

VOLT POWER GROUP LIMITED

ABN: 62 009 423 189

APPENDIX 4D (RULE 4.2A.3)

INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2017

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current reporting period: **30 June 2017**

Previous corresponding reporting period: **30 June 2016**

	Item	Change %		Current period (\$A000)	Previous corresponding period (\$A000)
Revenues from ordinary activities	2.1	-	to	-	from -
Profit / (loss) from ordinary activities after tax attributable to members	2.2	531	to	2,971	from (689)
Net profit / (loss) for the period attributable to members	2.3	531	to	2,971	from (689)

Dividends

There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial half year ended 30 June 2017.

Net tangible assets per ordinary security

	Current period	31 December 2016
Net tangible assets	2,849,655	(5,754,445)
Number of shares on issue at reporting date	6,194,533,558	594,533,558
Net tangible assets per ordinary security	\$0.0005	\$(0.0097)

Commentary on results for the period

On 19 May 2017, the Company exited administration, upon the effectuation of a Deed of Company Arrangement (the "DOCA").

This information should be read in conjunction with the 2016 Annual Financial Report of Volt Power Group Limited and its controlled entities and any public announcements made in the period by Volt Power Group Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional Appendix 4D disclosure requirements can be found in the Directors Report and the attached half-year consolidated financial statements for the half-year ended 30 June 2017.

Audit / review status

This report is based on the 2017 half-year consolidated financial statements of Volt Power Group Limited and its controlled entities, which have been reviewed by BDO Audit (WA) Pty Ltd. The independent Auditor's Review Report provided by BDO Audit (WA) Pty Ltd is included in the attached half-year consolidated financial statements for the half-year ended 30 June 2017. The audit report contains a qualified opinion in respect of comparatives for the year ended 31 December 2016, and in respect of the gain recognised upon effectuation of the Deed of Company Arrangement.

This information should be read in conjunction with the 2016 Annual Financial Report of Volt Power Group Limited (previously called Enerji Limited) and its controlled entities and any public announcements made in the period by Volt Power Group Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional Appendix 4D disclosure requirements can be found in the Directors Report and the attached half-year consolidated financial statements for the half-year ended 30 June 2017.



VOLT POWER GROUP LIMITED

ABN: 62 009 423 189

INTERIM FINANCIAL REPORT

Half-year ended 30 June 2017

TABLE OF CONTENTS

Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Interim consolidated statement of profit or loss and other comprehensive income	6
Interim consolidated statement of financial position	7
Interim consolidated statement of changes in equity	8
Interim consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Declaration by directors	17
Independent audit report	18

CORPORATE DIRECTORY

ABN: 62 009 168 094

Directors

Simon Higgins

Non-Executive Chairman

Adam Boyd

CEO and Managing Director

Peter Torre

Non-Executive Director

Company Secretary

Ian Sydney

Principal place of business

1 Channel Close

Henderson WA 6166

Registered office

Unit B9, 431 Roberts Rd

Subiaco WA 6008

Share register

Link Market Services Pty Ltd

Level 12

250 St George's Terrace

Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

Solicitors

DLA Piper

Level 31

152-158 St George's Terrace

Perth WA 6000

Bankers

Commonwealth Bank of Australia

Corporate Financial Services

Level 14C, 300 Murray Street

Perth WA 6000

Stock Exchange Listings

Australian Securities Exchange

ASX Code: VPR

Website

www.votlpower.com.au

DIRECTORS' REPORT

The directors of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and subsidiaries submit their half year report for the six months ended 30 June 2017.

1. Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- S. Higgins – Chair (appointed 28 April 2017)
- A. Boyd – Managing Director (appointed 28 April 2017)
- P. Torre (appointed 28 April 2017)
- R. Phillips (resigned 28 April 2017)
- P. Avery (resigned 28 April 2017)
- J. Dekker (resigned 28 April 2017)

2. Corporate and operational review

- This Interim Consolidated Financial Report has been prepared on the basis that Volt and its controlled entities are going concerns for financial reporting purposes.
- On 10 May 2017, the Company's wholly owned subsidiary, Enerji Holdings Pty Ltd ("Enerji Holdings") exited administration, upon the effectuation of a Deed of Company Arrangement (the "Subsidiary DOCA"). All claims of Enerji Holding's creditors, prior to the appointment of the administrator, have now been extinguished.
- On 19 May 2017, the Company exited administration, upon the effectuation of a Deed of Company Arrangement (the "DOCA"). All claims of creditors (except for any excluded claims) against the Company have now been extinguished.
- A claim by Opcon Energy Systems AB (Opcon) was excluded under the DOCA (Excluded Claim). A separate claim from Opcon was made against Enerji Holdings under the Subsidiary DOCA. The administrators of the Subsidiary DOCA considered the claim made by Opcon and made a final determination against the Subsidiary DOCA. The Company, having undertaken due investigations and obtained appropriate advice, does not consider that Opcon has a valid basis for a claim against the Company nor its subsidiaries (other than Enerji Holdings) on the basis that none of those entities were parties to contractual arrangements with Opcon. There is a risk that Opcon may continue to press a claim or commence legal proceedings against the Company in respect to this matter. Any such claim against the Company will be vigorously defended.
- At a general meeting of shareholders on 28 April 2017, it was resolved for the Company to undertake a capital raising via a private placement of shares to ECM and parties procured by ECM at an issue price of \$0.001 per share to raise \$5,600,000 before costs (the "Recapitalisation").
- The Recapitalisation was completed and 5,600,000,000 fully paid ordinary shares were issued on 2 June 2017.
- At the Company's Annual General Meeting, held on 31 May 2017, members resolved via special resolution to change the company name from Enerji Ltd to Volt Power Group Limited. This name change took effect from 1 June 2017.
- The Company's shares were reinstated to trading on the ASX from Wednesday 14 June 2017 (ASX reinstatement).

3. Principal activities

Upon exiting administration on 19 May 2017, the principal activities of Volt were:

- (a) planning for the commencement of a detailed process engineering review which will focus on, amongst other matters, process flow rates, efficiency and reliability enhancements and configuration of the ATEN technology;
- (b) entering into discussions with various third parties to negotiate the execution of ATEN technology integration and related power purchase agreements;
- (c) continuing the Company's pre-administration activities in relation to the expansion of its power generation footprint through the development and/or acquisition of micro-grid power supply solutions and other power generation assets that can further the exploitation and roll-out of the ATEN technology;
- (d) engaging with ECM with a view to entering into a new strategic partnership arrangement; and
- (e) enhancing the capacity and capability of the Company in power generation technology development and engineering, project delivery and on-going maintenance services.

In addition to the activities detailed above, the Board is actively seeking out complementary assets, investments and businesses in the energy and infrastructure sector that will generate additional shareholder value.

The Company will look to leverage off the experience of its Directors and its extensive network of experienced associates and service companies to identify these opportunities for the Company.

4. Operating results

The consolidated entity recorded an operating profit after income tax for the six months ended 30 June 2017 of \$2,971,344 (2016: operating loss of \$689,226). The profit included the following items of significance:

- Gain on effectuation of DOCA of \$1,132,475;
- Gain on effectuation of subsidiary DOCA of \$2,419,475; and
- Administrator costs of \$281,818

The net asset position of the consolidated entity at 30 June 2017 was \$2,849,655 (December 2016: net liabilities of \$5,754,445).

As at 30 June 2017, the Group had cash and cash equivalents of \$2,886,661.

Net cash inflow during the six months ended 30 June 2017 of \$2,635,735, was comprised of:

- Net cash outflow from operating activities of \$236,088; and
- Net cash inflow from financing activities of \$2,871,823.

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF VOLT POWER GROUP LIMITED

As lead auditor for the review of Volt Power Group Limited for the half-year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Volt Power Group Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 23 August 2017

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE SIX MONTHS ENDED 30 JUNE

	Note	2017	2016
		\$	\$
Other income	5(a)	3,551,950	889,912
Consultants and advisors	5(b)	(439,650)	(1,110,001)
Employment benefits expense	5(c)	(107,929)	(223,821)
General and administration expenses		(33,156)	(128,770)
Operating profit/(loss)		2,971,215	(572,680)
Finance income		144	2,798
Finance expenses		(15)	(119,344)
Finance costs- net		129	(116,546)
Profit/(loss) before income tax expense benefit		2,971,344	(689,226)
Income tax expense/benefit	6	-	-
Profit/(loss) from continuing operations		2,971,344	(689,226)
Other comprehensive income/(loss) for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		2,971,344	(689,226)
Profit/(loss) for the period is attributable to:			
Owners of Volt Power Group Limited		2,971,344	(689,226)
Total comprehensive income/(loss) for the period is attributable to:			
Owners of Volt Power Group Limited		2,971,344	(689,226)
Earnings per share (EPS):			
- Basic profit/(loss) for the period attributable to ordinary equity holders of the parent		\$0.0020	(\$0.0012)
- Diluted profit/(loss) for the period attributable to ordinary equity holders of the parent		\$0.0020	(\$0.0012)
Earnings per share from continuing operations:			
- Basic profit/(loss) from continuing operations attributable to ordinary equity holders of the parent		\$0.0020	(\$0.0012)
- Diluted profit/(loss) from continuing operations attributable to ordinary equity holders of the parent		\$0.0020	(\$0.0012)

The above Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2017

	Note	30 June 2017 \$	31 December 2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,886,661	250,926
Trade and other receivables	8	-	220,700
Prepayments and other receivables	9	63,361	32,412
Total current assets		2,950,022	504,038
Non-current assets			
Property, plant and equipment		10,134	11,721
Total non-current assets		10,134	11,721
Total assets		2,960,156	515,759
LIABILITIES			
Current Liabilities			
Trade and other payables	10	110,501	5,691,687
Employee benefit liabilities	11	-	33,523
Interest bearing loans and borrowings	12	-	305,679
Other current liabilities	13	-	239,315
Total current liabilities		110,501	6,270,204
Total liabilities		110,501	6,270,204
Net assets/(liabilities)		2,849,655	(5,754,445)
SHAREHOLDERS' EQUITY / (DEFICIT)			
Share capital	14(a)	67,814,945	62,214,945
Reserves		5,886,358	5,853,602
Retained losses		(70,851,648)	(73,822,992)
Total Shareholders' Equity / (Deficit)		2,849,655	(5,754,445)

The above Interim Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 AS AT 30 JUNE 2017

	Attributable to owners of Volt Power Group Limited				
	Note	Share capital \$	Reserves \$	Retained losses \$	Total equity \$
At 1 January 2016		61,834,828	5,884,340	(71,274,809)	(3,555,641)
Total comprehensive loss for the period					
Profit/(loss) for the period		-	-	(689,226)	(689,226)
Total comprehensive loss for the period		-	-	(689,226)	(689,226)
Transactions with owners in their capacity as owners					
Shares issued on conversion of loan		209,761	-	-	209,761
Contribution of equity, net of transaction costs		-	-	-	-
Equity-based payment transaction – expenses		-	-	-	-
		209,761	-	-	209,761
At 30 June 2016		62,044,589	5,884,340	(71,964,035)	(4,035,106)
At 1 January 2017		62,214,945	5,853,602	(73,822,992)	(5,754,445)
Total comprehensive income for the period					
Profit/(loss) for the period		-	-	2,971,344	2,971,344
Total comprehensive income for the period		-	-	2,971,344	2,971,344
Transactions with owners in their capacity as owners					
Issue of share capital	14(a)	5,600,000	-	-	5,600,000
Equity-based payment transaction – expenses		-	-	-	-
Share based payments		-	32,756	-	32,756
		5,600,000	32,756	-	5,632,756
At 30 June 2017		67,814,945	5,886,358	(70,851,648)	2,849,655

The above Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS ENDED 30 JUNE

	Note	2017	2016
Cash flows from operating activities		\$	\$
Payments to suppliers and employees (inclusive of goods and services tax)		(185,636)	(1,687,066)
Payments to deed administrators		(50,596)	-
Interest received		144	2,798
R&D tax refund		-	899,491
Net cash outflows from operating activities		(236,088)	(784,777)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,005)
Net cash inflows / (outflows) from investing activities		-	(2,005)
Cash flows from financing activities			
Proceeds from issue of shares and other equity securities		3,600,000	-
Transaction costs on issue of shares		(14,712)	-
Proceeds from issue of convertible loans		-	519,643
Repayment of borrowings		(713,465)	(100,000)
Net cash inflows from financing activities		2,871,823	419,643
Net increase / (decrease) in cash and cash equivalents		2,635,735	(367,139)
Cash and cash equivalents at the beginning of the period		250,926	612,117
Cash and cash equivalents at end of the period	7	2,886,661	244,978

The above Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. Corporate Information

The interim consolidated financial statements of Volt Power Group Limited (the "Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017 were authorised for issue in accordance with a resolution of directors on 23 August 2017.

Volt Power Group Limited is a for profit company limited by shares, domiciled in Australia, whose shares are publicly traded. The address of the Company's registered office is Unit B9, 431 Roberts Rd Subiaco WA 6008. The Group principal activities are primarily focused on power generation technology and solutions.

2. Basis of preparation and changes to the Group's accounting policies

(a) Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with *IAS 34 Interim Financial Reporting*.

The interim consolidated financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

(b) Basis of measurement

The interim consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements for the year ended 31 December 2016 were prepared on a non-going concern basis, due to the Company being in administration.

(c) Incomplete financial information 31 December 2016

The 2016 Financial Report was prepared by Directors who were in office for the entire period presented in that report, however their duties and responsibilities were suspended from the date the Company entered administration, 18 October 2016. For the period in which the Company was in administration the Directors did not have oversight or control over the group's financial reporting systems, including (but not limited to) being able to obtain access to complete accounting records of the Company. Every reasonable effort was made by the Directors to ascertain the true position of the Company as at 31 December 2016, however the Directors were of the opinion that it is not possible to state that the audited remuneration disclosures, financial statements and accompanying notes were in accordance with the Corporations Act 2001.

(d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries.

(e) Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(f) Changes in accounting policies

With the exception noted in the *basis of measurement* above and other than as noted below the same accounting policies and methods of computation have been followed in these financial statements as compared with the previous annual financial statements.

3. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

The nature and effect of these changes are discussed below. Although these amendments apply for the first time in 2017, they do not have a material impact on the interim consolidated financial statements of the Group. The nature and impact of each new amendment is described below:

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on

how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. The application of these amendments had no material impact on the financial position or performance of the Group.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group in the Group's annual financial statements ending 31 December 2017.

The Group has not early adopted any other standard, interpretation or amendment that has been issued by is not yet effective.

4. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Volt Power Group Limited. The Group has determined that it has one operating segment.

5. Profit and Loss

	30 June 2017	30 June 2016
<i>(a) Other income</i>		
Gain from effectuation of Deed of Company Arrangement	1,132,475	-
Gain from effectuation of Subsidiary DOCA	2,419,475	-
Research and development tax incentive rebate	-	899,491
Profit/(loss) on sale of assets	-	(9,579)
	3,551,950	889,912
<i>(b) Consultants and advisors</i>		
Administrator expenses	281,818	-
Consultants and contractors	-	785,734
Legal expenses	148,166	68,346
Investor relations	8,183	155,550
Other	1,483	100,370
	439,650	1,110,001

(c) Employee benefits expense

	30 June 2017	30 June 2016
Salary and wages	74,996	206,702
Superannuation	-	13,392
Share based payments	32,756	-
Other	177	3,727
	107,929	223,821

6. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of profit or loss are:

	30 June 2017	30 June 2016
Income taxes		
Current income tax expense	891,403	-
Utilisation of carried forward tax losses	(891,403)	-
Income tax expense recognized in statement of profit or loss	-	-

7. Cash and cash equivalents

	30 June 2017	31 December 2016
Cash at bank	2,886,661	250,926
	2,886,661	250,926

8. Trade and other receivables

	30 June 2017	31 December 2016
Accounts receivable	-	409,200
Provision for doubtful debts	-	(409,200)
Bank guarantee	-	220,000
Other debtors	-	700
	-	220,700

9. Prepayments and other receivables

	30 June 2017	31 December 2016
Prepaid insurance	63,361	12,412
Other prepayments	-	20,000
	63,361	32,412

10. Trade and other payables

	30 June 2017	31 December 2016
Trade payables	128,483	3,918,446
Accrued expenses	-	1,789,513
GST	(17,982)	(94,302)
PAYG	-	1,431
Sundry creditors	-	76,599
	110,501	5,691,687

11. Employee benefit liabilities

	30 June 2017	31 December 2016
FBT	-	(4,872)
Superannuation	-	35,178
Salary sacrifice	-	3,217
	-	33,523

12. Financial liabilities

Financial liabilities at amortised cost:

	30 June 2017	31 December 2016
Convertible notes- unsecured	-	305,679
	-	305,679

Convertible notes - unsecured

On 29 March 2016 the Company entered into a USD\$400,000 convertible loan facility with Magna Equities II LLC (Magna). The Facility had a term of 12 months and was interest free. The Facility had a 10% establishment fee (USD\$40,000), which was capitalised into the principal outstanding.

Under the terms of the Loan Agreement and Subscription Agreement under the Facility, Magna had the right to subscribe for Enerji shares at a price equal to the lesser of:

- i. a 20% discount to the lowest volume weighted average price (VWAP) in the five days prior to subscription; or
- ii. a fixed price of \$A0.035.

The opening AUD value of the facility was recorded at \$519,644, plus an establishment fee of \$51,964 was recorded as an unsecured convertible note to Magna for the year. During the period to 31 December 2016 Magna subscribed for 20,402,704 shares with a fair value of \$380,117 which included a reduction in loan liability of \$293,987 and finance costs of \$86,130. At 31 December 2016 USD\$220,000 (including establishment fee) remained outstanding and an unrealised loss on this liability of \$28,057 was recorded in the Consolidated Statement of Profit and Loss.

This liability was extinguished in full as a result of the effectuation of the DOCA.

Risk management activities

The Group financial instruments consist mainly of deposits with banks and accounts payable.

The Board of Directors analyse financial risk exposure at Board Meetings to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

(a) Market Risk

(i) Foreign exchange risk

At present, the Group has no foreign currency hedges in respect of forecast sales and purchases. The Group also has no hedges in place for its trade receivables and trade payables denominated in a foreign currency.

The Group's exposure to foreign currency risk at the end of the reporting period (as compared to the prior period), expressed in Australian dollars, was as follows:

	30 June 2017			31 December 2016		
	USD	EUR	SEK	USD	EUR	SEK
Trade payables- Airec AB	-	-	-	-	45,697	-
Trade payables- Opcon AB	-	-	-	-	-	2,243,231
Convertible Notes- Magna	-	-	-	305,679	-	-

13. Other current liabilities

	30 June 2017	31 December 2016
Non-bank loans	-	100,000
Convertible loan - default penalties and fees	-	45,315
Ames Associates - contribution to voluntary administration	-	94,000
	-	<u>239,315</u>

14. Share capital

(a) Contributed equity

Share Capital	Number of Shares		\$	
	2017	2016	2017	2016
Fully paid ordinary shares	<u>6,194,533,558</u>	<u>594,533,558</u>	<u>67,814,945</u>	<u>62,214,945</u>

Movements in ordinary shares

	Number of shares	\$
Opening balance 1 January 2016	594,533,588	62,214,945
Shares issued for cash	5,600,000,000	5,600,000
Balance 30 June 2017	<u>6,194,533,558</u>	<u>67,814,945</u>

15. Related party disclosures

(a) Associates

ECM Pty Ltd has significant influence over the Group through its shareholding. The following table provides the total amount of transactions that have been entered into with related parties for the period.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		\$	\$	\$	\$
ECM Pty Ltd	2017	-	53,090	-	-
	2016	-	-	-	-

ECM Pty Ltd provided accounting services to the Group during the period.

During the period ECM Pty Ltd paid DOCA related costs of \$2,596,522 (2016: Nil) on behalf of the Company pursuant to the DOCA. \$2,000,000 of this amount was converted to equity and the remainder was repaid to ECM Pty Ltd as part of the DOCA settlement.

(b) Directors

During the period the Group appointed Mr Adam Boyd as Managing Director and Chief Executive Officer. The terms of his remuneration package are as follows:

- The Company shall pay a fee of \$360,000 per annum.
- The Company shall issue to the Mr Boyd (or his nominee):
 - 175,000,000 Options exercisable at 0.15 cents each and expiring 36 months after the date of issue (Tranche 1); and
 - 175,000,000 Options exercisable at 0.20 cents each and expiring 48 months after the date of issue (Tranche 2).
- In consideration for Mr Boyd agreeing to join the board of the Company, the Company will provide the Mr Boyd or his nominee with the opportunity to subscribe for up to 800,000,000 Shares at \$0.001 per Share pursuant to the Capital Raising.

The Board has valued the options issued to Mr Boyd and determined on the basis of the assumptions set out below the technical value of the options as follows:

Options Tranche 1		Options Tranche 2	
Exercise price	\$0.0015	Exercise price	\$0.002
Underlying spot price	\$0.001	Underlying spot price	\$0.001
Dividend yield	0%	Dividend yield	0%
Expected volatility	100%	Expected volatility	100%
Risk free interest rate	1.95%	Risk free interest rate	1.95%
Vesting period	12 months	Vesting period	24 months
Fair value per option	\$0.00054	Fair value per option	\$0.00058

For the six months ended 30 June 2017, the Group has recognised \$32,756 (2016: Nil) of share based payment expense in regards the options granted to Mr Boyd.

During the period the Company appointed Mr Simon Higgins and Mr Peter Torre as Non-Executive Directors. The terms of their appointment are as follows:

- Mr Higgins – In consideration for his services as a Non-Executive Director and Chairman of the Company, the Company will pay him an all inclusive annual fee as is determined by the Board and approved by shareholders from time to time during his appointment. The monthly fee payable is payable in arrears will be initially set at \$4,166,67 plus GST. This equates to an annual fee of \$50,000 plus GST, commencing 1 May 2017.
- Mr Torre – In consideration for his services as a Non-Executive Director and Chairman of the Company, the Company will pay him an all inclusive annual fee as is determined by the Board and approved by shareholders from time to time during his appointment. The monthly fee payable is payable in arrears will be initially set at \$3,333 plus GST. This equates to an annual fee of \$40,000 plus GST, commencing 1 May 2017.

16. Commitments and contingencies

(a) Bank Guarantees

Pursuant to the Deed of Release from the previous power purchase agreement with Horizon Power a bank guarantee was required. A cash-backed bank guarantee was provided as security, resulting in \$220,000 being deposited with ANZ against the guarantee.

Horizon Power submitted a proof of debt claim to the EHPL Administrator for a value of at least \$216,716 ("Horizon Claim"). The Horizon Claim was accounted for in the Company's Financial Statements for the year ended 31 December 2016.

The effectuation of the EHPL DOCA triggered the bank guarantee to be called by Horizon Power, which extinguished the Horizon Claim.

(b) Claims contingency

A claim by Opcon Energy Systems AB (Opcon) against the Company was excluded under the DOCA (Excluded Claim). A separate claim from Opcon was made against the Company's wholly owned subsidiary, Enerji Holdings Pty Ltd, under the Subsidiary DOCA. The administrators of the Subsidiary DOCA considered the claim made by Opcon and made a final determination against Enerji Holdings Pty Ltd pursuant to the Subsidiary DOCA. The amount of the claim at 31 December 2016 was \$2,243,231. The Company, having undertaken due investigations and obtained appropriate advice, does not consider that Opcon has a valid basis for any additional claim against the Company nor its subsidiaries (other than Enerji Holdings Pty Ltd) on the basis that none of those entities were parties to contractual arrangements with Opcon. There is a risk that Opcon may continue to press a claim or commence legal proceedings against the Company in respect to this matter. Any such claim against the Company will be vigorously defended.

17. Events occurring after the reporting period

Brendon Morton resigned as Company Secretary on 22 August 2017 and Ian Sydney was appointed as Company Secretary on 22 August 2017.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

DECLARATION BY DIRECTORS

In accordance with a resolution of the directors of Volt Power Group Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of Volt Power Group Limited for the half year ended 30 June 2017 are in accordance with the Corporations Act 2001, including:
 - i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
 - ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Simon Higgins
Chairman

Perth
23 August 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Volt Power Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Volt Power Group Limited, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017, and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Volt Power Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Volt Power Group, would be in the same terms if given to the directors as at the time of this auditor's review report.



Basis for Qualified Conclusion

Comparatives

Attention is drawn to the comparative figures in the consolidated statement of financial position at 31 December 2016. As stated in note 2(c) of the financial report, on the 18th October 2016, the Company (Enerji Ltd) was placed into Administration (subject to a Deed of Company Arrangement) and the duties and responsibilities of the Directors were suspended from the date the Company entered into Administration. For the period in which the Company was in Administration the Directors did not have oversight or control over the Group's financial reporting systems, including (but not limited to) being able to obtain access to complete accounting records. As a result, we did not have access to the complete books and financial records of the consolidated entity, and this caused us to disclaim our audit opinion on the financial report for the year ended 31 December 2016. Our conclusion on the current year's financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Current year 30 June 2017

Attention is also drawn to the gain on effectuation of the Deed of Company Arrangement of \$3,551,950 recognised in the consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2017. As a result of the matters outlined in the comparatives paragraph above, we have not been able to obtain sufficient appropriate review evidence to satisfy ourselves as to the completeness of this amount. Our review conclusion has been modified accordingly.

Qualified Conclusion

Based on our review, which is not an audit, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Volt Power Group Limited is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink that reads 'BDO' on the top line and 'J Prue' on the bottom line.

Jarrad Prue
Director

Perth, 23 August 2017