

# Leigh Creek Energy Limited

ACN 107 531 822

## Notice of Annual General Meeting

And

## Explanatory Memorandum

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

**Date of Meeting:** 21 November 2019

**Time of Meeting:** 9.00 am (Adelaide time)

**Place of Meeting:** Grant Thornton, Level 3, 170 Frome Street Adelaide SA 5000

### General Business:

#### **Accounts**

To consider the financial report and the reports of the Directors and of the Auditors for the financial year ended 30 June 2019.

#### **Ordinary Business:**

##### **Resolution 1– Adoption of the Remuneration Report for the year ended 30 June 2019**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report for the financial year ended 30 June 2019 as set out in the Directors’ Report section of the 2019 Annual Report.”

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on the resolution to adopt the Remuneration Report is advisory only and does not bind the Directors or the Company.

##### **Resolution 2 – Re-election of Mr Murray Chatfield**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, Mr Murray Chatfield, a director retiring in accordance with clause 44.3(a) of the Company’s

Constitution and Listing Rule 14.4 and having offered himself for re-election, is hereby re-elected as a Director of the Company with immediate effect.”

Information regarding the candidate for re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

##### **Resolution 3 – Re-election of Mr Justyn Peters**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, Mr Justyn Peters, a director retiring in accordance with clause 44.3(a) of the Company’s Constitution and Listing Rule 14.4 and having offered himself for re-election, is hereby re-elected as a Director of the Company with immediate effect.”

Information regarding the candidate for re-election can be found in the Explanatory Memorandum that accompanies this Notice of Annual General Meeting.

##### **Resolution 4 – Ratification of 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 14,322,222 Shares by the Company on 6 August 2019 as set out in

the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

#### **Resolution 5 – Ratification of convertible notes and 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 25,000,000 convertible notes and 8,360,426 Shares by the Company on 3 April 2019 as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

#### **Resolution 6 – Issue of a maximum of 60 million shares**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, the issue of up to 60 million new Shares by the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice is approved.”

#### **Resolution 7 – Issue of shares to Justyn Peters**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 423,770 ordinary shares by the Company to Mr Justyn Peters as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

Note: Pursuant to ASX Listing Rule 7.2 Exception 14, if approval of holders of ordinary securities is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

#### **Resolution 8 – Issue of shares to Phillip Staveley**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 401,581 ordinary shares by the Company to Mr Phillip Staveley as set out in the Explanatory Memorandum accompanying this Notice of General Meeting is approved.”

Note: Pursuant to ASX Listing Rule 7.2 Exception 14, if approval of holders of ordinary securities is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

#### **Special Business:**

#### **Resolution 9 – Proportional takeover**

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, for the purposes of Sections 136(2) and 648G of the Corporations Act and for all other purposes, the constitution of the Company be amended by inserting the proportional takeover provisions contained in Annexure A of the Explanatory Statement into the Constitution as clause 85, with effect from the date of the meeting for a period of three years’.

#### **Resolution 10 – Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve for the Company to have the additional capacity to issue Equity Securities comprising up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

#### **Information for Members**

##### **1. 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 and the Explanatory Memorandum.

##### **2. Voting Exclusion Statements**

###### **(a) Resolution 1**

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity), and the Company will

disregard any votes cast, on Resolution 1, by or on behalf of any of the following persons:

- (a) a member of Key Management Personnel details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the Meeting is appointed as proxy and the proxy form does not specify the way in which the Chair is to vote and expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Please Note: In accordance with sections 250R(4) and 250R(5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to Resolution 1 unless the Shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the proxy form, you expressly authorise the Chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chair. If you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

Alternatively, Shareholders can nominate as their proxy for the purpose of Resolution 1, a proxy who is not a member of the Company's Key Management Personnel or a Closely

Related Party. That person would be permitted to vote undirected proxies.

#### **(b) Resolution 4**

The Company will disregard any votes cast in favour of Resolution 4 by a person who participated in the placement 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.

#### **(c) Resolution 5**

The Company will disregard any votes cast in favour of Resolution 5 by a person who participated in the securities issue 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.

#### **(d) Resolution 6**

The Company will disregard any votes cast in favour on Resolution 6 by a person who may participate in the issue and a person who might obtain a material benefit, except a material benefit solely in the capacity of a holder of ordinary securities if Resolution 6 is passed, and any of their respective associates (to the extent that those persons are known and identified by the Company at the time of the Annual General Meeting).

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.

**(e) Resolution 7**

The Company will disregard any votes cast in favour on Resolution 7 by Mr Justyn Peters and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if Resolution 7 is passed, and any of their respective associates (to the extent that those persons are known and identified by the Company at the time of the Annual General Meeting).

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.

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. The above prohibition does not apply if:
  - (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**(f) Resolution 8**

The Company will disregard any votes cast in favour on Resolution 8 by Mr Phil Staveley and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if Resolution 8 is passed, and any of their respective associates (to the extent that those persons are known and identified by the Company at the time of the Annual General Meeting).

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.

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. The above prohibition does not apply if:
  - (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**(g) Resolution 10**

The Company will disregard any votes cast in favour on Resolution 10 by a person who may participate in a proposed issue of Shares under the 10% Placement Capacity, and a person who might obtain a material benefit, except a material benefit solely in the capacity of a holder of ordinary securities, if Resolution 10 is passed, and any of their respective associates. As at the date of this Notice, the Company has no specific plans intention to issue Equity Securities pursuant to ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential (if any) issue of Equity Securities under ASX Listing Rule 7.1A. 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.

### 3. "Snap-shot" Time

In accordance with section 1074E(2) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that for the purposes of attending and 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 November 2019.

### 4. 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.

If a proxy votes, they must cast all directed proxies as directed and any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

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](http://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](http://www.intermediaryonline.com) to submit your voting intentions,

no later than 9:30am (Adelaide time) on 19 November 2019 (being 48 hours before the commencement of the meeting).

### 5. 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. The appointment must comply with section 250D of the Corporations Act 2001.

### 6. Attorneys

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms. Previously lodged powers of attorney will be disregarded by the Company.

**By order of the Board**



**J E Mehtens, Company Secretary**  
Leigh Creek Energy Limited  
18 October 2019

# Explanatory Memorandum

## Introduction

This Memorandum has been prepared for the information of Shareholders of Leigh Creek Energy Limited (**Company**) in connection with the business to be conducted at this General Meeting of the Company to be held at Grant Thornton, Level 3, 170 Frome Street Adelaide SA 5000 **on 21 November 2019 at 9.00 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.

## General Business

### Receiving financial statements and reports

The Annual Report for the period ended 30 June 2019 either accompanies this Notice or is available on the Company's website: [www.lcke.com.au](http://www.lcke.com.au).

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the directors and auditor every year. There is no requirement for Shareholders to approve these reports.

However, Shareholders attending the Meeting will be given a reasonable opportunity:

1. to ask question about or make comments on the management of the Company; and
2. to ask the Company's auditor or the auditor's representative questions relevant to:
  - a. the conduct of the audit;
  - b. the preparation and content of the auditor's report;
  - c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - d. the independence of the auditor in relation to the conduct of the audit.

A Shareholder who is entitled to cast a vote at the Meeting may submit a written question to the auditor if the question is relevant to:

1. the content of the auditor's report to be considered at the Annual General Meeting; or
2. the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.

A written question may be submitted by giving the question to the Company no later than **14 November 2019**, being five business days before the day on which the Meeting is to be held, and the Company will then, as soon as practicable after the question has been received, pass the question on to the auditor. At the Meeting, the Company will allow a reasonable opportunity for the auditor or the auditor's representative to answer written questions submitted to the auditor.

The Company will make copies of the question list reasonably available to Shareholders attending the Meeting.

No resolution is required to be moved in respect of this item of General Business.

### Resolution 1 – Adoption of the remuneration report

In accordance with section 300A of the Corporations Act, the Remuneration Report is contained in the Directors' Report in the 2019 Annual Report. The Remuneration Report describes the underlying policies and structure of the remuneration arrangements of the Company and sets out the remuneration arrangements in place for Directors and Key Management Personnel.

Section 250R (2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the annual general meeting. Pursuant to section 250R(3), Shareholders should note that the vote on Resolution 1 is advisory only and will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

The Chair intends to vote all available proxies in favour of Resolution 1.

If, at two consecutive annual general meetings of a listed company, at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these annual general meetings, there must be put to the vote a resolution that another meeting be held within 90 days at which the directors who approved the directors report except the managing director (including directors who are re-elected at the annual general meeting) will cease to hold office immediately prior to the end of the meeting. If the resolution to hold the board spill meeting is passed, the spill meeting must be held within 90 days of the second annual general meeting.

The Company confirms that at the Company's 2018 Annual General Meeting more than 75% of votes were cast for the adoption of the remuneration report, and as such, the "two strikes" process described above will not apply at the Company's upcoming Annual General Meeting.

### **Resolutions 2 – Re-election of Mr Murray Chatfield**

In accordance with Clause 46 of the Constitution, at every annual general meeting, one third of the Directors must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Directors presently in office are Greg English, Murray Chatfield, Daniel Peters, Zhe Wang, Phil Staveley and Zheng Xiaojiang. Mr Staveley is not taken into account in determining the number of Directors who must retire by rotation at the annual general meeting. Mr Chatfield is the Director who has been longest in office since the last re-appointment of each of the Directors, and as such, Mr Chatfield is the Director who retires by rotation at the Annual General Meeting. He has offered himself for re-election.

Mr Chatfield was appointed a non-executive director of Leigh Creek Energy on 30 June 2016.

Mr Chatfield has extensive experience within the finance sector with nearly 30 years' experience in investment banking, hedge funds and corporate finance both in Australia and internationally. His experience within high growth organisations and knowledge of Financial Project Risk Minimisation will provide invaluable experience as LCK moves onto the commercialisation of its ISG Leigh Creek Energy Project.

Mr Chatfield's broad experience across complex aspects of the finance industry, and in particular his knowledge of derivative instruments will complement and broaden the skills of the board. LCK already has a need to model and analyse potential contracts covering such items as oil linked gas contracts. LCK intends to use appropriate instruments to help reduce and mitigate risk. Mr Chatfield's experience will complement the skills of the board

The Directors (with Mr Chatfield abstaining) recommend that Shareholders **vote in favour** of Resolution 2. The Chair intends to vote all undirected proxies **in favour** of Resolution 2.

### **Resolution 3 – Re-election of Mr Justyn Peters**

Mr Peters is the Director who has been longest in office, after Mr Chatfield, since the last re-appointment of each of the Directors, and as such, Mr Peters is the second Director who retires by rotation at the Annual General Meeting. He has offered himself for re-election.

The Company provides the following information in relation to Mr Peters:

Mr Peters joined Leigh Creek Energy as Non-Executive Director on 28 November 2014 and was appointed Executive Chairman on 27 May 2015.

Mr Peters is a qualified Lawyer and has many years' experience in the In Situ Gasification industry and in senior management positions. He has had over a decade of experience with investing entities based offshore, and in particular in China, investing directly into Australian mining, energy and infrastructure projects and brings with him extensive deal structuring experience and long dated contacts. Mr Peters' experience includes working in the mining

industry, for industry representative bodies and for various state and federal environment departments and authorities.

The Directors (with Mr Peters abstaining) recommend that Shareholders **vote in favour** of Resolution 3. The Chair intends to vote all undirected proxies **in favour** of Resolution 3.

#### **Resolution 4 and 5 – Ratification of issue of convertible notes and shares**

Resolution 4 seeks 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 18 October 2018, 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 6 August 2019, the Company issued 14,322,222 Shares under a private Placement at a subscription price of \$0.225 cents. 14,322,222 Shares were issued within the 10% limit in Listing Rule 7.1A.

On 3 April 2019, the Company issued 25,000,000 convertible notes and 8,360,426 Shares at a subscription price of \$0.12 to Crown Ascent Development Limited. The Company also issued 25,000,000 shares on immediate conversion of the convertible notes under exception 4 in rule 7.2 of the Listing Rules.

Resolutions 4 and 5 seek Shareholder approval of the issue of the Shares 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:

	<b>Resolution 4</b>
<b>No. of securities</b>	14,322,222 Shares
<b>Issue price</b>	\$0.225
<b>Terms of issue</b>	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.
<b>Allottees</b>	Professional and sophisticated investors identified by the Company.
<b>Use of funds raised</b>	Placement to raise funds intended to be used for: <ul style="list-style-type: none"> <li>• General working capital.</li> </ul>

	<b>Resolution 5</b>
<b>No. of securities</b>	25,000,000 Convertible Notes 8,360,426 Shares
<b>Issue price</b>	\$0.12
<b>Terms of issue</b>	25,000,000 Convertible Notes, that upon conversion to shares ranked equally with all other ordinary shares on issue. The Convertible Notes had a maturity date of 2 years from the issue and were convertible on a one for one basis at A\$0.12 per share. 8,360,426 Ordinary shares issued ranking equally with all other ordinary shares on issue, paid in respect of the establishment fee and capitalised interest pursuant to the Convertible Note Agreement.

<b>Allottees</b>	Crown Ascent Development Limited
<b>Use of funds raised</b>	Placement to raise funds intended to be used for: <ul style="list-style-type: none"> <li>• General working capital.</li> </ul>

The voting exclusion statement for Resolutions 4 and 5 is set out in the Notice of Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5 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 4 and 5.

#### **Resolution 6 – Issue of a maximum of 60 million shares**

Resolution 6 seeks Shareholder approval to allow for the future issue of up to 60 million new Shares for the purposes of Listing Rule 7.1.

The Directors are of the view that the Company will require further funding over the next 12 month period in order to progress its projects and provide working capital to the Company.

If Resolution 6 is approved by Shareholders, the Directors will have the flexibility and discretion to issue up to a maximum of 60 million new Shares within a 3 month period from the date of the Meeting, subject to a minimum price, without being restricted by the 15% limit imposed by Listing Rule 7.1 and without any delay or incurring additional expense in convening another general meeting to obtain any Shareholder approval that would otherwise be required under Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:

1. A maximum of 60 million Shares will be issued.
2. The Shares will be issued within 3 months of the date of this Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
3. The issue price for the Shares will be not less than 80% of the volume-weighted average price for the Company's Shares on the ASX, calculated over the last 5 days on which sales in the Company's Shares are recorded before the date on which the issue is made.
4. The names of the persons to whom the Company will issue the Shares are not known at this time. The Company intends (but without limitation) to issue the Shares to persons or entities identified by the Company and to which a disclosure document is not required to be provided under Part 6D.2 of the Corporations Act 2001. No related parties of the Company (within the meaning of the Corporations Act) will be issued Shares.
5. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares and application will be made for their quotation on ASX.
6. The purpose of the proposed issue is to provide funding to progress the Company's projects and to provide additional working capital.
7. It is intended that the Company will issue the Shares the subject of this resolution progressively throughout the 3 month period after the date of the Meeting, based on when placements are secured.
8. A voting exclusion statement is included in the Notice of Meeting.

The Directors unanimously recommend that Shareholders **vote in favour** of Resolution 6 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 Resolution 6.

## Resolutions 7 and 8

Resolution 7 seeks Shareholder approval to issue 423,770 ordinary shares to Mr Justyn Peters on a date; not more than one month from the date of the meeting for the purposes of ASX Listing Rule 10.11.

Resolution 8 seeks Shareholder approval to issue 401,581 ordinary shares to Mr Phillip Staveley on a date; not more than one month from the date of the meeting, for the purposes of ASX Listing Rule 10.11.

The Company provides the following information in relation to the issue of shares to Mr Justyn Peters and Mr Phil Staveley.

At a Board meeting held in June 2019, the Directors (Mr Justyn Peters and Mr Phillip Staveley abstaining) considered the short-term incentives in-place for Mr Justyn Peters (Executive Chairman) and Mr Phillip Staveley (Managing Director).

Relevant information regarding remuneration relating to the role of Executive Chairman and the role of Managing Director, including industry benchmarking and associated data compiled by an independent remuneration consulting firm, identified a remuneration gap relative to industry peers for the role of Executive Chairman and Managing Director.

In relation to the performance period from 1 July 2018 through 30 June 2019, the Board considered several significant commercial milestones had been successfully achieved, not limited to:

- Pre-commercial demonstration success at 19 February 2019; and
- Certification of a 1,153 PJ (1.1 Tcf) 2P reserve at 27 March 2019.

Given the significant commercial outcomes achieved during the performance period and the identified remuneration gaps, the Board resolved, subject to shareholder approval, to issue to the Executive Chairman, 423,770 shares to a maximum value of \$105,095, based on the five day Volume Weighted Average Price (VWAP) of the Company's share price from 14 June 2019 through 20 June 2019, being \$0.248 per share. The Board also resolved subject to shareholder approval, to issue the Managing Director, 401,581 shares to a maximum value of \$99,592, based on the five day Volume Weighted Average Price (VWAP) of the Company's share price from 14 June 2019 through 20 June 2019, being \$0.248 per share.

Pursuant to ASX Listing Rule 10.13, the following information is provided regarding the issue of shares:

	<b>Resolution 7</b>
<b>No. of securities</b>	423,770 Shares
<b>Issue price</b>	\$0.248
<b>Date of issue</b>	Date of issue; not to be more than one month from the date of the meeting
<b>Terms of issue</b>	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.
<b>Allottees</b>	Mr Justyn Peters or his nominee
<b>Use of funds raised</b>	No funds will be received by the Company.

	<b>Resolution 8</b>
<b>No. of securities</b>	401,581 Shares
<b>Issue price</b>	\$0.248
<b>Date of issue</b>	Date of issue; not to be more than one month from the date of the meeting
<b>Terms of issue</b>	Fully paid ordinary shares, ranking equally with all other ordinary shares on issue.
<b>Allottees</b>	Mr Phil Staveley or his nominee
<b>Use of funds raised</b>	No funds will be received by the Company.

The Directors (with Mr Justyn Peters and Mr Phillip Staveley abstaining) recommend that Shareholders **vote in favour** of Resolutions 7 and 8. The Chair intends to vote all undirected proxies in favour of Resolutions 7 and 8.

## Chapter 2E

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

The issue of Shares constitutes giving a financial benefit and Mr Justyn Peters and Mr Phil Staveley are related parties of the Company by virtue of being Director's. The Directors of the Company (excluding Mr Peters and Mr Staveley as they have a material personal interest in Resolutions 7 and 8 respectively) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the exception in Section 211(1) of the Corporation Act applies to the proposed issue of Shares, the subject of Resolutions 7 and 8 was reached as part of the remuneration for Mr Peters and Mr Staveley respectively, and is considered reasonable remuneration in the circumstances.

## Special Business

### Resolution 9 - Insertion of proportional takeover provisions in the Constitution

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register Shares acquired under a proportional takeover bid, unless shareholders approve the bid. The Company's constitution does contain proportional takeover provisions. The proportional takeover provisions proposed to be re-inserted into the Company's constitution at clause 85 are attached to this Explanatory Memorandum as Annexure A. Section 648G(5) of the Corporations Act requires that the following information be provided to Shareholders when they are considering the inclusion or renewal of proportional takeover provisions in a constitution.

#### a) Proportional takeover bid

A proportional takeover bid is an off-market offer made to each Shareholder for a proportion of that Shareholder's Shares (i.e. less than 100 per cent). This can result in control being transferred to the bidder without shareholders having the chance to sell all their shares. It also means a bidder can obtain control of a company without paying appropriate consideration for gaining such control.

#### b) Effect of the proposed proportional takeover provisions

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid. Each Shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote on the resolution. The resolution will be passed if more than 50% of votes are cast in favour of the approval.

If the resolution is not passed at that meeting, then no transfer will be registered and the offer will be taken to have been withdrawn. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is not voted on by the deadline, then the bid will be taken to have been approved for the purposes of the proportional takeover provisions. If the bid is approved (or taken to have been approved), all valid transfers must be registered by the Company.

The proposed proportional takeover approval provisions do not apply to full takeover bids and, if resolution 9 is passed, will only apply for three years after the date of passing that resolution, unless renewed under section 648G(4) of the Corporations Act.

#### c) Reasons

The Directors believe that Shareholders should be entitled to vote on whether a proportional takeover ought to proceed, given that such a bid might otherwise allow control of the Company to change without Shareholders being given the opportunity to sell all of their shares to the bidder. As such, the Shareholders may be exposed to the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their Shares.

The right of Shareholders to vote on a proportional takeover lessens this risk because it allows the Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. If it does proceed, individual shareholders can make a separate decision as to whether they wish to accept the offer for their shares.

d) Potential advantages and disadvantages

The Directors consider that the proportional takeover approval provisions have no potential advantages or disadvantages for the Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed proportional takeover provisions for Shareholders of the Company are:

- Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;
- The provisions may help Shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium (i.e. paying for all of their Shares);
- The provisions may increase Shareholders' bargaining power and may help ensure that any bid is adequately priced; and
- Knowing the view of the majority of Shareholders may help each individual Shareholder to decide whether to accept or reject the proportional offer.

Some potential disadvantages of the proportional takeover provisions in clause 85 for Shareholders include:

- They may discourage proportional takeover bids being made for Shares in the Company;
- Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- The likelihood of a proportional takeover succeeding may be reduced.

e) Increase of substantial interest

As at the date of this Notice, no Director is aware of any proposal to acquire or to increase the extent of a substantial interest in the Company.

The Directors consider that the potential advantages for shareholders outweigh the potential disadvantages and recommend that Shareholders vote in favour of Resolution 9 for the insertion of the proportional takeover provision in the Company's constitution. The Chairman intends to vote all undirected proxies in favour of Resolution 9.

**Resolution 10 – Approval of Additional 10% Placement Capacity**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which shareholder approval of the issue is obtained by special resolution, in accordance with the terms set out below (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its total issued capital.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalisation as at 1 October 2019 was \$118,117,785 (562,465,643 issued Shares at \$0.21 closing price per Share). Further, the Company is not included in the S&P/ASX 300 Index, and is therefore an eligible entity for the purposes of ASX Listing Rule 7.1A. The Company will need to remain compliant with the requirements of ASX Listing Rule 7.1A in order for the Company to utilise the additional capacity under the 10% Placement Capacity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. As a special resolution, Resolution 10 requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below for further information). It is the Company's intention that funds received under the 10% Placement Capacity will be used to generally fund project development and working capital requirements.

## Description of Listing Rule 7.1A

### a) *Class of Equity Securities*

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue one class of quoted Equity Securities being quoted Shares. As such, as at the date of the Notice, the classes of Equity Securities that the Company may issue under ASX Listing Rule 7.1A are quoted Shares.

### b) *Formula for calculating 10% Placement Capacity*

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, the maximum number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of Shares on issue 12 months before the date of issue or the date of agreement to issue:

- (1) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid Shares that became fully paid in the 12 months;
- (3) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 or ASX Listing Rule 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or date of agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

## Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company had on issue 562,465,643 Shares and therefore (assuming Resolutions 4, 5 and 10 is approved by Shareholders) currently has the capacity to issue:

- (1) 84,369,846 Equity Securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being sought under Resolution 10, 56,246,564 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities or date of agreement to issue in accordance with the formula prescribed in Listing Rule 7.1A.2.

## Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

(1) Minimum Issue Price

The issue price of Equity Securities under Listing Rule 7.1A must not be less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

The Company may also issue Equity Securities under the 10% Placement Capacity as non-cash consideration for the acquisition of a new asset, resource or investment, in which case, the Company will release to the market a valuation of those Equity Securities that demonstrates that the issue price of the securities complies with the rule above.

(2) Risk of economic and voting dilution

If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, existing Shareholders may be subject to the risk of both economic and voting power dilution from that issue. There is a risk that:

- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting at which approval under Listing Rule 7.1A is obtained;
- (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date for the Equity Securities; and
- (c) the Equity Securities are issued as part of consideration for the acquisition of a new asset, in which case, no funds will be raised by the issue of the Equity Securities.

The table below shows the potential dilution of existing Shareholders on the basis of the market price of Shares of \$0.21 as of 1 October 2019 and the number of ordinary securities on issue for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**TABLE**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.105 50% decrease in issue price	\$0.21 Issue price	\$0.42 100% increase in issue price
Current Variable A 562,465,643 Shares	10% voting dilution	56,246,564 Shares	56,246,564 Shares	56,246,564 Shares
	Funds raised	\$5,905,889	\$11,811,778	\$23,623,556

50% increase in current Variable A 843,698,464 Shares	10% voting dilution	84,369,846 Shares	84,369,846 Shares	84,369,846 Shares
	Funds raised	\$8,858,833	\$17,717,667	\$35,435,335
100% increase in current Variable A 1,124,931,286 Shares	10% voting dilution	112,493,128 Shares	112,493,128 Shares	112,493,128 Shares
	Funds raised	\$11,811,778	\$23,623,556	\$47,247,113

The table sets out theoretical examples only, and has been prepared on the following assumptions:

- (a) the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
- (b) no unlisted Options are exercised which results in the issue of any Shares before the date of the issue of the Equity Securities;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue, assuming variable A is equal to the total issued share capital. This is why the voting dilution is shown in each example as 10%;
- (d) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting;
- (e) the table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in ASX Listing Rule 7.1 as well;
- (f) the issue of Equity Securities under the 10% Placement Capacity consists only of Shares;
- (g) the issue price is \$0.21, being the closing price of the Shares on ASX on 1 October 2019.

(3) Timing

The date by which the Equity Securities may be issued is as determined under Listing Rule 7.1A.1, being the earlier of:

- (a) the date that is 12 months after the Annual General Meeting at which the approval is obtained; or
- (b) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

The approval under Resolution 10 for the 10% Placement Capacity will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(4) Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities for the following purposes:

- (a) non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (b) cash consideration. In such circumstances, the Company intends to use the funds raised to fund investigations into or acquire interests in energy resources or related technologies, or to satisfy the price of a strategic alliance for the Company, and/or generally to fund working capital requirements.

The Company will comply with the disclosure obligations under Listing Rule 7.1A (4) and Listing Rule 3.10.5A upon issue of any Equity Securities under the 10% Placement Capacity.

(5) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) the methods of raising funds that are available to the Company, includes but is not limited to, a rights issue or other issue in which existing security holders can participate;
- (b) the effect of the issue of the Equity Securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. No Director or related parties will participate in any issue under the 10% Placement Facility unless specific approval is obtained for the purposes of Listing Rule 10.11.

Further, if the Company acquires new assets, it is likely that the allottees under the 10% Placement Capacity will be the vendors of the new assets.

If Resolution 10 is approved by Shareholders, the Company may issue Equity Securities under the 10% Placement Capacity during the 10% Placement Period as and when the circumstances of the Company require.

(6) Equity Securities issued by the Company

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 18 October 2018. Annexure B sets out the detailed information required under Listing Rule 7.3A.6 regarding:

- (a) the total number of Equity Securities issued in the 12 month period prior to the date of the Annual General Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period; and
- (b) details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Annual General Meeting.

(7) Voting Exclusion

A voting exclusion statement is included in the Notice of Annual General Meeting.

The Board considers that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required.

The Directors unanimously recommend that Shareholders **vote in favour** of Resolution 10.

The Chair intends to vote all undirected proxies **in favour** of Resolution 10.

## 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**" 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.

"**ISG**" means In Situ Gasification.

"**LCEP**" means Leigh Creek Energy Project.

"**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.

"**PCD**" means Pre-Commercial Demonstration.

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

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

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

### Proportional Takeover Provisions

The following clause 85 is inserted into the Company's constitution:

#### **85. Proportional takeover bid**

1. Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid (within the meaning in the Corporations Act) is prohibited unless and until a resolution (Approving Resolution) approving the proportional takeover bid is passed in accordance with this clause 85.
2. A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class Shares is entitled to:
  - a. Vote on an Approving Resolution; and
  - b. Has one vote for each bid class Share held.
3. Where offers have been made under a proportional takeover bid, the Directors must ensure that the Approving Resolution is voted on at a meeting of the persons described in clause 85(2) before the Approving Resolution deadline.
4. An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.
5. The provisions of this Constitution that apply to a general meeting of the Company apply, with such modifications as the circumstances require, to a meeting that is called under this clause 85 as if the meeting was a general meeting of the Company.
6. If an Approving Resolution to approve the proportional takeover bid is voted on in accordance with this clause 85 before the Approving Resolution deadline, then the Company must, on or before the Approving Resolution deadline, give:
  - a. The bidder; and
  - b. Each relevant financial market, a written notice stating that an Approving Resolution to approve the proportional takeover bid has been voted on and whether it was passed or rejected.
7. If no resolution has been voted on in accordance with this clause at the end of the day before the Approving Resolution deadline, a resolution to approve the proportional takeover bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.
8. Under the Corporations Act, this clause 85 automatically ceases to have effect on that date which is three years after the date the Constitution was amended by the Company to include this clause 85, unless the Company renews these provisions in accordance with the Corporations Act.
9. For the purposes of this clause 85, the Approving Resolution deadline means the day that is the 14<sup>th</sup> day before the last day of the bid period.

**Annexure B Information required under Listing Rule 7.3A.6**

Total Equity Securities on Issue 12 months prior to 21 November 2019 – 493,794,103

Total number of Equity Securities Issued in the 12 months prior to 21 November 2019– 110,465,040

Percentage Issued of the Total Equity Securities on Issue 12 months prior to 29 November 2017- 22.3%

**Equity Securities issued in 12 months prior to 21 November 2019:**

<b>Date of issue</b>	<b>21 December 2018</b>
Number of Equity Securities issued	10,636,668
Class/Type of Equity Security	Ordinary Shares
Summary of terms	Detailed in the ASX announcement 17 December 2018
Names of persons who received securities or	Institutional, sophisticated and professional investors
Price	\$0.12 per share
Discount to market price (if any)	15.85% discount to the 5 day VWAP as at 14 December 2018
<i>For cash issues</i>	
Total cash consideration received:	\$1.28m
Amount of cash consideration spent:	\$1.28m
Use of cash consideration	General Working Capital
Intended use for remaining amount of cash (if	Not applicable

<b>Date of issue</b>	<b>18 January 2019</b>
Number of Equity Securities issued	10,000,000
Class/Type of Equity Security	Unlisted Options
Summary of terms	Detailed in the ASX announcement dated 18 January 2019
Names of persons who received securities or	Eligible Employees under ESOP
Price	Nil
Discount to market price (if any)	N/A
<i>For cash issues</i>	
Total cash consideration received	N/A
Amount of cash consideration spent	N/A
Use of cash consideration	N/A
Intended use for remaining amount of cash (if	N/A
<i>For non-cash issues</i>	
Non-cash consideration paid	Employment – options issued under Employee Share Option
Current value of that non-cash consideration	N/A

<b>Date of issue</b>	<b>11 February 2019</b>
Number of Equity Securities issued	4,000,000
Class/Type of Equity Security	Unlisted Options
Summary of terms	Detailed in the ASX announcement dated 11 February 2019
Names of persons who received securities or	Eligible Employees under ESOP
Price	Nil
Discount to market price (if any)	N/A
<i>For cash issues</i>	
Total cash consideration received	N/A
Amount of cash consideration spent	N/A
Use of cash consideration	N/A
Intended use for remaining amount of cash (if	N/A
<i>For non-cash issues</i>	
Non-cash consideration paid	Employment – options issued under Employee Share Option
Current value of that non-cash consideration	N/A

Date of issue	1 March 2019
Number of Equity Securities issued	6,000,000
Class/Type of Equity Security	Unlisted Options
Summary of terms	Detailed in the ASX announcement dated 1 March 2019
Names of persons who received securities or	Eligible Employees under ESOP
Price	Nil
Discount to market price (if any)	N/A
<i>For cash issues</i>	
Total cash consideration received	N/A
Amount of cash consideration spent	N/A
Use of cash consideration	N/A
Intended use for remaining amount of cash (if	N/A
<i>For non-cash issues</i>	
Non-cash consideration paid	Employment – options issued under Employee Share Option
Current value of that non-cash consideration	N/A

Date of issue	7 March and 19 March 2019
Number of Equity Securities issued	15,535,591 issued 7 March 2019
Class/Type of Equity Security	Ordinary Shares
Summary of terms	Detailed in the ASX announcement dated 7 March 2019
Names of persons who received securities or	Shareholders as at the record date
Price	\$0.12 per share
Discount to market price (if any)	15.85% discount to the 5 day VWAP as at 14 December 2018
<i>For cash issues</i>	
Total cash consideration received	\$3.86m
Amount of cash consideration spent	\$3.86m
Use of cash consideration	General Working Capital
Intended use for remaining amount of cash (if	N/A

Date of issue	3 April 2019
Number of Equity Securities issued	a) 25,000,000 Convertible Notes b) 8,360,426 Shares c) 25,000,000 Shares
Class/Type of Equity Security	a) Convertible Notes b) Ordinary Shares c) Ordinary Shares
Summary of terms	Detailed in the ASX announcement dated 3 April 2019
Names of persons who received securities or	Crown Ascent Development Limited
Price	Convertible Notes issued with a purchase price of \$0.12 each,
Discount to market price (if any)	Consistent with the discount offered under the Rights Issue to
<i>For cash issues</i>	
Total cash consideration received	\$3m
Amount of cash consideration spent	\$3m
Use of cash consideration	General Working Capital
Intended use for remaining amount of cash (if	N/A

Date of issue	6 August 2019
Number of Equity Securities issued	14,322,222
Class/Type of Equity Security	Ordinary Shares
Summary of terms	Detailed in the ASX announcement dated 6 August 2019

Names of persons who received securities or	Institutional, sophisticated and professional investors
Price	\$0.225 per share
Discount to market price (if any)	18.4% discount to 15 day VWAP to 1 August 19
<i>For cash issues</i>	
Total cash consideration received	\$3.2m
Amount of cash consideration spent	\$1.6m
Use of cash consideration	General Working Capital
Intended use for remaining amount of cash (if	As above

For personal use only







## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9.00am (Adelaide time) Tuesday 19 November 2019**.

# Proxy Form

## 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

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

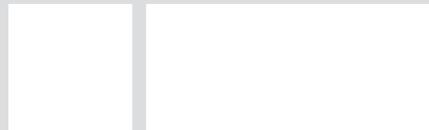
## Lodge your Proxy Form:

**XX**

### Online:

Use your computer or smartphone to appoint your proxy and vote at [www.investorvote.com.au](http://www.investorvote.com.au) or scan your personalised QR code below using your smartphone.

Your secure access information is



For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**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

XX

I/We being a member/s of Leigh Creek Energy Limited 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 Annual General Meeting of Leigh Creek Energy Limited to be held at Grant Thornton, Level 3, 170 Frome Street Adelaide SA 5000 on Thursday 21 November 2019 at 9.00 am (Adelaide time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 7 & 8** (except where I/we have indicated a different voting intention in step 2) even though **Items 1, 7 & 8** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 7 & 8** by marking the appropriate box in step 2.

## 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.

Ordinary Business		For	Against	Abstain		For	Against	Abstain	
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr Murray Chatfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3	Re-election of Mr Justyn Peters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
4	Ratification of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Ratification of convertible notes and shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Issue of a maximum of 60 million shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Issue of shares to Justyn Peters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Issue of shares to Phillip Staveley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Special Business									
9	Proportional Takeover	<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.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3

Sole Director & Sole Company Secretary Director Director/Company Secretary  / / Date

**Update your communication details** (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

