



Institutional Share Placement

Leigh Creek Energy Limited (**LCK** or the **Company**) announces a placement to Energy Exploration Capital Partners, LLC (the **Investor** or **EECP**), US-based institutional investor that previously invested in LCK and remains its shareholder.

The proceeds will be used for key aspects of Stage 1 onsite works and ongoing Stage 2 study and development costs. The financing consists of the following phased payments of up to \$20,000,000 to be made to LCK by the Investor:

- 1) A placement of ordinary shares (**Placement Shares**) by way of a placement of \$8,175,000 worth of Placement Shares to raise net proceeds of \$7,500,000 (the **First Investment**). This placement will occur, and the \$7,500,000 will be received, by LCK in the next week.
- 2) An additional placement of \$4,251,000 worth of Placement Shares to the Investor to raise net proceeds of \$3,900,000 (the **Second Investment**), within the next 120 days.
- 3) Subject to shareholder approval, an additional placement of \$3,924,000 worth of Placement Shares to the Investor to raise net proceeds of \$3,600,000 (the **Third Investment**), within the next 150 days. Shareholder approval of this tranche will be sought at a meeting of shareholders to be held in the next three months.
- 4) Additionally, the Company may proceed with a placement of \$5,000,000 worth of Placement Shares to the Investor to raise net proceeds of \$5,000,000, with the consent of the Investor.

LCK Managing Director, Phil Staveley commented:

“This is the next, vital, stage in our overall, larger project funding strategy, which will be executed over the course of the next year. EECP originally invested in LCK 12 months ago, based on our prospects at that time. LCK has achieved a lot since then. It is a testament to our performance that EECP are not only still shareholders but that today they are also prepared to invest a larger additional amount.”

Funding Structure:

Each placement will be made by way of the Investor prepaying the lumpsum proceeds of the investment (\$7.5 million for the first investment, \$3.9 million for the Second Investment and \$3.6 million for the Third Investment) for Placement Shares. The Company will issue the Placement Shares in relation to all or part of each of the above investments on the Investor's request, within 24 months of the date of the corresponding investment. The number of shares so issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount prepaid by the Investor. The Purchase Price will be the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 10% discount (rounded down to the next one tenth of a cent, or if the share price exceeds \$0.20, the next half a cent). The Purchase Price will not be the subject of a cap.

The Company has put strict protections in place regarding the Investor's activities, such as trading restrictions and anti-shorting provisions.

The Company will have the right to refuse an issuance of shares in relation to an Investor's request for issuance and instead to repay the subscription amount by making a payment to the Investor equal to the number of shares that would have otherwise been issued by the greater of the Purchase Price and the market value of the Placement Shares at that time.

The Investor will not be obligated to provide the Second Investment or the Third Investment if the market price of the Company's shares is below \$0.085 and does not recover to above that level within two months after the Investor providing the Company with notice thereof.

LCK will make an initial issuance of 14.8 million Placement Shares to the Investor at the time of the funding of the First Investment, towards the ultimate number of Placement Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the Placement Shares to be issued by LCK, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment. The net proceeds from the Second Investment or the Third Investment will not exceed 3.64% or 3.36%, respectively, of the Company's market capitalisation, without the Investor's consent.

LCK has agreed to issue 4,285,714 shares in satisfaction of a fee payable to the Investor. LCK was advised on the transaction by LCK'S New York based corporate advisor, EAS Advisors, LLC, acting through Odeon Capital Group LLC, member of FINRA/SIPC/MSRB/NFA.

The Board of Leigh Creek Energy Limited authorised this announcement be provided to the ASX.

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About the Leigh Creek Urea Project

The Leigh Creek Urea Project (LCUP) is Leigh Creek Energy's (ASX:LCK) flagship project, developing low-cost nitrogen-based fertiliser for local and export agriculture markets. Located in South Australia, 550 kilometres north of Adelaide, the LCUP will initially produce 1Mtpa (with potential to increase to 2Mtpa) of urea.

LCK has a comprehensive environment, social and governance strategy. It has produced syngas within all approved environmental parameters set by the regulator and will be **carbon neutral from 2022**.

The LCUP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia. The LCUP will be the only fully integrated urea production facility in Australia, with all inputs for low carbon urea production on-site.

The LCUP will be developed in 2 commercial stages:

Stage 1 consists of:

1. Construction of gasification wells to provide energy (syngas) for the project; and
2. 5 MW gas fired power generation.

Stage 2 consists of:

1. Expansion of gasification fields;
2. 100MW gas fired power generation;
3. Ammonia facility;
4. Urea facility; and
5. Logistics, loading and transport.