

18 June 2014

The Manager
Company Announcements Office
ASX Limited

LEAF ENERGY LIMITED (ASX: LER)

NOTICE UNDER SECTION 708AA(2)(f) CORPORATIONS ACT 2001 (CTH)

Leaf Energy Limited ABN 18 074 969 056 (Leaf Energy) has issued 4,234,283 fully paid ordinary shares at a price of A\$0.035 per share to sophisticated investors (Placement Shares).

The Company relies on case 1 in section 708A(5) of the Corporations Act 2001 (Cth) (Act) for the issue of the Placement Shares.

The Company gives notice under section 708A(5)(e) of the Act that:

1. The Company issued the Placement Shares without disclosure to investors under Part 6D.2 of the Act.
2. As at the date of this notice the Company has complied with:
 - (a) the financial and audit provisions of Chapter 2M of the Act insofar as they apply to the Company; and
 - (b) its continuous disclosure requirements under section 674 of the Act.
3. As at the date of this notice there is no excluded information (as defined in section 708A(7) of the Act) which is required to be disclosed by the Company.

Signed for Leaf Energy Limited by



Charles Furness
Company Secretary
LEAF ENERGY LTD

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In conjunction with the Company's Appendix 3B released today regarding the placement of 4,234,283 shares to sophisticated investors, the Company provides the additional information in accordance with Listing Rule 3.10.5A.

The dilution to existing shareholders as a result of this placement are as follows:

- Per Listing Rule 7.1 – 316,840 shares – dilution of 0.43%
- Per Listing Rule 7.1A – 3,917,443 shares – dilution of 5.31%

This placement constitutes most of the remaining capacity to issue shares without shareholder approval under Listing Rules 7.1 (15% limit) and 7.1A (additional 10% approved by shareholders in November 2013).

This placement offer represents an opportunity for new investors to take up equity in the Company and broadens the Company's shareholder base. It is also a cost effective means for the Company to raise additional funds. As previously disclosed, these funds will be applied to continue the commercialisation of the Glycell™ process and to provide working capital for the company.

The offer is not underwritten, but there will be a placement fee of 6% of total funds raised.

Signed for Leaf Energy Limited by



Charles Furness
Company Secretary
LEAF ENERGY LTD