

Leigh Creek Energy Limited

ACN 107 531 822

Notice of General Meeting

And

Explanatory Memorandum

Notice is hereby given that a General Meeting of Leigh Creek Energy Limited (the Company) will be held:

Date of Meeting: 21 July 2017

Time of Meeting: 9.30 am (Adelaide time)

Place of Meeting: Level 11, 19 Grenfell St Adelaide SA 5000

Business:

Resolution 1 – Ratification of issue of Tranche 1 Placement 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 43,685,181 Shares by the Company on 4 April 2017 at an issue price of 13.5 cents is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by a person who participated in the placement (being China New Energy Group Limited and a range of sophisticated or professional investors) or any of their respective associates.

However the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) It is cast by 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.

Resolution 2 – Ratification of issue of Tranche 2 Placement 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 22,788,429 Shares by the Company on 12 May 2017 at an issue price of 15 cents is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by a person who participated in the placement (being China New Energy Group Limited) or any of its respective associates.

However the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) It is cast by 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.

Information for Members

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 of General Meeting and the Explanatory Memorandum.

“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 7.00 pm (Adelaide time) on 19 July 2017.

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 48 hours before the time for the holding of the Meeting.

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 or handed in at the Meeting when registering as a corporate representative.

By order of the Board



J E Mehtens

Company Secretary
Leigh Creek Energy Limited
16 June 2017

For personal use only

Explanatory Memorandum

Introduction

This Memorandum has been prepared for the information of Shareholders of Leigh Creek Energy Limited (LCK) in connection with the business to be conducted at this General Meeting of the Company to be held at **Level 11, 19 Grenfell St Adelaide SA 5000 on 21 July 2017 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.

Resolutions 1 and 2 –Ratification of previous issues of securities

Resolutions 1 and 2 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 AGM on 23 September 2016, 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 30 March 2017, the Company announced a three stage private placement of shares to raise \$21.85 million (**Placement**). On 4 April 2017, the Company issued 43,685,181 Shares under the first stage of the Placement, at a subscription price of 13.5 cents each to raise a total of \$5.9m before costs (**Stage 1**). Of these, 17,095,737 Shares were issued within the 15% limit in Listing Rule 7.1 and 26,589,444 Shares were issued within the 10% limit in Listing Rule 7.1A.

The Company then issued 22,788,429 Shares on 12 May 2017 under the second stage of the Placement (**Stage 2**). This issue came within the 15% limit in Listing Rule 7.1.

The third stage of the Placement has not yet been completed.

Resolutions 1 and 2 seek Shareholder approval of the issue of the Stage 1 and Stage 2 shares respectively, 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 1 – Stage 1 Placement of shares	Resolution 2 – Stage 2 Placement of shares
No. of securities	43,685,181 Shares	22,788,429 Shares
Issue price	13.5 cents	15 cents
Terms of issue	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.
Allottees	China New Energy Group Limited and other professional and sophisticated investors.	China New Energy Group Limited.
Use of funds raised	Placement to raise funds intended to be used for: <ul style="list-style-type: none"> • Completion of Leigh Creek site environmental characterisation; • Programme of work to support regulatory approvals for In Situ Gasification (ISG) demonstration; • Final design and ordering of above ground ISG demonstration plant, including fabrication; and • Working capital. 	Placement to raise funds intended to be used for: <ul style="list-style-type: none"> • Completion of Leigh Creek site environmental characterisation; • Programme of work to support regulatory approvals for ISG demonstration; • Final design and ordering of above ground ISG demonstration plant, including fabrication; and • Working capital.

The voting exclusion statement for each of Resolutions 1 and 2 are set out in the Notice of Meeting.

The Directors unanimously recommend that shareholders vote in favour of Resolutions 1 and 2 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 1 and 2.

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**" or "**LCK**" 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.

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

"**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.

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

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

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

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555



For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000



Proxy Form

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 <p>Vote online</p> <ul style="list-style-type: none"> • Go to www.investorvote.com.au or scan the QR Code with your mobile device. • Follow the instructions on the secure website to vote. 	
<p>Your access information that you will need to vote:</p> <p>Control Number:</p> <p>SRN/HIN:</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 9:30am (Adelaide time) Wednesday 19 July 2017**

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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

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I/We being a member/s of Leigh Creek Energy Ltd 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 General Meeting of Leigh Creek Energy Ltd to be held at Level 11, 19 Grenfell Street, Adelaide SA 5000 on Friday, 21 July 2017 at 9:30am (Adelaide time) and at any adjournment or postponement of that meeting.

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.

Business	For	Against	Abstain
1 Ratification of issue of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of issue of Tranche 2 Placement Shares	<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.

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

Individual or Securityholder 1

 Sole Director and Sole Company Secretary

Securityholder 2

 Director

Securityholder 3

 Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date / /