Independent Assurance Report to the Directors of Climate Friendly Pty Ltd

Climate Friendly Pty Ltd ("Climate Friendly") engaged RSM Bird Cameron to perform a reasonable assurance engagement on the preparation of the GoldPower Assertion in accordance with the GoldPower Policy for the 1 January 2014 to 31 December 2014 period.

The subject matter of our assurance engagement comprised the GoldPower Assertion appended to this Report. The Reporting Criteria against which we assessed the subject matter comprise the GoldPower Policy appended to this Report (Appendix 1).

Responsibilities of Climate Friendly Management

Climate Friendly is responsible for the preparation and presentation of the subject matter in accordance with the Reporting Criteria.

This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the subject matter that is free from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria, in all material respects.

Our independence and quality control

We have complied with the relevant ethical requirements for assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

In accordance with Australian Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, RSM Bird Cameron maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the controls surrounding the GoldPower Assertion practices. We conducted our reasonable assurance engagement in accordance with Auditing Standard ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This Standard requires that we comply with independence and ethical requirements and plan the engagement in order to perform effectively.

Summary of procedures undertaken

The procedures performed in conducting the engagement included:

» Agreed the details of selected samples of the GoldPower sold to the record maintained in the internal carbon accounting system, customer invoices and web sales documentation.

» Performed enquiry procedures with management to understand the controls in place that ensure that the GoldPower assertion has been prepared in accordance with the GoldPower Policy.

» Reviewed the calculation of GoldPower certificates and the GoldPower sales to the documentation which support the retirement of the requisite credits on the designated registries.

Inherent limitations

There are inherent limitations in performing reasonable assurance engagements. For example, reasonable assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all weaknesses in control procedures, because such an engagement is not performed continuously throughout the reporting period being examined, and because the procedures performed are undertaken on a test basis.

Inherent limitations (Cont.)

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. The conclusion expressed in this report has been formed on the above basis.

Use of our reasonable assurance engagement report

This report has been prepared for the purpose of determining the accuracy of the GoldPower Assertion and may not be suitable for any other purpose.

Our report is intended solely for the Directors of Climate Friendly for the purpose described above. We permit Climate Friendly to share this report with its stakeholders to enable those stakeholders to confirm that an independent assurance engagement has been commissioned by the Directors of Climate Friendly. However, we accept no responsibility or liability to such stakeholders for any loss occasioned as a result of access to reliance upon this report.

Conclusion

In our opinion, the GoldPower Assertion has been prepared, in all material respects, in accordance with the GoldPower Policy for the 1 January 2014 to 31 December 2014.

T PITTAWAY

Director

RSM Bird Cameron

Melbourne

27 August 2015

Assurance
Business Advisory
Corporate Finance
Financial Services
Risk Advisory
Tax Services
Turnaround & Insolvency

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Appendix 1

2014 GoldPower ™ Accounting and Reporting Policy

- Sales of GoldPower are underpinned by the retirement of GoldPower eligible Gold Standard carbon credits. The number of credits retired is calculated using an established process which ensures that the credits represent total MWh of electricity generation at least equal to the buyer's electricity consumption, and total tCO_2e emission reductions at least equal to the emissions associated with that consumption.
- A complete and accurate record of the details of all GoldPower transactions is maintained on the GoldPower Register (http://goldpower.net/goldpowerregister.pdf) which is updated on a quarterly basis.
- All sales of GoldPower are accurately accounted for in accordance with established procedures. All conversion factors used in those procedures are obtained from generally accepted published sources, or agreed explicitly with the buyers.
- All sales of GoldPower meet the GoldPower Eligibility Criteria regarding certification standard, technology, facility age, and timing. http://goldpower.net/workspace/uploads/project-brochures/goldpower-standard-555d9711c2e17.pdf
- All carbon offset credits used in the creation of GoldPower are retired on the relevant registries[1] subsequent to confirmation of their sale.
- Climate Friendly is committed to an independent evaluation of the accounting and reporting processes relating to the GoldPower product in order to confirm compliance with this Policy.

[1]Markit (for VERs); the CDM Register or any UNFCCC - approved national emission registry (for CERs)

25 August 2015

Climate Friendly GoldPower Assertion

The Chief Executive Officer of Climate Friendly Pty Ltd asserts that for the period 1 January 2014 to 31 December 2014:

- All GoldPower™ sold by Climate Friendly during the period has been created from eligible Gold Standard carbon offset credits[1], in accordance with our established procedures, and has been completely and accurately recorded in Climate Friendly's internal carbon accounting system.
- All GoldPower™ reported as sold by South Pole Carbon Asset Management Ltd has been completely and accurately recorded by Climate Friendly.
- At the time of this assertion, all carbon offset credits used to create GoldPower™ sold during the period have been retired on the relevant registries.

This assertion has been made based on the GoldPower™ Accounting and Reporting Policy attached as Appendix 1.

This assertion is made by Freddy Sharpe as Chief Executive Officer of Climate Friendly Pty Ltd:

Signed:

Date: 25 AUGUST 2015

[1] VERs and CERs accredited by the Gold Standard Foundation and issued: on the Markit Registry (for VERs); and on the CDM Registry or any national emissions trading registry (for CERs).