

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, 04/03/13

Name of entity

Leigh Creek Energy Limited

ABN

31 107 531 822

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 | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 32,144,484 (without taking into account the impact of rounding) |
| 3 | Principal terms of the +securities (e.g. 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) | Non-Renounceable Pro Rata Rights Issue on the terms set out in the Offer Document dated 8 January 2019 and lodged with ASX on the same date.

Ordinary fully paid shares. |

+ See chapter 19 for defined terms.

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4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	Yes
5	Issue price or consideration	\$0.12 per share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Non-Renounceable Pro Rata Rights Issue to raise up to \$3.86m (before costs) to be used by the Company for project development and for general working capital.
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	18 October 2018
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Not Applicable
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Not Applicable

⁺ See chapter 19 for defined terms.

6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not Applicable	
6f	Number of ⁺ securities issued under an exception in rule 7.2	Up to 32,144,484	
6g	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.	Not Applicable	
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	Not Applicable	
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	Rule 7.1: 72,325,090 Rule 7.1A: 48,216,727	
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	7 February 2019	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		482,167,271	Ordinary Shares

⁺ See chapter 19 for defined terms.

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	
	1,000,000	Unlisted options expiring 14 October 2019.
	1,000,000	Unlisted options expiring 14 October 2020.
	1,000,000	Unlisted options expiring 31 July 2020.
	7,673,500	Unlisted options expiring 30 November 2020.
	800,000	Unlisted options expiring 8 May 2021.
	1,500,000	Unlisted options expiring 10 May 2019.
	4,000,000	Unlisted options expiring 10 October 2021.
	5,790,000	Unlisted options expiring 16 July 2022.
	22,763,500	Total unlisted options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-Renounceable
13	Ratio in which the +securities will be offered	1 new share for every 15 existing shares held on the record date
14	+Class of +securities to which the offer relates	Ordinary full paid shares
15	+Record date to determine entitlements	7.00pm (ACDT) 11 January 2019

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not Applicable
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
18	<p>Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	All countries except Australia, New Zealand, British Virgin Islands and Hong Kong
19	Closing date for receipt of acceptances or renunciations	5.00pm (ACDT) 31 January 2019

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20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not Applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	16 January 2019
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	8 January 2019
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? Not Applicable
- 33 ⁺Issue date 7 February 2019

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

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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	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">• 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	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ 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 is not available now, we 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.

Sign here:



Date: 8 January 2019
Company Secretary

Print name: Jordan Mehrtens

+ See chapter 19 for defined terms.

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	415,912,956
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 	10,636,668 shares issued on 21 December 2018 as approved by shareholders on 18 October 2018. 9,240,000 shares issued on 30 July 2018 and approved by shareholders on 18 October 2018. 9,510,000 shares issued on 20 July 2018 under the Share Purchase Plan. 36,867,647 shares issued on 25 June 2018 and approved by shareholders on 22 August 2018.
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	Nil
“A”	482,167,271

⁺ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	72,325,090
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 <i>not counting</i> 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"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	72,325,090
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	72,325,090 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

⁺ 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” <i>Note: number must be same as shown in Step 1 of Part 1</i>	482,167,271
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	48,216,727
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"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	Nil

⁺ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	48,216,727
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	48,216,727 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



8 January 2019: ASX ANNOUNCEMENT (ASX: LCK)

Rights Issue Cleansing Notice

Issue of fully paid ordinary shares – secondary trading notice – notice pursuant to paragraph 708AA(2)(f) of the Corporations Act 2001 (“Act”)

Leigh Creek Energy Limited (**Company**) has announced that it will undertake a non-renounceable offer of 32,144,484 fully paid ordinary LCK shares to its shareholders on the basis of an entitlement to subscribe for 1 fully paid ordinary LCK share (**New Share**) for every 15 ordinary LCK shares held at the Record Date, being 7pm ACDT 11 January 2019, with each share being issued at an issue price of \$0.12 to raise approximately \$3.86m (before costs) (**Offer**). Further details regarding the Offer are set out in the Offer Document lodged with ASX.

This notice is given under section 708AA(2)(f) of the *Corporations Act 2001* Cth (**Corporations Act**) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and as modified by ASIC Instrument 18-1156. Leigh Creek Energy Limited hereby notifies ASX under paragraph 708AA(7) of the Act that:

1. The New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
2. This notice is being given under section 708AA(2)(f) of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and as modified by ASIC Instrument 18-1156);
3. As at the date of this notice the Company has complied with the provisions of Chapter 2M and section 674 of the Corporations Act as they apply to the Company; and
4. As at the date of this notice, there is no information that is ‘excluded information’ within the meaning of sections 708AA(8) and 708AA(9) of the Act.
5. Information regarding the potential effect of the issue of New Shares pursuant to the Offer on the control of LCK, and the consequences of that effect is set out below.

Effect of the Offer on control

It is not possible to predict the effect of the Offer on the control of LCK. There are a number of possible outcomes that may arise which will, largely, depend on the extent to which Eligible Shareholders take up their entitlement. If all Eligible Shareholders take up New Shares they are entitled to (**Entitlement**), each Eligible Shareholder’s percentage ownership interest (and voting power) in LCK will remain the same with no effect on the control of LCK. To the extent that any Eligible Shareholder fails to take up some or all of their Entitlement, that Eligible Shareholder’s percentage holdings in LCK will be diluted by those other Eligible Shareholders who take up some or all of their Entitlement.

LCK have one substantial shareholder, China New Energy Group Limited (**CNE**), who currently hold 28.28% of LCK’s shares on issue. If CNE were to take up their full Entitlement, and no other Eligible Shareholder took up their Entitlement, then CNE’s percentage (and voting power) would increase to 30.16%.

The Company is not aware of any other Eligible Shareholder at risk of exceeding the 20% voting power threshold as a result of the Offer.

It is noted that LCK is not appointing a nominee for foreign excluded shareholders under section 615 of the Corporations Act and if CNE does participate in the Offer, it will be able to rely on the 3% creep exception in item 9 of section 611 of the Corporations Act, if its shareholding in LCK does not change before the issue date. CNE can rely on the 3% creep exception in item 9 of section 611 of the Corporations Act to apply for Shortfall Shares to take its voting power up to 31.91% in total without breaching section 606 of the Corporations Act (based on its Shareholding 6 months prior to the proposed issue date of 7 February 2019 and assuming its Shareholding does not fall below 19% before the issue date).

Jordan Mehrtens
Company Secretary