

Leigh Creek Energy Limited

ACN 107 531 822

Notice of Annual General Meeting

And

Explanatory Memorandum

Notice is hereby given that the Annual General Meeting of Leigh Creek Energy Limited (**Company**) will be held at Level 11, 19 Grenfell Street Adelaide SA 5000 and via an online meeting platform at <https://web.lumiagm.com> :

Date of Meeting: 4 November 2020

Time of Meeting: 9.30 am (Adelaide time)

DUE TO THE ONGOING COVID-19 PANDEMIC, SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.

Shareholders are urged to vote by lodging the proxy form that has been separately sent to you.

The Company has made arrangements for the Meeting to be held virtually. Shareholders who wish to attend and participate in the virtual Meeting can do so via the online meeting platform. Further details of how to access the Meeting and participate are detailed further below.

General Business:

Accounts

To consider the financial report and the reports of the Directors and of the Auditors for the financial year ended 30 June 2020.

Ordinary Business:

Resolution 1– Adoption of the Remuneration Report for the year ended 30 June 2020

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report for the financial year ended 30 June 2020 as set out in the Directors’ Report section of the 2020 Annual Report.”

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on the resolution to adopt the Remuneration Report is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Zhe Wang

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, Mr Zhe Wang, a director retiring in accordance with clause 44.3(a) of the Company’s Constitution and Listing Rule 14.4 and having offered himself for re-election, is hereby re-elected as a Director of the Company with immediate effect.”

Information regarding the candidate for re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Resolution 3 – Re-election of Mr Gregory English

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, Mr Gregory English, a director retiring in accordance with clause 44.3(a) of the Company’s Constitution and Listing Rule 14.4 and having offered himself for re-election, is hereby re-elected as a Director of the Company with immediate effect.”

Information regarding the candidate for re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

Resolution 4 – Ratification of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the placement of 16,978,021 Shares by the Company on 20 March 2020 as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

Resolution 5 – Ratification of Options

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the placement of 10,989,010 Options by the Company on 20 March 2020 as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

Resolution 6 - Ratification of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the placement of 19,736,843 Shares by the Company on 30 June 2020 as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

Resolution 7 - Ratification of Options

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the placement of 5,000,000 Options by the Company on 30 June 2020 as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

Resolution 8 – Issue of Options to Gregory English in lieu of pay

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Gregory English or his nominee, of unlisted Options in lieu of pay, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Resolution 9 – Issue of Options to Murray Chatfield in lieu of pay

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Murray Chatfield or his nominee, of unlisted Options in lieu of pay, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Resolution 10 – Issue of Options to Zhe Wang in lieu of pay

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Zhe Wang or his nominee, of unlisted Options in lieu of pay, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Resolution 11 – Issue of Options to Zheng Xiaojang in lieu of pay

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Zheng Xiaojang or his nominee, of unlisted Options in lieu of pay, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Resolution 12 – Issue of Options to Phillip Staveley in lieu of pay

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Phillip Staveley or his nominee, of unlisted Options in lieu of pay, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Resolution 13 – Issue of Options to Justyn Peters

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Justyn Peters or his nominee, of unlisted Options as his short term incentive for the year ended 30 June 2021, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Resolution 14 – Issue of Options to Phillip Staveley

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the grant to Mr Phillip Staveley or his nominee, of unlisted Options as his short term incentive for the year ended 30 June 2021, on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved.”

Special Business:

Resolution 15 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve for the Company to have the additional capacity to issue Equity Securities comprising up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting.”

Information for Members

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting and should be read in conjunction with this Notice. Members are specifically referred

to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

2. Voting Exclusion Statements

(a) Resolution 1

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity), and the Company will disregard any votes cast, on Resolution 1, by or on behalf of any of the following persons:

- (a) a member of Key Management Personnel details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the Meeting is appointed as proxy and the proxy form does not specify the way in which the Chair is to vote and expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Please Note: In accordance with sections 250R(4) and 250R(5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the Shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the Meeting is your proxy (or becomes your proxy by default), by completing the proxy form, you expressly authorise the Chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chair. If you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

Alternatively, Shareholders can nominate as their proxy for the purpose of Resolution 1, a proxy who is not a member of the Company's Key Management Personnel or a Closely Related Party. That person would be permitted to vote undirected proxies.

(b) Resolutions 2 and 3

There are not voting exclusions for Resolutions 2 and 3.

(c) Resolutions 4 - 7

The Company will disregard any votes cast in favour of Resolution 4 – 7 respectively by or on behalf of a person who participated in the placement or any of their respective associates.

However, the Company need not disregard a vote cast in favour if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) the person Chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

(d) Resolutions 8 -14

The Company will disregard any votes cast in favour of each of Resolutions 8 to 14 (inclusive) by or on behalf of any person who is to receive the securities the subject of the Resolution and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and their respective associates.

However, this does not apply to a vote cast in favour of the resolution if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) the person Chairing the Meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting on, and is not an associate of a person excluded from voting on, the resolution; and
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

As Resolutions 8 to 14 deal with the remuneration of Key Management Personnel, under section 250BD of the Corporations Act, a vote on Resolutions 8 to 14 must not be cast by a person that is appointed as proxy, on the basis of that appointment, if the person is a member of Key Management Personnel of the Company or a closely related party of a member of Key Management Personnel, and the appointment of the proxy does not specify the way the proxy is to vote on the resolution. This does not apply to the appointment of the Chairman as proxy and the proxy

- (a) does not specify the way the proxy is to vote on the resolution; and
- (b) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

(e) Resolution 15

The Company will disregard any votes cast in favour of Resolution 15 by or on behalf of a person who is expected to participate in a proposed issue of Shares under the 10% Placement Capacity, and a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities), and any of their respective associates. As at the date of this Notice, the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A. However, the Company need not disregard a vote cast in favour if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. "Snap-shot" Time

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that for the purposes of voting at the Meeting, Shares will be taken to be held by those who hold them as at 6.30 pm (Adelaide time) on 2 November 2020.

4. Proxies

A Shareholder entitled to attend and vote at the Meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate and need not be a Shareholder. If a Shareholder is entitled to cast two or more votes, the Shareholder may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the proportion is not specified, each proxy may exercise half of the Shareholder's voting rights. Fractional votes will be disregarded.

To record a valid vote, members will need to take either of the following steps:

- (a) Cast your vote online by visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form; or
- (b) Complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at the share registry of the Company, Computershare Investor Services Pty Limited, located at GPO Box 242, Melbourne VIC 3001, or by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- (c) For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions,

no later than 9:30am (Adelaide time) on 2 November 2020 (being 48 hours before the commencement of the Meeting).

5. Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the Meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's or proxy's (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (detailed above) in advance of the Meeting.

By order of the Board



J E Mehrtens, Company Secretary

Leigh Creek Energy Limited

2 October 2020

Explanatory Memorandum

Introduction

This Memorandum has been prepared for the information of Shareholders of Leigh Creek Energy Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held virtually at Level 11, 19 Grenfell St Adelaide SA 5000 and via an online platform at <https://web.lumiagm.com> and entering Meeting ID 343-169-388 on **4 November 2020 at 9.30 am (Adelaide time)**.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting. Capitalised terms in this Explanatory Memorandum are either defined in the Glossary or elsewhere in this Explanatory Memorandum.

Impact of COVID-19 on the Meeting

The health and safety of Shareholders, our personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. The Company intends to conduct a poll on the resolutions in the Notice of General Meeting using the proxies filed prior to the Meeting and for Shareholders to be able to attend and vote at the Meeting via the online platform at <https://web.lumiagm.com>, where shareholders will be able to watch, listen and vote online. The virtual Meeting guide on how to attend the Meeting is available at www.computershare.com.au/virtualmeetingguide.

No attendance in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not allowing Shareholders to physically attend the Meeting. The Company has the discretion to make a case by case exception if it believes it is necessary, and the particular Shareholder contacts the Company at least 48 hours prior to the Meeting to discuss their situation.

Proxy voting

All voting will be conducted by poll using proxy instructions received in advance of the Meeting and via the online polling during the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice of General Meeting. To lodge your proxy, please follow the directions on your personalised Proxy Form which will be enclosed with a copy of the Notice. Lodgement instructions are set out in the Proxy Form.

Remote attendance via the online meeting platform

Shareholders who wish to attend and participate in the virtual Meeting can do so through the online meeting platform where Shareholders will be able to watch, listen, submit written questions, and vote online.

To access the virtual Meeting, please click on the link below:

<https://web.lumiagm.com> and enter Meeting ID 343-169-388. The virtual meeting guide is available at www.computershare.com.au/virtualmeetingguide

Upon entering the Meeting ID into the Lumi platform, shareholders should then log in to the virtual meeting by entering their “username” which is their SRN or HIN and “password” which is their postcode, or for overseas holders, their three character country code which can be obtained in the virtual meeting guide.

To vote during the Meeting please refer to the virtual meeting guide.

To ask questions please refer to the virtual meeting guide.

Technical difficulties

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the Meeting should proceed in the event that technical difficulties arises. In exercising his discretion, the Chairman will have regard to the number of members impacted and the extent to which participation in the business of the AGM is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the AGM and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, members are encouraged to lodge a proxy by 9.30am (Adelaide time) on 2 November 2020 even if they plan to attend online.

Questions to be submitted in advance

Shareholders are asked to submit questions that relate to the items of business in the Notice of General Meeting in advance of the Meeting to the Company. Questions must be submitted by emailing jordan.mehrtens@lcke.com.au no later than 30 October 2020. The Chairman will attempt to respond to the questions during the Meeting.

General Business

Receiving financial statements and reports

The Annual Report for the period ended 30 June 2020 either accompanies this Notice or is available on the Company's website: www.lcke.com.au.

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the directors and auditor every year. There is no requirement for Shareholders to approve these reports. However, Shareholders attending the Meeting will be given a reasonable opportunity:

1. to ask questions about or make comments on the management of the Company; and
2. to ask the Company's auditor or the auditor's representative questions relevant to:
 - a. the conduct of the audit;
 - b. the preparation and content of the auditor's report;
 - c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - d. the independence of the auditor in relation to the conduct of the audit.

A Shareholder who is entitled to cast a vote at the Meeting may submit a written question to the auditor if the question is relevant to:

1. the content of the auditor's report to be considered at the Annual General Meeting; or
2. the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.

A written question may be submitted by giving the question to the Company no later than **30 October 2020**, and the Company will then, as soon as practicable after the question has been received, pass the question on to the auditor. At the Meeting, the Company will allow a reasonable opportunity for the auditor or the auditor's representative to answer written questions submitted to the auditor.

The Company will make copies of the question list reasonably available to Shareholders attending the Meeting.

No resolution is required to be moved in respect of this item of General Business.

Resolution 1 – Adoption of the remuneration report

In accordance with section 300A of the Corporations Act, the Remuneration Report is contained in the Directors' Report in the 2020 Annual Report. The Remuneration Report describes the underlying policies and structure of the

remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and Key Management Personnel.

Section 250R (2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the annual general meeting. Pursuant to section 250R(3), Shareholders should note that the vote on Resolution 1 is advisory only and will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

The Chair intends to vote all available proxies in favour of Resolution 1.

If, at two consecutive annual general meetings of a listed company, at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these annual general meetings, there must be put to the vote a resolution that another meeting be held within 90 days at which the directors who approved the directors report except the managing director (including directors who are re-elected at the annual general meeting) will cease to hold office immediately prior to the end of the meeting. If the resolution to hold the Board spill meeting is passed, the spill meeting must be held within 90 days of the second annual general meeting.

The Company confirms that at the Company's 2019 annual general meeting more than 75% of votes were cast for the adoption of the remuneration report, and as such, the "two strikes" process described above will not apply at the Company's Meeting.

Resolution 2 – Re-election of Mr Zhe Wang

In accordance with Clause 46 of the Constitution, at every annual general meeting, one third of the Directors must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Directors presently in office are Greg English, Murray Chatfield, Justyn Peters, Zhe Wang, Phil Staveley and Zheng Xiaojiang. Mr Staveley is not taken into account in determining the number of Directors who must retire by rotation at the annual general meeting. Mr Wang is the Director who has been longest in office since the last re-appointment of each of the Directors, and as such, Mr Wang is the Director who retires by rotation at the Meeting. He has offered himself for re-election.

Mr Wang is a Chinese based Energy and Thermal Physics Engineer and has over 8 years' executive management experience. Mr Wang also sits on the board of Beijing Raise Mind Technology Ltd. Mr Wang's key areas of expertise include: coal combustion; renewable energy applications and steel sinter. He has a Bachelor of Thermo Dynamics, Renewable Energy Applications as well as a Masters in Energy Engineering and Thermal Physics, Coal Combustion. Mr Wang's technical experience will provide an invaluable contribution to the Board and the Leigh Creek Energy Project.

The Directors (with Mr Wang abstaining) recommend that Shareholders **vote in favour** of Resolution 2. The Chair intends to vote all undirected proxies **in favour** of Resolution 2.

Resolution 3 – Re-election of Mr Gregory English

Mr English is the Director who has been longest in office, after Mr Wang, since the last re-appointment of each of the Directors, and as such, Mr English is the second Director who retires by rotation at the Meeting. He has offered himself for re-election.

The Company provides the following information in relation to Mr English:

Greg English has been a Non-Executive Director of the Company since 2015. Greg has more than 25 years of mining engineering and legal experience and has held several senior roles for Australian and multinational companies. He has received recognition for his work as a lawyer and was recently recognised in The Best Lawyers® in Australia (Adelaide), 2020 Edition in Commercial Law.

Greg has worked and lived at Leigh Creek as a mining engineer and has an understanding of the geological, geotechnical and other issues that may affect the Leigh Creek Energy Project. As a lawyer, he has worked inhouse for

one of Australia's largest petroleum companies and has worked on many agreements regarding the exploration, development and commercialisation of oil and gas projects. He is an experienced company director and serves on the boards of ASX listed companies Archer Materials Limited (ASX:AXE) and Core Lithium Limited (ASX:CXO). He holds a bachelor's degree in mining engineering, law degree (LLB) and first class mine managers ticket.

The Directors (with Mr English abstaining) recommend that Shareholders **vote in favour** of Resolution 3. The Chair intends to vote all undirected proxies **in favour** of Resolution 3.

Resolution 4 -7 – Ratification of issue of shares and options

Resolutions 4 - 7 seek approval of Shareholders to the previous issue of securities within the last 12 months.

Listing Rule 7.1 prohibits a listed company from issuing equity securities representing more than 15% of its issued capital in any 12-month period without first obtaining shareholder approval (subject to certain exceptions). Listing Rule 7.1A enables certain eligible entities to seek shareholder approval to issue equity securities up to 10% of its issued share capital over a 12-month period after the annual general meeting at which a resolution regarding Listing Rule 7.1A is passed by special resolution. At the Company's last annual general meeting on 21 November 2019, the Company obtained approval from Shareholders to issue equity securities under Listing Rule 7.1A.

Under Listing Rule 7.4, a company can seek ratification of issues that have been made within the previous 12-month period, provided the issue did not breach Listing Rule 7.1. The effect of such ratification is that the issue of securities is then deemed to have been made with shareholder approval, thus not counting towards the 15% limit or the 10% limit (as applicable). The approved securities are also included in the base number for calculating the Company's 15% limit and 10% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain Shareholder approval under Listing Rule 7.1.

On 20 March 2020, the Company issued 16,978,021 Shares under a private placement at a subscription price of \$0.091 and 10,989,010 unlisted Options in accordance with this Placement. The Shares and Options were issued within the 15% limit in Listing Rule 7.1. On 30 June 2020, the Company issued 19,736,843 Shares under a private Placement at a subscription price of \$0.076 and 5,000,000 unlisted Options. The Shares and Options were issued within the 15% limit in Listing Rule 7.1.

These issues do not fit within any of the prescribed exceptions to Listing Rule 7.1 and, as they have not been approved as yet, effectively use up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period since they were issued.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolutions 4 -7 seek Shareholder approval of the issue of the Shares pursuant to Listing Rule 7.4.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining shareholder approval pursuant to Listing Rule 7.4:

	Resolution 4
No. of securities	16,978,021 Shares
Date of issue	20 March 2020
Issue price	\$0.091
Terms of issue	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.
Allottees	Professional and sophisticated investors identified by the Company. The allottees do not include any related parties, members of key management personnel, substantial holders or advisers to the Company or any of these respective associates, other than Bart Properties Pty Ltd ATF [Scott Flynn Family A/C] that was issued 10,989,011 Shares, together with the 10,989,011 Options the subject of Resolution 5.
Use of funds raised	Placement to raise funds intended to be used to progress development of the Leigh Creek Energy Project, for business development activities and for general working capital.

	Resolution 5
No. of securities	10,989,010
Date of issue	20 March 2020
Issue Price	Nil
Exercise price	5,494,505 options at \$0.1365 5,494,505 options at \$0.182
Terms of issue	Each unlisted option is exercisable into one fully paid ordinary share in the Company Expiry date of 16 March 2023
Allottees	Bart Properties Pty Ltd ATF [Scott Flynn Family A/C]
Use of funds raised	Placement to raise funds intended to be used to progress development of the Leigh Creek Energy Project, for business development activities and for general working capital.

	Resolution 6
No. of securities	19,736,843
Date of issue	30 June 2020
Issue price	\$0.076 per share
Terms of issue	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.
Allottees	Professional and sophisticated investors identified by the Company. The allottees do not include any related parties, members of key management personnel, substantial holders or advisers to the Company or any of these respective associates
Use of funds raised	Placement to raise funds intended to be used to progress development of the Leigh Creek Energy Project, undertake evaluation activities at the Company's conventional oil and gas assets, business development activities and for general working capital.

	Resolution 7
No. of securities	5,000,000
Date of issue	30 June 2020
Exercise price	\$0.114 each
Terms of issue	Each unlisted option is exercisable into one fully paid ordinary share in the Company Expiry date of 29 June 2023
Allottees	Unlisted broker options issued pursuant to a Share Purchase Plan underwriting agreement.
Summary of material terms of agreement	The Options were issued as part of the fees payable under the Underwriting Agreement with Canaccord Genuity (Australia) Limited (Canaccord), in respect of the underwriting of the share purchase plan conducted by the Company in June 2020 and the lead management of the Placement conducted on 30 June 2020. In addition to the Options, Cannaccord was also entitled to an underwriting/selling fee of 6% of the total gross amount raised under the share purchase plan and Placement and a corporate advisory fee of \$30,000 plus GST.
Use of funds raised	Placement to raise funds intended to be used to progress development of the Leigh Creek Energy Project, undertake evaluation activities at the Company's conventional oil and gas assets, business development activities and for general working capital.

The voting exclusion statement for Resolutions 4 - 7 is set out in the Notice of General Meeting.

The Directors unanimously recommend that Shareholders **vote in favour** of Resolutions 4 - 7 as it allows the Company to retain flexibility to issue further securities as and when the Company's circumstances require it during the next 12-month period.

The Chairman intends to vote available undirected proxies **in favour** of Resolutions 4 – 7.

Resolutions 8 to 14

Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to directors without the approval of the holders of its ordinary securities, subject to certain exceptions.

In accordance with ASX Listing Rule 10.11.1, the Company is seeking the approval of shareholders for the proposed grant of unlisted Options to the directors pursuant to the terms and conditions set out in Annexure A. None of these Options come within an exception in Listing Rule 10.12.

Resolutions 8-12

Resolutions 8 to 12 relate to the issue of Options to the directors to satisfy salary/fees from April to July 2020.

Due to uncertainty surrounding Covid-19, the Company chose to temporarily reduce salaries and fees to preserve cash. Zero exercise price unlisted Options are the preferred way for the Company to reimburse the directors as it allows for payment to be made to directors without reducing the Company's cash balance. The Options are issued under a tax deferred scheme, and in respect of the grant of these Options, there is no PAYG withholding or superannuation obligations on the Company.

The number of Options were calculated by dividing the amount forgone by the 20 day VWAP as at the 14th of each month for the months April to July 2020. No funds are payable for the grant of the Options. No independent valuation was obtained for the Options. If shareholder approval is obtained, the Company intends to issue the Options following the Meeting, but no later than 1 month after approval is obtained. If shareholder approval is not obtained, the Company will owe the Directors the salary/fees they are entitled to for months April to July 2020.

Director	Number of unlisted Options	Value attributed to the Options (based on forgone salary/fees)	Current total remuneration package
Gregory English	185,853	\$16,666.67	\$54,750
Murray Chatfield	185,853	\$16,666.67	\$54,750
Zhe Wang	185,853	\$16,666.67	\$54,750
Zheng Xiaojiang	613,312	\$55,000	\$284,750
Phillip Staveley	681,656	\$60,666.68	\$373,000 (excluding superannuation)

The current total remuneration package includes the Options subject to this approval. It does not include any of the Options previously granted to the Directors or the Options the subject of Resolution 13 and 14 (see section 2 under 'Other terms applicable to Resolutions 8-14' below for further details).

Each Option is exercisable for one Share, for nil exercise price and expires 15 April 2025. No performance hurdles apply to the Options the subject of Resolutions 8 to 12 and the Options are otherwise issued in accordance with the terms and conditions set out in Annexure A.

Resolutions 13 and 14

Resolutions 13 and 14 relate to the grant of unlisted options to the Executive Chairman Justyn Peters, and the Managing Director Phillip Staveley, pursuant to the terms and conditions set out in Annexure A as their Short Term Incentive (STI) for the year ended 30 June 2021.

The Company uses zero exercise price Options because they create share alignment between executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership until the Options vest. The Options are issued under a tax deferred scheme, and in respect of the grant of these Options, there is no PAYG withholding or superannuation obligations on the Company. If Shareholder approval is obtained, the Company intends to issue the Options following the Meeting, but no later than 1 month after approval is obtained.

1. STI terms and conditions

	Executive Chairman	Managing Director
Number of unlisted Options to be granted	5,808,043	6,216,684
Exercise price	Nil	Nil
Expiry date	4 years from the date of issue	4 years from the date of issue
Total fixed remuneration (TFR) excluding superannuation	\$326,000	\$373,000
Short term incentive value	155% of TFR	145% of TFR

The number of unlisted Options to be granted was determined by dividing the % of total fixed annual remuneration as guided by remuneration advice, by the VWAP of the Company over the 30 days prior to 1 July 2020 of **\$0.087**. No independent valuation was obtained for the Options.

Each unlisted Option entitles the holder to one fully paid ordinary share in the Company subject to the satisfaction of the vesting conditions described below. Shares allocated on vesting and exercise will rank equally with ordinary shares in the same class. No funds are payable for the grant or exercise of the Options. Each Option expires if the vesting condition is not achieved by the due date. If the vesting condition is achieved by the due date, then each Option expires 4 years after the date of issue and the Options are otherwise issued in accordance with the terms and conditions set out in Annexure A.

2. Vesting conditions:

Unlisted Options vest following the end of the performance period on 30 June 2021, subject to determination by the Board that the following vesting conditions have been met.

a. Project hurdles:

Hurdle by date specified by the Board	Executive Chairman	Managing Director
Completion of studies with final recommendation for the commercial product for the Leigh Creek Energy Project	$\$16,300/\$0.087 = 187,356$ Options	$\$37,300/\$0.087 = 428,735$ Options
Awarding of Petroleum Production Licence	$\$16,300/\$0.087 = 187,356$ Options	$\$37,300/\$0.087 = 428,735$ Options
Revenue related hurdle	$\$16,300/\$0.087 = 187,356$ Options	$\$18,650/\$0.087 = 214,367$ Options
Final Investment Decision related hurdle	$\$16,300/\$0.087 = 187,356$ Options	$\$18,650/\$0.087 = 214,367$ Options
Site works related hurdle	$\$16,300/\$0.087 = 187,356$ Options	$\$37,300/\$0.087 = 428,735$ Options
Offtake agreement related hurdle	$\$16,300/\$0.087 = 187,356$ Options	$\$37,300/\$0.087 = 428,735$ Options

b. Equity position hurdles:

The Board has set tiered incentives surrounding equity funding for the Project with the maximum number of Options outlined below if the highest hurdle is met. If lower hurdles are met then a lesser number of Options will vest. These hurdles are not cumulative.

	Executive Chairman	Managing Director
Number of Options	Up to $\$195,600/\$0.087 = 2,248,275$ Options	Up to $\$149,200/\$0.087 = 1,714,942$ Options

c. Share price hurdles:

The Board has set tiered incentives surrounding share price performance with the maximum number of Options outlined below if the highest hurdle is met of 30 Day VWAP of \$0.40 per ordinary share at 30 June 2021. If lower hurdles are met then a lesser number of Options will vest. These hurdles are not cumulative.

	Executive Chairman	Managing Director
Number of Options	Up to $\$211,900/\$0.087 = 2,435,632$ Options	Up to $\$205,152/\$0.087 = 2,358,068$ Options

Other terms applicable to Resolutions 8-14

1. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless Shareholder approval is obtained for the giving of the benefit, or the giving of the benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act.

Directors are related parties of the Company under section 228(2) of the Corporations Act. The grant of the Options to each of the Directors would constitute the giving of a financial benefit to them. However, it is the view of the Board that the proposed grant of the Options falls under one of the exceptions in the Corporations Act.

The relevant exception is set out in section 211(1) of the Corporations Act and states that shareholder approval is not required in order to give a financial benefit to a related party if that benefit is reasonable remuneration given to an officer or employee of the company, and to give the remuneration would be reasonable given the circumstances of the company and the related party's circumstances (including the responsibilities involved in the office or employment).

For Resolutions 8 to 12, the Options are to be granted in lieu of the existing fees/salary that the Directors are entitled to for the months of April to July 2020. Mr Peters, the non-participating director, has formed the view, for the reasons outlined above, that the financial benefit proposed to be given to each of Mr English, Mr Chatfield, Mr Xiaojiang, Mr Wang and Mr Staveley by way of the grant of Options amounts to reasonable remuneration given to them in their capacity as executive and non-executive directors of the Company and the exception in section 211(1) of the Corporations Act applies to the proposed grant of the Options, such that the approval of Shareholders under section 208 of the Corporations Act is not required for the giving of the benefit.

For Resolutions 13 and 14, the Board (other than Mr Peters and Mr Staveley, who abstained) has formed the view, for the reasons outlined above, that the financial benefit proposed to be given to each of Mr Peters and Mr Staveley by way of the grant of Options amounts to reasonable remuneration given to them in their capacity as executive directors of the Company. As a result, the Board is of the view that the exception in section 211(1) of the Corporations Act applies to the proposed grant of the Options and therefore the approval of Shareholders under section 208 of the Corporations Act is not required for the giving of the benefit.

2. ASX Listing Rule 7.1

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Options if approval is obtained under Listing Rule 10.11. Accordingly, the issue of Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

3. Board recommendation

In accordance with ASIC guidance on the matter, each Director considers that it is not appropriate for him to make a recommendation in relation to the remuneration of another Director. Accordingly, all Directors decline to make any recommendation to Shareholders in relation to Resolutions 8 to 14.

A voting exclusion statement for each of Resolutions 8 to 14 is set out in the Notice of General Meeting. The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 8 to 14.

Special Business

Resolution 15 – Approval of Additional 10% Placement Capacity

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which shareholder approval of the issue is obtained by special resolution, in accordance with the terms set out below (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its total issued capital.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalisation as at 21 September 2020 was \$57.2 million (657,551,878 issued Shares at \$0.087 closing price per Share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of ASX Listing Rule 7.1A. The Company will need to remain compliant with the requirements of ASX Listing Rule 7.1A in order for the Company to utilise the additional capacity under the 10% Placement Capacity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. As a special resolution, Resolution 15 requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below for further information). It is the Company's intention that funds received under the 10% Placement Capacity will be used to generally fund project development and working capital requirements.

Description of Listing Rule 7.1A

a) Class of Equity Securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue one class of quoted Equity Securities being quoted Shares. As such, as at the date of the Notice, the classes of Equity Securities that the Company may issue under ASX Listing Rule 7.1A are quoted Shares.

b) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, the maximum number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of Shares on issue 12 months before the date of issue or the date of agreement to issue:

- (1) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2 (other than exceptions 9, 16 or 17);
- (2) plus the number of Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - a. The convertible securities were issued or agreed to be issued before the commencement of the previous 12 month period; or
 - b. The issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or 7.4;
- (3) Plus the number of Shares issued in the previous 12 months under an agreement to issue securities within rule 7.2 exception 16, where:
 - a. The agreement was entered into before the commencement of the previous 12 month period; or
 - b. The agreement or issue was approved, or taken under the Listing Rule to have been approved, under rule 7.1 or rule 7.4;
- (4) plus the number of partly paid Shares that became fully paid in the 12 months;
- (5) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (6) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or date of agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company had on issue 657,551,878 Shares and therefore (assuming Resolutions 4-7 are approved by Shareholders) currently has the capacity to issue:

- (1) 98,632,781 Equity Securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being sought under Resolution 15, 65,755,187 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities or date of agreement to issue in accordance with the formula prescribed in Listing Rule 7.1A.2.

Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

(1) Minimum Issue Price

The issue price of Equity Securities under Listing Rule 7.1A must not be less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed by the company and the recipient; or
- (b) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(2) Risk of economic and voting dilution

If Resolution 15 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, existing Shareholders may be subject to the risk of both economic and voting power dilution from that issue. There is a risk that:

- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting at which approval under Listing Rule 7.1A is obtained; and
- (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date for the Equity Securities.

The table below shows the potential dilution of existing Shareholders on the basis of the market price of Shares of \$0.087 as of 21 September 2020 and the number of ordinary securities on issue for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- (a) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

TABLE

Variable ‘A’ in Listing Rule 7.1A.2		Dilution		
		\$0.0435 50% decrease in issue price	\$0.087 Issue price	\$0.174 100% increase in issue price
Current Variable A 657,551,878 Shares	10% voting dilution	65,755,187 Shares	65,755,187 Shares	65,755,187 Shares
	Funds raised	\$2,860,351	\$5,720,701	\$11,441,402
50% increase in current Variable A 986,327,817 Shares	10% voting dilution	98,632,781 Shares	98,632,781 Shares	98,632,781 Shares
	Funds raised	\$4,290,526	\$8,581,052	\$17,162,104
100% increase in current Variable A 1,315,103,756 Shares	10% voting dilution	131,510,375 Shares	131,510,375 Shares	131,510,375 Shares
	Funds raised	\$5,720,701	\$11,441,403	\$22,882,805

The table sets out theoretical examples only, and has been prepared on the following assumptions:

- (a) the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
- (b) no unlisted Options are exercised which results in the issue of any Shares before the date of the issue of the Equity Securities;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue, assuming variable A is equal to the total issued share capital. This is why the voting dilution is shown in each example as 10%;
- (d) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder’s holding at the date of the Meeting;
- (e) the table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in ASX Listing Rule 7.1 as well;

- (f) the issue of Equity Securities under the 10% Placement Capacity consists only of Shares;
- (g) the issue price is \$0.087, being the closing price of the Shares on ASX on 21 September 2020.

(3) Timing

The date by which the Equity Securities may be issued is as determined under Listing Rule 7.1A.1, being the earlier of:

- (a) the date that is 12 months after the annual general meeting at which the approval is obtained; or
- (b) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

The approval under Resolution 15 for the 10% Placement Capacity will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(4) Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities to raise funds for investigations into or the acquisition of interests in energy resources or related technologies, or to satisfy the price of a strategic alliance for the Company, to continue to progress the Leigh Creek Energy Project and/or generally to fund working capital requirements

The Company will comply with the disclosure obligations under Listing Rule 7.1A (4) and Listing Rule 3.10.5A upon issue of any Equity Securities under the 10% Placement Capacity.

(5) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) the methods of raising funds that are available to the Company, includes but is not limited to, a rights issue or other issue in which existing security holders can participate;
- (b) the effect of the issue of the Equity Securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. No Director or related parties or their associates will participate in any issue under the 10% Placement Facility unless specific approval is obtained for the purposes of Listing Rule 10.11.

If Resolution 15 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Capacity during the 10% Placement Period as and when the circumstances of the Company require.

(6) Equity Securities issued by the Company

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 21 November 2019. The Company has not issued any securities under Listing Rule 7.1A in the past 12 months.

(7) Voting Exclusion

A voting exclusion statement is included in the Notice of General Meeting.

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required.

The Directors unanimously recommend that Shareholders **vote in favour** of Resolution 15.

The Chair intends to vote all undirected proxies **in favour** of Resolution 15.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

"**ASX**" means ASX Limited ACN 008 624 691.

"**Board**" means the Board of Directors from time to time.

"**Chair**" or "**Chairman**" means the chairman of the Company who will chair the Meeting.

"**Company**" means Leigh Creek Energy Limited ABN 31 107 531 822.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Directors**" means the directors of the Company from time to time and "**Director**" means any one of them.

"**Equity Securities**" in relation to the securities of the Company means a Share, an option over an issued or unissued security, any right to a Share or option over an issued or unissued security, or a convertible security.

"**Explanatory Memorandum**" means this explanatory memorandum.

"**Key Management Personnel**" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise).

"**Listing Rules**" means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

"**Meeting**" or "**General Meeting**" means the general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.

"**Notice**" or "**Notice of General Meeting**" means the notice of general meeting which accompanies this Explanatory Memorandum.

"**Option**" means an option exercisable for one Share.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" or "**Member**" means a holder of Shares in the Company.

"**VWAP**" means Volume Weighted Average Price of the Company's ASX-listed Shares trading under the code LCK.

ANNEXURE A

The Options issued to directors under resolutions 8-14 (inclusive) will be issued on the key terms and conditions set out below:

1. Each vested Option entitles the director to acquire or to subscribe for and be allotted, credited as fully paid, one ordinary share at the exercise price. Shares issued on the exercise of options will rank equally with all existing shares of that class from the date of allotment.
2. Each vested Option is exercisable by notice in writing to the Company prior to the expiry date.
3. An Option vests when the Board determines that all conditions have been satisfied or waived.
4. Options not previously exercised will lapse on the date which is the earlier of:
 - a) The expiration date;
 - b) Non-satisfaction of any additional requirements that would result in forfeiture or lapse of the Options;
 - c) The expiry of 12 months after the director's death, if death occurs before the Option lapses under paragraph (d) below;
 - d) The Company's receipt of notice of surrender of the relevant Options from the director.
5. The Options will not expire should the director ceases to be employed by, or hold office with, the Company.
6. The Board has the absolute discretion to determine that Options will not lapse on the occurrence of any of the events referred to above, but the Board cannot allow Options to be exercised beyond the expiration date.
7. Options will not be quoted on the ASX.
8. The Options are not transferable unless the Board provides prior written consent to the transfer.
9. The Company will make application to the ASX for official quotation of Shares issued on the exercise of Options, if other Shares of that class of the Company are listed for quotation on the ASX at that time.
10. Options will not entitle the holder to participate in any new issue of securities by the Company unless the Option has been duly exercised and the underlying Share issued prior to the relevant record date. The Company will ensure that, for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares (other than a share purchase plan), prior notice of any new issue is provided to Option holders before the record date.
11. If there is a bonus issue to the holders of Shares, the number of Shares over which each of those Options are exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
12. If, prior to the expiry date of the Options, the issued capital of the Company is reorganised, the rights of the holders of the Options may be varied to comply with the ASX Listing Rules which apply to the reorganisation.
13. If the Company makes a rights issue (other than a bonus issue), the exercise price of Options will be reduced in accordance with the Listing Rules.

Conditions specific to Options the subject of Resolutions 8-12

1. The number of Options to be issued is set out on page 12 of this document.
2. The Options will have zero (\$0) exercise price.
3. The expiration date for these options is 15 April 2025.
4. The Options will be restricted from exercise for 45 calendar days from the date of issue.

Conditions specific to Options the subject of Resolutions 13-14

1. The number of Options to be issued is set out on pages 12 and 13 of this document.
2. The options will have zero (\$0) exercise price.
3. The expiration date for these Options is 4 years from the date of issue.
4. There are additional requirements/vesting conditions as set out on page 13 of this document.

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (Adelaide time) Monday 2 November 2020**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number:
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Leigh Creek Energy Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Leigh Creek Energy Limited to be held virtually at Level 11, 19 Grenfell Street, Adelaide SA 5000 using the Lumi software platform at <https://web.lumiagm.com> on Wednesday, 4 November 2020 at 9:30am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 8, 9, 10, 11, 12, 13 & 14 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 8, 9, 10, 11, 12, 13 & 14 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 8, 9, 10, 11, 12, 13 & 14 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business			For	Against	Abstain				For	Against	Abstain
1	Adoption of the Remuneration Report for the year ended 30 June 2020		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Issue of options to Zhe Wang in lieu of pay		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr Zhe Wang		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Issue of options to Zheng Xiaojang in lieu of pay		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Mr Gregory English		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Issue of options to Phillip Staveley in lieu of pay		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of 16,978,021 shares		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Issue of options to Justyn Peters		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of 10,989,010 options		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	Issue of options to Phillip Staveley		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of 19,736,843 shares		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Special Business					
7	Ratification of 5,000,000 options		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	Approval of Additional 10% Placement Capacity		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Issue of options to Gregory English in lieu of pay		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
9	Issue of options to Murray Chatfield in lieu of pay		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

