

OPERATIONAL UPDATE

ADDED 6.18GWh OF BILLING AN INCREASE OF 4.67% IN OCTOBER TO 138.59GWh

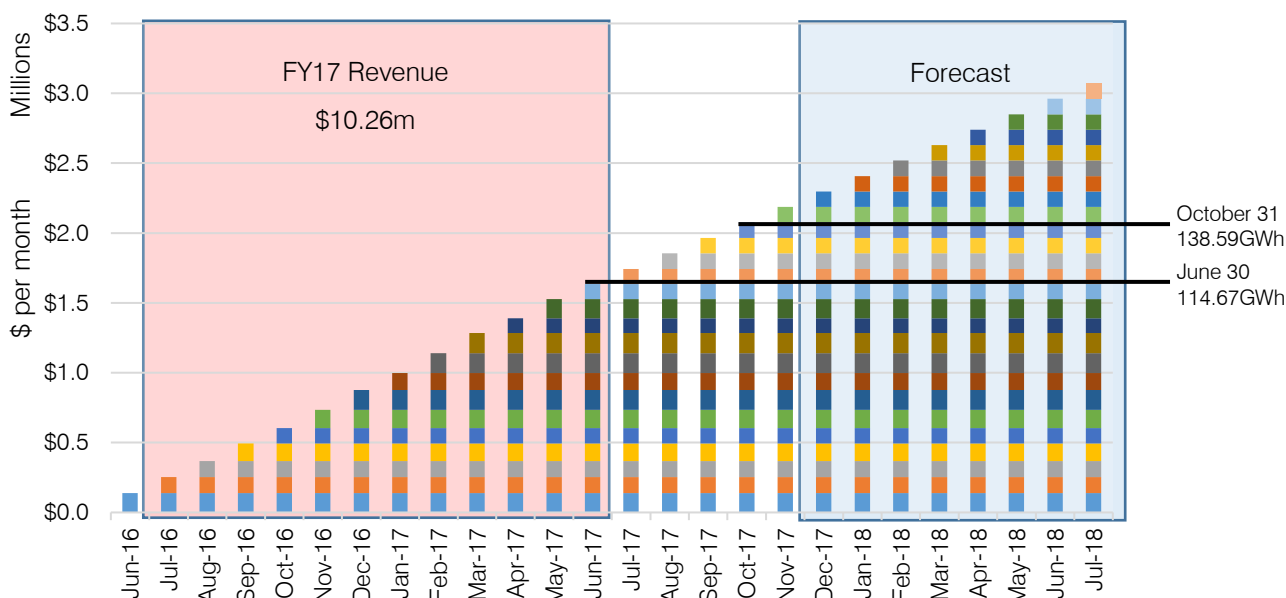
- LPE is billing 138.59GWh, representing a 4.67% increase for the month
- An additional 6.18GWh has commenced billing during the month of October 2017
- Current annualised revenue of \$26.23 Million

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to inform shareholders of an additional 6.18GWh in billing contracts Under Management (UM) through the month of October, representing a 4.67% increase for the month. The current UM billing of 138.59GWh of annualised volume increases the Company's recurring revenue for an average contract length of 7.2 years.

Provided below is additional information on the annualised manner in which dollars/GWh are accumulated in reoccurring revenue.

- The graph below shows the accumulated monthly billing of electricity to customers.
- The FY 2017 (red) corresponds with the FY17 revenue of \$10.26m.
- The forecast (blue) is based on additional increases of 6GWh per month, the Company's current growth trajectory.
- Average contract length is 7.2 years these revenues will be sustained beyond 2025.
- Each increment on the coloured bars below indicates the monthly GWh increase to date and 6GWh increments per month beyond November.

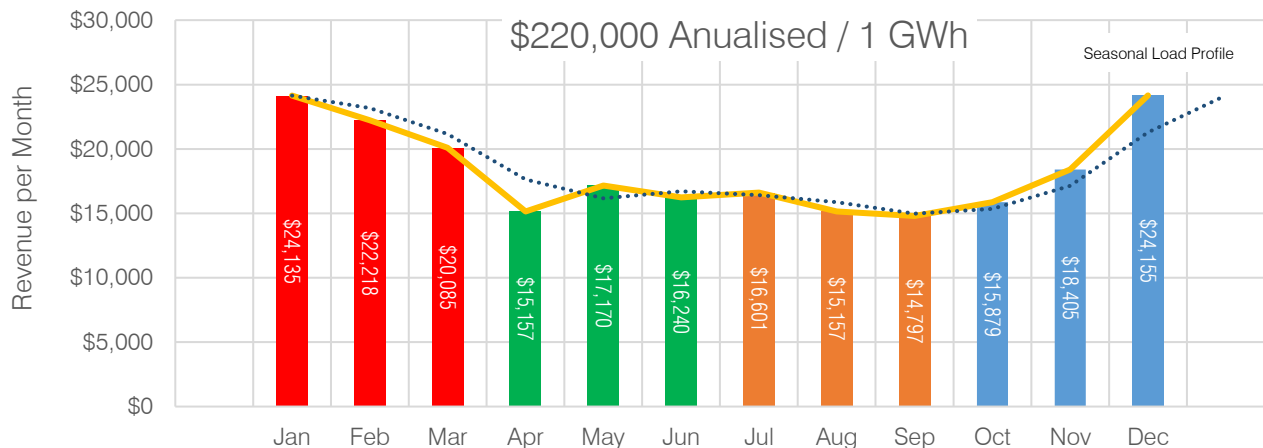
Accumulated Monthly Billing (\$)



The company recently launched Locality Embedded Networks (LEN), which lifts the overall company capabilities to accommodate compliancy and services to strata communities in embedded networks, in line with the Australian Energy Market Commission "Power of Choice" reforms – giving customers options in the way they use electricity. This is a broader approach to LPE's capacity as a complete provider to strata communities for everything regarding electricity supply and management. The uptake of LEN has been tremendous with LEN providing service to all of LPEs existing

embedded networks plus 143 new communities who would otherwise be without the required provisions which comes into effect on 1 December 2017. LEN was not created as a revenue stream but an opportunity to expand the customer experience with the LPE group. Management is confident the community stakeholders utilising the appointment of LEN will expand their engagement with the Company going forward.

LPE maintain guidance that each GWh attributed to Under Management or "Billing" provides \$220,000/GWh in revenue annually, this is equivalent to a normalised amount of approximately \$18,500/month/GWh. The amount is affected by seasonal variance. The table below illustrates this typical seasonal load profile throughout a calendar year and the fluctuations in quarterly revenues reported to the market as a result.



LPE bills its customers monthly, with all electricity retailers required to have 14 day payment terms. Any bill issued after the 14th day of a month, will not be recognised as cash receipts for that month. This has a material influence on quarterly financial reporting where on a levelised volume the cash receipts could swing up to ~14% under the billed amount for the quarter. When considering events like public holiday/s and/or months that have a high number of weekend days occurring this swing in cash received can be affected by as much as 18%. Management accounting do factor in this cycle and seasonality, but customer receipt fluctuation is unavoidable on a cash basis when producing the Company's financial reports. This has always been the case with costs, bills issued and cash and is a normal result of cyclic billing of electricity. LPE can confirm that our average accounts receivable is currently 21 days, as noted in our audited financial report.

The Company has created systems, processes and developed technology add-ons to ensure retail operating costs are maintained and growth expectations are serviced inside these costs. Ongoing advancements in billing, metering, meter data and workflows continue to improve these efficiencies positioning LPE as the best cost to service retailer.

LPE has progressed with debt facility offerings from a number of providers. LPE now has available a broader product offering than previously experienced, due to an improving cash position and maturity of the business model. With 4 years of proven delivery and solid and secure receivables LPE has comfort in engaging a facility that better meets the commercial and company requirements not only in the near future but for the longer term.

Ends

About Locality Planning Energy Holdings Limited (LPE)

LPE's wholly owned subsidiary Locality Planning Energy Pty Ltd, holds an Australian Energy Regulator (AER) Authority to sell electricity and utility services to residential, commercial and industrial customers throughout the National Energy Market. LPE specialises in electricity sales to strata communities, both existing and new developments; generating significant savings on electricity delivered to strata communities.

LPE's unique purchasing model is matched against 5 to 10 year supply contracts providing LPE with consistent recurring revenues. LPE is transforming the electricity supply industry by providing an intelligent solution to help its customers reduce high electricity costs, with no risk and no upfront cost. LPE is at the forefront of innovative electricity supply with a commitment to the integration of technology to provide the highest savings and consumer advocacy to its customers.