



Monday, 18 June 2018: ASX ANNOUNCEMENT (ASX: LCK)

## Leigh Creek Energy – Institutional Placement over subscribed and Share Purchase Plan

- Placement of 54.77m shares at \$0.16 per share to institutional, sophisticated and professional investors to raise approximately \$8.7m (before costs)
- Placement oversubscribed - Strong institutional support from domestic funds and support from existing major shareholder, China New Energy Group Limited
- Placement lead managed by CCZ Statton Equities
- Share Purchase Plan (SPP) opportunity for all eligible shareholders
- Funding package for the Pre-Commercial Demonstration Stage of Leigh Creek Energy Project completed
- Funding in place for the feasibility studies and the commencement of drilling for small scale power plant

South Australian energy company, Leigh Creek Energy Limited (ASX: LCK) (“LCK” or “the Company”) is pleased to announce that it has secured its funding position for the Pre-Commercial Demonstration stage (PCD) and subsequent commencement of commercial approval and studies phases of its Leigh Creek Energy Project (LCEP).

### Managing Director’s comments

LCK Managing Director Phil Staveley commented: *“We are pleased to be able to welcome a number of new and significant institutions and investors to our register and we are pleased with the level of support we received from the US and Australia. It was an important milestone to complete this capital raise. Closing oversubscribed is a clear indication that the market is now beginning to recognise the future potential of LCK. We will now move forward with an SPP in order to give existing shareholders an opportunity to be further involved and to participate on the same terms as the Placement.”*

*“This is an exciting time to be involved with LCK as we continue to deliver on the key steps in our development. It also indicates that the market is coming to understand the value creation represented by the near term milestones of PCD operations and expected upgrading of the Company’s large gas resource to a significantly commercial reserve status later in the year. The Placement combined with the SPP will fund the Company well into the next phase of LCK’s operations.”*

### Placement

LCK is pleased to announce that it has successfully completed a \$8.7m capital raising (before costs) by way of a private placement of approximately 54.77m new fully paid ordinary shares in the Company (“Shares”) to institutional, sophisticated and professional investors at an average issue price of A\$0.16 per Share (“Placement”). CCZ Equities acted as Lead Manager and Bookrunner to the Placement.

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The Shares will be issued without disclosure in reliance on an exception from disclosure in section 708 of the Corporations Act 2001 (Cth). Shareholder approval will be required for the issue of Shares to China New Energy Group Limited. The issue of Shares to the other institutional, sophisticated and professional investors will be undertaken as soon as practical utilising the Company's 10% capacity under Listing Rule 7.1A and the Company's 15% capacity under Listing Rule 7.1.

## Share Purchase Plan

In conjunction with the Placement, the Company is also pleased to offer shareholders the opportunity to participate in a Share Purchase Plan ("SPP"). The SPP is offering up to 18,750,000 of Shares to raise up to \$3.0m and entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 of Shares at a price of \$0.16 each.

The SPP allows shareholders to participate in the Company's capital raising program at an important stage in the Company development and at the same price as the recent successful Placement without incurring any brokerage fees or other transaction costs. The SPP is available only to shareholders who were registered as holders of Shares at 5.00pm (ACST) on the Record Date of 15 June 2018 and whose registered address is in Australia or New Zealand. The SPP Offer Document and form will be despatched on or around 25 June 2018, and a copy of which will be available on the ASX.

## Support of Major Shareholder

China New Energy Group Limited ("CNE") have also agreed that subject to shareholder approval (at a General Meeting the Company will hold as soon as possible), it will participate in the Placement to maintain its 32.78% existing shareholding (approximately 17.95m Shares for \$2.87m). The Company will also be seeking shareholder approval for the issue of shares to CNE to maintain to their 32.78% existing shareholding, rather than be diluted through the SPP. The number of additional shares to be issued to CNE will depend on the outcome of the SPP.

## Use of Proceeds

Proceeds of the Placement and SPP will enable the Company to advance toward significant near term milestones including:

1. Operational costs associated with LCK's Pre-Commercial Demonstration stage of its flagship Leigh Creek Energy Project;
2. Completion of Feasibility Study for LCK's small scale power plant;
3. Drilling program associated with geological assessment of LCK's small scale power plant; and
4. General working capital.

## ***Leigh Creek Energy – poised for growth***

### **For further information contact:**

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### **About Leigh Creek Energy**

*Leigh Creek Energy Limited (LCK) is an emerging energy 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 (synthetic natural gas) 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.*

*LCK acknowledges and respects the Adnyamathanha people, the Traditional Owners of the land on which its operations occur and pays its respects to their Elders past and present.*

### **Resource Compliance Statement**

*The information in this announcement that relates to the 2C Contingent Syngas Resource was detailed in an announcement lodged with ASX on 8 January 2016 and is available to view at [www.lcke.com.au](http://www.lcke.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. All estimates are based on the deterministic method for estimation of petroleum resources.*

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