



Tuesday, 3 October 2017
Manager Companies
Companies Announcements Office
Australian Securities Exchange Limited

General Meeting – 13 October 2017

Dear Shareholders,

As you would have read from our latest announcements and in recent media releases, we are close to finalising construction of our pre-commercial demonstration plant (**PCD**) at Leigh Creek. All key components have been ordered and all necessary government approvals are in progress. The operation of the PCD will show proof of concept and we believe it should lead to a significant increase in the value of the Leigh Creek Energy Project (**LCEP**).

Leigh Creek Energy Limited (**LCK**) has signed a funding agreement with China New Energy Group Limited (**CNE**) whereby CNE will provide the funds required for us to complete and operate the PCD. The funds will be provided by CNE by way of a share subscription which is subject to LCK shareholder approval.

You will have recently received a Notice of General Meeting of Leigh Creek Energy Limited shareholders to be held at 9.30 am (Adelaide time) on Friday 13 October 2017 at Level 11, 19 Grenfell Street Adelaide SA 5000 (**Meeting**).

At the Meeting LCK shareholders are being asked to pass an ordinary resolution for the issue of 66,544,905 Shares to CNE, which will increase CNE's voting power in the Company to 32.78%. Information regarding the resolution are set out in the Explanatory Statement and Independent Experts Report accompanying the Notice of Meeting.

The Board would like to encourage you to exercise your right to participate in the Company's decision making by attending the Meeting, voting online or returning your proxy form by either fax or post as outlined in the Notice of Meeting dated 14 September 2017. Proxy votes must be received prior to 9.30 am (Adelaide time) on Wednesday 11 October 2017.

Irrespective of the size of your individual shareholding, every vote counts and is important in supporting the development of the PCD. Shareholders requiring assistance in voting are encouraged to call Computershare Investor Services Pty Limited on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia). For all other questions please contact Tony Lawry from Leigh Creek Energy on +61 412 467 160.

The company is making significant progress towards a major milestone event, the first demonstration of syngas by the end of 2017. Support for this Resolution completes the capital raising we announced in April 2017 to fund this stage of the project. Our ongoing engagement efforts with the community and the state government have been well received. The team is very focussed on delivering to shareholders this significant

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milestone, and I am very confident in our team and their ability to deliver on these significant de-risking events in the near future.

Approval of the CNE resolution will provide LCK with the funds we need to complete the PCD which will add significant value to the LCEP.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JP', is positioned above the printed name.

Justyn Peters
Executive Chairman

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