



27 October 2017

ASX ANNOUNCEMENT

Manager Companies  
Companies Announcements Office  
Australian Securities Exchange

## Tranche 4 Complete – AUD\$10m received from China New Energy Group

- **Settlement of AUD\$10m Tranche 4 Capital Raising (before costs)**
- **Completion marks full settlement of capital raising**
- **LCK now funded for PCD**

On 30 March 2017, South Australian energy company, Leigh Creek Energy Limited (ASX: LCK) (“LCK” or “the Company”), announced it had successfully completed an AUD\$21.85m capital raising (before costs) to cornerstone investor China New Energy Group Limited (CNE), and sophisticated and professional investors. To raise these funds in difficult capital markets is a great achievement and to have this capital raise finalized demonstrates the confidence that CNE has in the Leigh Creek Energy Project and their desire to be part of our project.

LCK is now pleased to announce the completion of its AUD\$20m capital raising (before costs) with China New Energy Group Limited (CNE).

The CNE investment of AUD\$20 million was completed in four tranches. The first three tranches were completed ahead of schedule in March, May and August 2017 (refer previous announcements). Settlement of the final Tranche 4 occurred on 27 October 2017. CNE will be issued 66,544,905 shares at a price of 15c per share. Upon the issuance of Tranche 4 shares to CNE, CNE will hold 32.78% of the issued capital in LCK.

### ABOUT CHINA NEW ENERGY GROUP LIMITED (CNE)

CNE is a Hong Kong based company with large asset holdings in China. They are joint owners with the Meijin Energy Group in the following assets in China:

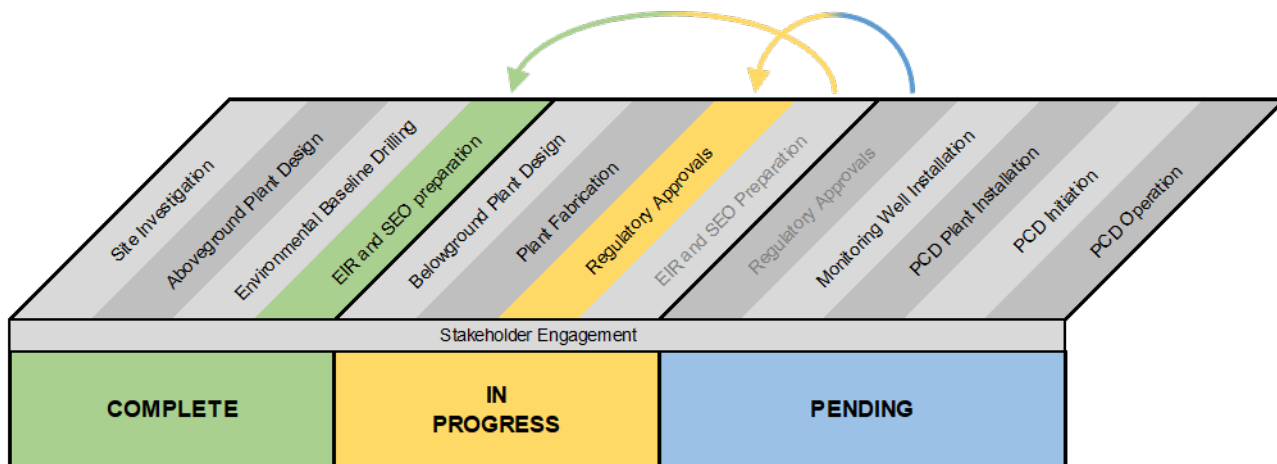
- Steel Mills producing 2mt of steel each year;
- 3 Gas Fired Powers Stations (Total)
- 4 Coking Coal and PCI Mines

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## SUMMARY

The completion of this transaction by CNE demonstrates once again the strong partnership approach and commitment of CNE and LCK.

With the placement to CNE completed, the funding for the PCD is now fully settled and allows the driving focus of the LCK Operations team to continue towards demonstration gas operations. Current and expected progress is represented in the following graphic:



Commenting on the announcement Mr. Phil Staveley (Chief Executive Officer) said: “CNE has again proved its commitment to the company and to shareholders, by completing this transaction as soon as practical after the approval was given by LCK shareholders at the recent general meeting, further cementing this important relationship between LCK and CNE. During 2017, the LCK Project Team has made significant progress with the PCD. We are now financed for production of Syngas, and, subject to receiving approvals from the regulator, we anticipate that this will be achieved in as timely a manner as is possible. With this funding now completed we remain very confident in our team and their ability to deliver on the PCD and our future in South Australia.”

### **For further information, please contact:**

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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 electricity, methane and ammonium nitrate products (fertiliser and industrial explosives) from the remnant coal resources at Leigh Creek, utilising In Situ Gasification (ISG) technologies, and will provide long term stability and economic development opportunities to the communities of the Upper Spencer Gulf, 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.*

*Leigh Creek Energy acknowledges and respects the Adnyamathanha people, the Traditional Owners of the land on which its operations occur and pay our respects to their Elders past and present.*