



28 April 2016

Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

Completion of A\$10.77m Share Placement

Leigh Creek Energy Limited ("Company") is pleased to announce that it has successfully completed a A\$10.77m capital raising (before costs) by way of a private placement of 35,894,999 new fully paid ordinary shares in the Company ("Shares") to sophisticated, professional and other investors at an issue price of A\$0.30 per Share ("Placement"). State One Equities Pty Ltd acted as Sole Lead Manager to the Placement and was supported by the Company's US advisor, New York based EAS Advisors LLC, acting through Merriman Capital, Inc.

The Shares will be issued without disclosure in reliance on an exception from disclosure in section 708 of the *Corporations Act* 2001 (Cth). No Shareholder approval will be required for the Placement as it will be undertaken utilising the Company's 15% capacity under Listing Rule 7.1 and extra 10% capacity under Listing Rule 7.1A.

The funds raised by the Company under the Placement will be used to invest in the Leigh Creek Energy Project, with funds directed towards initial gas flaring development activities. Part of the net proceeds will also be used for general working capital purposes. The Company is currently pursuing several additional strategic funding options including gas sales, power sales and additional strategic partners.

It is expected that the Placement will settle on Wednesday 4 May 2016 and the Shares will be issued and commence trading on ASX on Thursday 5 May 2016.

The Company will also undertake an offer of options ("Option Offer"), which offer will be open only to the persons to whom the Shares offered under the Placement are issued and allotted ("Eligible Placees"). Each Eligible Placee will be entitled to subscribe for one option for every two Shares issued and allotted to it pursuant to the Placement. No consideration will be payable for the options. An Eligible Placee will be free to accept or reject in whole or in part its entitlement to the options.

Each option will entitle the holder to subscribe for one Share at an exercise price of A\$0.50 per Share, with an expiry date two years from the date of issue of the option. The grant of the options will be subject to the Company applying for the options to be admitted to official quotation on ASX.

The options will be issued under a prospectus, which will also serve as a cleansing prospectus in respect of the Shares issued under the Placement and for the purposes of section 708A(11) of the *Corporations Act* 2001 (Cth). Full details of the Option Offer will be set out in the prospectus.

Commenting on the capital raising, Executive Chairman of LCK Justyn Peters said:

“This placement is another important step forward for the Company. To be able to raise this amount of money in what can safely be described as a “difficult” market is a great endorsement for LCK. This capital raising will allow us to get through to the completion of flaring gas at Leigh Creek.”

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About Leigh Creek Energy

Leigh Creek Energy Limited (LCK) is an emerging gas company focused on developing its Leigh Creek Energy Project (LCEP), located in South Australia. The LCEP will produce high value products such as methane and fertiliser from the remnant coal resources at Leigh Creek utilising In Situ Gasification technologies, and will provide long term growth and opportunities to the communities of the 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 to as low as can be reasonably achieved.