer.

Pursuant to the Pettett Loan, Pettett Pty Ltd has loaned a total of \$200,000 to LPE (**Pettett Loan Face Value**). None of the Pettett Loan Face Value or accrued interest of \$723.30 (as at settlement of the Acquisition) has been repaid by LPE. The entirety of the Pettett Loan Face Value together with all interest accrued remains outstanding and will be repaid from the funds raised under the Public Offer.

Pursuant to the GTG Loan, GTG-LPE Pty Ltd has loaned a total of \$167,787 to LPE. The GTG Loan will not be repaid out of the funds raised under the Public Offer.

## APPOINTMENT AND RESIGNATION OF DIRECTORS

The Company confirms the appointment of Damien Glanville and Ben Chester to the Board of the Company and the resignations of John Shepherd and John Moore.

## STATUS OF AUSTRALIAN ENERGY REGULATOR AUTHORISATION

The Company confirms that the Retail Authorisation granted by the Australian Energy Regulator to LPE on 13 November 2014 is still in full force, has not been revoked or surrendered and LPE remains suitable to operate as an energy retailer under the National Energy Retail Law including LPE being authorised to sell electricity in all jurisdictions in which it operates.

## NO LEGAL, REGULATORY OR CONTRACTUAL IMPEDIMENTS

The Company confirms that there are not legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

## NO MATERIAL SUBSEQUENT EVENTS

The Company confirms there have been no material subsequent events to alter the Company's statement of financial position as detailed at section 11 of the Prospectus.

## UPDATED STATEMENT OF COMMITMENTS

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, as follows:

<b>Funds available</b>	<b>Actual Subscription (\$6,000,000)</b>	<b>Percentage of Funds</b>
Existing cash reserves of the Company <sup>1</sup>	\$250,000	4.0%
Funds raised from the Capital Raising	\$6,000,000	96.0%
<b>Total</b>	<b>\$6,250,000</b>	<b>100%</b>
<b>Allocation of funds</b>	<b>Total</b>	<b>Percentage of Funds (%)</b>
Loan repayments <sup>2</sup>	\$788,956	12.6%
Expenses associated with the Acquisition <sup>3</sup>	\$511,251	8.2%
Funding strata community site conversion costs	\$3,000,000	48.0%
Additional sales and operational personnel	\$500,000	8.0%
Potential acquisitions	\$1,250,000	20.0%
Working capital <sup>4</sup>	\$199,793	3.2%
<b>TOTAL</b>	<b>\$6,250,000</b>	<b>100%</b>

The above table is a statement of current intentions as of the date of lodgement of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The board reserves the right to alter the way funds are applied on this basis.