



Thursday, 7 February 2019: ASX ANNOUNCEMENT (ASX: LCK)

## Issue of unsecured, fixed price convertible notes

- Leigh Creek Energy executes additional funding to the current Rights Issue Offer.
- A further A\$3m through the issue of unsecured convertible notes. These Notes have a fixed conversion price of \$0.12 consistent with the Rights Issue Offer currently open to all shareholders

Leigh Creek Energy Limited (ASX: LCK) (LCK or the Company) is pleased to announce that it will issue 25,000,000 Convertible Notes with a face value of AUD\$3,000,000 and a fixed conversion price of \$0.12 per note to Crown Ascent Development Limited upon final payment. Payment will be in two tranches, the first payment of AUD\$1.2m to be completed on the 7<sup>th</sup> of February 2019 and the second payment of AUD\$1.8m to be completed by the 24<sup>th</sup> of February 2019.

Mr Zheng Xiaojiang is a Director of Leigh Creek Energy Limited and is also a Director of Crown Ascent Development Limited (Crown), which is not a related party to the Company. Crown is an existing major top 20 shareholder.

The Convertible Notes can be converted at any time at the election of Crown, or will automatically convert into fully paid ordinary shares at \$0.12 by; the Company achieving a resource upgrade to Reserve status of 1,000PJ or the successful subscription of least \$3m of the Rights Issue Offer to current shareholders or via the placement of Rights Issue Shortfall.

The operations of the PCD continue to progress and the Company looks forward to providing an update shortly to the market.

Key terms of the notes are:

Issue Price per Note	\$0.12
Maturity Date	Two years from the date of issue
Payment	To be paid in two tranches 1. AUD\$1.2m by the 7 <sup>th</sup> of February 2019 2. AUD\$1.8m by the 24 <sup>th</sup> of February 2019
Interest Rate	12.2% per annum to be capitalised and paid in shares at conversion price
Conversion Price	\$0.12 per note

Establishment Fee	6% one off fee to be capitalised and paid in shares at conversion price
Convertibility	The notes may be converted into fully paid ordinary shares in the capital of the Company at any time following the issue of the notes at the election of the noteholder, or automatically when either; <ul style="list-style-type: none"> <li>a. LCK converts at least 1000PJ to 2p reserves; or</li> <li>b. There is successful completion of the Rights issue with a minimum of \$3m raised</li> </ul>
Early Conversion	Early conversion triggers the requirement to pay the balance of interest payable over the term of the note
Security	The notes are unsecured
Use of notes	The funds raised from the issue of these Convertible Notes will be used for general working capital

For further information, contact:

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### **About Leigh Creek Energy**

*Leigh Creek Energy Limited (LCK) is an emerging energy company focused on developing its Leigh Creek Energy Project (LCEP), located in South Australia. The LCEP will produce high value ammonium nitrate products (fertiliser and industrial explosives) from the remnant coal resources at Leigh Creek, utilising In Situ Gasification (ISG) technologies, and will provide long term stability and economic development opportunities to the communities of the Upper Spencer Gulf, northern Flinders Ranges and South Australia.*

*The Company is committed to developing the LCEP using a best practice approach to mitigate the technical, environmental and financial project risks.*