

LEIGH CREEK ENERGY LIMITED
ACN 107 531 822

PROSPECTUS

For the offer of:

- (a) 1 Share to an invitee of the Company at an issue price of \$0.30 to raise \$0.30 (**Share Offer**); and
 - (b) 17,687,463 Options to Eligible Participants (**Option Offer**),
- (together, the **Offers**).

This Prospectus has been prepared primarily for the purposes of:

- (1) to the extent it relates to the Share Offer, section 708A(11) of the Corporations Act to allow the on-sale of certain Shares issued on or before the date of this Prospectus without disclosure; and**
- (2) to the extent it relates to the Options, so as to allow the Options to be on-sold without disclosure and the Shares that are issued on exercise of the Options to be on-sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.**

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares or Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares and Options offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY**Directors**

Mr Gregory English
Non-Executive Director

Mr David Shearwood
Executive Director, Managing Director

Mr Daniel Justyn Douglas (Justyn) Peters
Executive Director, Executive Chairman

Company Secretary

Ms Jordan Mehrtens

Share Registry*

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, SA 5000

Registered Office

Level 11, 19 Grenfell Street
Adelaide SA 5000

Telephone: + 61 8 8132 9100

Website: www.lcke.com.au

ASX Codes

LCK

Lawyers

Watsons Lawyers
Ground Floor
60 Hindmarsh Square
Adelaide, SA 5000

Auditors*

Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville SA 5034

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with ASIC and ASX	9 May 2016
Opening Date	9 May 2016
Closing Date*	5:00pm ACST on 27 May 2016
Issue of Options	7 June 2016
Expected date of Official Quotation of the Options	8 June 2016

* The Directors reserve the right to extend the Closing Date at any time without notice. As such, the date the Options are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 9 May 2016 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options or Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Neither of the Offers are available to the general public.

The Share Offer is only available to the person who is personally invited by the Company to accept the Share Offer. The Company will provide a Share Offer Application Form to that person only. An application for the Share offered pursuant to this Prospectus can only be submitted on an original Share Application Form which accompanies this Prospectus.

The Options Offer is only available to those persons to whom Shares offered under the Placement were issued and allotted (**Eligible Participants**). Applications for Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus. The Company will provide an Application Form to each Eligible Participant.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

2.3 Risk Factors

Potential investors should be aware that subscribing for Shares and Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in

Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares or Options pursuant to this Prospectus.

2.4 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

2.5 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

2.6 Definitions

A number of terms used in this Prospectus have defined meanings, which are set out in Section 9 of this Prospectus.

3. DETAILS OF THE OFFERS

3.1 The Share Offer

Under the Share Offer the Company is inviting an investor identified by the Directors to apply for 1 Share for \$0.30 cash consideration.

The Share issued under the Share Offer will rank equally with Shares on issue at the date of this Prospectus. The terms and rights attaching to the Share are set out in Sections 5.2 and 5.3 of this Prospectus.

3.2 The Options Offer

Under the Options Offer the Company is inviting applications for Options from Eligible Participants. Each Eligible Participant is entitled to apply for one Option for every two Shares issued and allotted to it pursuant to the Placement. No consideration is payable for the Options. A maximum of 17,687,463 Options will be issued under this Prospectus. In the calculation of any entitlement, fractions will be rounded down to the nearest whole number.

An Eligible Participant is free to apply for some, all or none of its entitlement to the Options. Entitlements to the Options are non-renounceable. Accordingly, there will be no trading of rights on ASX and Eligible Participants cannot transfer their entitlement to Options to another party.

The issue of the Options will be subject to ASX granting Official Quotation of the options within 3 months after the date of issue of the Prospectus.

See Section 3.12 for the consequences of ASX quotation condition not being satisfied.

The Options Offer is open only to Eligible Participants. Application Forms will only be provided by the Company to Eligible Participants.

All of the Options issued under the Options Offer will form a new class of securities. The terms of the Options are set out in Section 5.1 of this Prospectus.

3.3 Application for the Share

The Share Offer will only be extended to a specific person on invitation from the Directors. A Share Offer Application Form will only be provided by the Company to that person.

By completing a Share Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Share Application Form together with a complete and unaltered copy of the Prospectus.

Completed Share Application Forms must be mailed to the Company as follows:

Delivery by post
Leigh Creek Energy Limited PO Box 12 Rundle Mall Adelaide SA 5000

The Completed Share Application Form must reach the address set out above by no later than the Closing Date.

3.4 Application for Options

Applications for Options under the Options Offer may only be made by Eligible Participants and must be made using the Application Form accompanying this Prospectus.

By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be returned to the Company's Share Registry as follows:

Delivery by post
Computershare Investor Services Pty Limited GPO Box 1326 Adelaide South Australia 5001 Australia

Completed Application Forms must reach the address set out above by no later than the Closing Date.

3.5 No exposure period

No exposure period applies to the Options or the Share offered under this Prospectus due to the relief granted by ASIC Corporations (Exposure Period) Instrument 2016/74. The Company can therefore accept Application Forms and any Share Application Form from the date of this Prospectus.

3.6 Defects in Applications

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.7 Minimum subscription

There is no minimum subscription for either of the Offers.

3.8 Oversubscriptions

No oversubscriptions will be accepted by the Company under the Offers.

3.9 Not underwritten

The Offers are not underwritten.

3.10 Issue of securities

Subject to the ASX quotation condition being satisfied as detailed in Section 3.12, the issue of Options under the Options Offer will take place as soon as practicable and otherwise in accordance with the Listing Rules.

The issue of any Share under the Share Offer will take place as soon as practicable after the Closing Date and otherwise in accordance with the ASX Listing Rules.

3.11 ASX listing

Application for Official Quotation of the Options and the Share offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Company becomes aware during the 3 month period after the date of issue of the Prospectus that ASX will not or is unlikely to grant Official Quotation of the Options, the Company will, before the expiry of that 3 month period and before issuing the Options, issue a replacement or supplementary prospectus which sets out prescribed information (including the fact that the Options will be issued unquoted) and provide Eligible Participants who have applied for Options with withdrawal rights, in accordance with ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70. If the Company is not aware that ASX will not or is unlikely to grant Official Quotation of the Options before the expiration of 3 months after the date of issue of the Prospectus (or such longer period as may be varied by ASIC), then according to section 723 of the Corporations Act the Company cannot issue any Options under this Prospectus if Official Quotation of the Options is not granted within that time period.

If ASX does not grant Official Quotation of any Share offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by ASIC), the Company will not issue that Share and will return any application monies received for that Share.

The fact that ASX may grant Official Quotation to the Options and the Share offered under this Prospectus is not to be taken in any way as an indication of the merits of the Company or the securities now offered for subscription.

3.12 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares or Options on the basis of this Prospectus. The return of a duly completed Application Form or Share Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.13 Enquiries

Any questions concerning the Offers should be directed to Jordan Mehrtens, Company Secretary, on +61 8 8132 9104 or at jordan.mehrtens@lcke.com.au.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purposes of the Offers

The Company will raise only a nominal amount (if any) under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purposes of this Prospectus are:

- (a) to the extent it relates to the Share Offer, to allow the Shares issued by the Company under the Placement on or prior to the date of this Prospectus to be on-sold within 12 months of their issue without disclosure under Part 6D.2 of the Corporations Act; and
- (b) to the extent it relates to the Options Offer, to allow the Options to be on-sold within 12 months of their issue without disclosure under Part 6D.2 of the Corporations Act and the Shares that are issued on exercise of the Options to be on-sold within 12 months of their issue without disclosure under Part 6D.2 of the Corporations Act, in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

The Shares issued under the Placement were issued without disclosure in reliance on exceptions from disclosure in section 708 of the Corporations Act. The Company was not able to issue a cleansing notice under section 708A(5) of the Corporations Act to allow the on-sale of the Shares issued under the Placement without disclosure due to its securities being suspended from trading on the ASX within the last 12 months as part of its re-compliance with Chapter 1 and 2 of the ASX Listing Rules when it acquired ARP TriEnergy. This Prospectus, to the extent it relates to the Share Offer, is being issued primarily for the purpose of section 708A(11) of the Corporations Act to enable the Eligible Participants to on-sell the Shares issued and allotted to them under the Placement without disclosure under Part 6D.2 of the Corporations Act.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities that are quoted securities of the body;
- a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; and
- the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

In respect of the Options Offer, by offering the Options under this Prospectus (being a disclosure document for the purposes of Part 6D.2 of the Corporations Act):

- the on-sale of the Options within 12 months after their issue will not require disclosure under Part 6D.2 of the Corporations Act; and
- the on-sale of the Shares issued on exercise of the Options within 12 months of their issue will likewise not require disclosure by virtue of the relief provided by ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

While the issue of the Options and any issue of Shares pursuant to the exercise of the Options is not being undertaken by the Company for the purpose of the Option holders selling or transferring the Options or underlying Shares, the Directors consider that the persons who are issued the Options and the underlying Shares should be entitled, if they wish, to on-sell their securities prior to the expiry of 12 months after their issue without the need for disclosure under Part 6D.2 of the Corporations Act.

The right to on-sell Options, Shares issued pursuant to the exercise of the Options, the Share issued under this Prospectus and Shares issued and allotted under the Placement without disclosure under Part 6D.2 of the Corporations Act remains subject to section 707(2) of the Corporations Act (in respect of certain off-market sales by controllers of the Company) and section 707(5) of the Corporations Act (in respect of certain indirect off-market sales by controllers of the Company).

4.2 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below.

Shares ¹	Number
Shares on issue as at the date of this Prospectus ²	265,894,441
Shares offered under this Prospectus	1
Total Shares on issue on completion of the Offers³	265,894,442

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5.2 and 5.3 of this Prospectus.
2. This assumes the 35,374,969 Shares to be issued under the Placement are issued on the date of this Prospectus.
3. This assumes the Share Offer is fully subscribed, no options are exercised and no other Shares are issued between the date of this Prospectus and the completion of the Offers.

Options	Number
Unlisted options on issue as at the date of this Prospectus exercisable at \$0.212 each on or before between 14 October 2019.	1,000,000
Unlisted options on issue as at the date of this Prospectus exercisable at \$0.25 each on or before between 14 October 2020	1,000,000
Unlisted options on issue as at the date of this Prospectus exercisable at \$1.50 each on or before between 31 July 2020	2,000,000
Unlisted options on issue as at the date of this Prospectus exercisable at \$0.30 each on or before between 31 November 2020.	10,250,000
Total unlisted options	14,250,000
Listed options on issue as at the date of this Prospectus	Nil
Options ¹ offered under this Prospectus	17,687,463
Total listed options on issue on completion of the Offers²	17,687,463
Total options (listed + unlisted) on issue on completion of the Offers²	31,937,463

Notes:

1. The terms of the Options are set out in Section 5.1 of this Prospectus.
2. This assumes the Options Offer is fully subscribed and no other options are issued.

Fully Diluted Share Capital	Number
Shares on issue as at the date of Prospectus ¹	265,894,441
Total Shares on issue on completion of the Offers ²	265,894,442
Total Shares on issue if all existing unlisted options are exercised ³	280,144,442

Total Shares on issue if all Options on issue on completion of the Offers are exercised ³	297,831,905
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Notes:

1. This assumes the 35,374,969 Shares to be issued under the Placement are issued on the date of this Prospectus.
2. This assumes the Share Offer is fully subscribed, no options are exercised and no other Shares are issued between the date of this Prospectus and the completion of the Offers.
3. This assumes no other Shares are issued between the date of this Prospectus and the date of exercise of the last unlisted option or Option.

4.3 Financial effect of the Offers

The maximum the Company will raise under this Prospectus is \$0.30 for the one Share offered under this Prospectus. The Options are offered for nil consideration and as such no funds will be raised by the issue of the Options. The estimated expenses of the Offers are as set out in Section 7.8 of this Prospectus. The immediate financial effect of the Offers will be to decrease cash reserves by an amount equivalent to the estimated expenses of the Offers.

The Company will receive \$0.50 for each Option that is exercised. If all the Options offered pursuant to this Prospectus are applied for, issued and exercised, the Company will receive approximately \$8,843,742.5. The likelihood of the Company raising additional capital through the exercise of the Options is dependent on the market price of the Shares from time to time until the Options expire.

4.4 Effect on Control

Neither of the Offers, nor the exercise of the Options, will have a material effect on the control of the Company.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following sets out the terms of the Share and Options to be issued under this Prospectus and a summary of the more significant rights and liabilities attaching to Shares to be issued on exercise of the Options.

This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

5.1 Terms and conditions of the Options

The following are the terms and conditions of the Options being offered pursuant to this Prospectus.

- (a) Each Option will entitle the Optionholder to subscribe for one Share in the Company (subject to possible adjustments referred to in paragraph (j), (k) and (l) below).
- (b) Each Option is exercisable at any time after the date of issue and before 5:00pm Adelaide time on 6 June 2018 (**Expiry Date**). Options not exercised before the Expiry Date will lapse.
- (c) The exercise price of each Option is \$0.50 (**Exercise Price**).
- (d) Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (e) Some or all of the Options may be exercised at any one time or times prior to the Expiry Date.
- (f) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares. The Company will seek to have the Shares issued on exercise of the Options admitted to the official list of ASX.
- (g) The Company will seek to have the Options admitted to the official list of ASX and the Options will be listed on ASX subject to ASX approval.
- (h) Subject to applicable law, the ASX Listing Rules and the ASX Settlement Operating Rules, each Option will be freely transferable at any time before the Expiry Date.
- (i) Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be in accordance with the ASX Listing Rules and timetables.
- (j) If there is a bonus issue to the holders of Shares:
 - (i) the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

- (k) If, prior to the Expiry Date, the issued capital of the Company is reorganised, the rights of the Optionholder will be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) In the event of a pro rata issue of securities to holders of Shares, the Exercise Price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the ASX Listing Rules at the time when the Options were granted.

5.2 Terms and conditions of the Share

The following are the terms and conditions of the Share being offered pursuant to this Prospectus.

- (a) The issue price of the Share is \$0.30.
- (b) The Share, upon issue, will rank equally with the existing Shares on issue.

5.3 Rights attaching to Shares

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is on the Company's website (www.lcke.com.au), the ASX website, and available for inspection at the Company's registered office during normal business hours.

(a) Voting Rights

Subject to the Constitution and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

(b) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the Company may pay dividends as the Directors resolve. The Directors may determine the method and time for payment of the dividend.

(c) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, on a winding up of the Company each member has the right to participate equally in the distribution of the assets of the Company (both capital and surplus), subject only to any amounts unpaid on the share.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules, or under the Constitution.

(e) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant options, on any terms, at any time and for any consideration, as the Directors resolve.

(f) **Variation of Rights**

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(g) **Meetings and Notices**

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

6. RISK FACTORS

General

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for the Share or Options. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Share or Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Legislative changes and Government policy risk

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and produce, in particular the Company's ability to explore and produce any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

Any changes in the laws and regulations under which the Company operates may adversely impact the Company's activities, planned projects and financial results. These laws and regulations include mining, exploration and petroleum-related laws, laws requiring permits and licences, environmental regulations and health and safety laws and regulations.

6.2 Dilution

If you do not exercise the Options, because either you sell those Options on market or you allow those Options to expire without being exercised, and other investors exercise their Options while you remain a Shareholder, your shareholding will be diluted.

6.3 Taxation consequences

The exercise or sale of an Option may have taxation consequences, depending on your particular circumstances. You should seek your own taxation advice before exercising or selling an Option.

6.4 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and future production activities, as well as on its ability to fund those activities.

6.5 Market conditions

The market price of the Options and Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

No guarantee can be given that the Share price will be greater than the exercise price of the Options during the period up to expiry of the Options. Accordingly, there is a risk that the Options will be out of the money during their exercise period, which would affect the value of the Options.

6.6 Security Investments

Applicants should be aware that there are risks associated with any investment in securities. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been

unrelated to the operating performances of such companies. These factors may materially affect the market price of the Company's securities regardless of the Company's performance.

Mineral, petroleum exploration and production are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.7 Exploration and Evaluation Risks

The success of the Company depends on the delineation of economically extractable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration, mining and petroleum tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration, mining and petroleum tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

6.8 Production Risk

The Company is working towards the LCEP reaching significant production levels in the future. However, detailed operational planning along with the preparation of detailed engineering designs have not yet completed; gas sales contracts have not yet been secured although work on gas sales has already commenced; the levels of production anticipated have not previously been achieved on a continuous basis in Western economies; and there are risks associated with unforeseen operating issues in the future. As such, there is a risk that the LCEP will not get into production or, if it does, that it will not achieve the levels of production expected by the Company.

6.9 Commodity Price and Exchange Rate Risks

To the extent the Company is involved in in situ gasification production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Future earnings from the LCEP will be significantly affected by eastern Australian gas prices. The Company expects these prices, because of the dominance of demand volume, to become essentially linked to the Gladstone Queensland based LNG projects. In turn many global LNG projects have global LNG contracts that are often related to global oil prices. It is not possible to accurately predict future movements in the gas price.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.10 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and gas operations,

the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or in situ gasification development proceeds. The Company endeavours to conduct its activities to the highest standard of environmental management, including compliance with all environmental laws.

6.11 Future Capital Requirements

The Company's activities will require substantial expenditure. There can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. There is a risk that the Company will not achieve its operating goals due to inability to obtain funding on appropriate terms and conditions.

There is no guarantee that the Company will be able to maintain a sufficient cash and working capital position.

If the exercise price of the Options is lower than the market price of Shares, then it is unlikely the Options will be exercised. The Company may not raise any funds from exercise of the Options.

6.12 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

6.13 Development Consents

There is a risk that additional governmental consents will be required. There is also a risk that the Company will not be able to meet the terms of these consents or that the consents can only be obtained on onerous terms and conditions. The Company may also incur significant expenses and delays in obtaining such consents.

6.14 Tenements

ARP TriEnergy's existing Petroleum Exploration Licence Applications (**PELAs**) are at application stage. There can be no certainty that those tenements will be granted on the terms applied for, or at all. The only tenements that have been granted to ARP TriEnergy to date are Petroleum Exploration Licence 650 (PEL 650) and Gas Storage Exploration License 662 (GSEL 662) where the LCEP is located and Exploration License (**EL**) 5596 and EL 5597.

6.15 Resource Estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

6.16 Occupational Health and Safety and Environment

The future activities of the Company will be regulated by environmental and government authorities.

There is a risk that environmental regulation may impede or prevent the Company's activities.

Furthermore, ISG is a relatively new technology in Australia and the development of a commercial project will necessarily have associated with it potential environmental and occupational health and safety risks which it is difficult to identify at this stage. The occurrence of significant negative environmental impacts or occupational health and safety incidents may impede or prevent the Company's activities.

6.17 Native Title

Native title has been extinguished on PEL 650 and native title does not apply. The Company's EL's are subject to Native Title claims which may have a material adverse impact on the Company's ability to explore or develop these EL's.

Any further exploration licence which may ultimately be granted pursuant to outstanding PELAs, as well as other entitlements to property and resources, may be affected by Native Title claims, unregistered agreements, transfers or unknown defects in title. Native Title claims and Indigenous heritage issues may have a material adverse impact on the Company's future activities and may hinder or prevent its exploration and development activities.

6.18 Competition

Upon reaching production the Company will be subject to competition from other producers. The Company may be unable to successfully compete and may suffer adverse consequences such as loss of market share and customers.

6.19 Counterparty Risk

There is a risk that contracts and other arrangements will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

6.20 Reliance on Key Personnel

The Company's success depends largely on the core competencies of its directors and management, and their familiarisation with, and ability to operate, in the in situ gasification industry and the Company's ability to retain its key executives.

6.21 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options and Share offered under this Prospectus.

Therefore, the Share and Options to be issued pursuant to this Prospectus, and the Shares to be issued upon the exercise of the Options, carry no guarantee with respect to the payment of dividends, returns of capital or their market value.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options or a Share pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (a) the annual financial report of the Company for the financial year ended 30 June 2015, being the annual financial report most recently lodged by the Company with ASIC;
- (b) the half-year financial report lodged by the Company with ASIC for the half year ended 31 December 2015; and
- (c) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the Company’s 2015 annual financial report and before the lodgement of this Prospectus with ASIC.

Details of documents lodged with ASX since the date of lodgement of the Company’s 2015 annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below:

Date	Description of Announcement
29-Apr-16	Quarterly Activities Report and Appendix 5B
28-Apr-16	Reinstatement to Official Quotation
28-Apr-16	Completion of A\$10.77m Share Placement
27-Apr-16	Suspension from Official Quotation
22-Apr-16	Trading Halt

Date	Description of Announcement
14-Apr-16	LCK Granted a Gas Storage Exploration Licence
8-Apr-16	Investor Presentation
6-Apr-16	LCK and Shanghai Electric Power Generation Group sign HOA
10-Mar-16	Change in substantial holding
10-Mar-16	Change in substantial holding
10-Mar-16	Ceasing to be a substantial holder
29-Feb-16	Half Year Accounts
16-Feb-16	Treasury Share Sale Complete
10-Feb-16	Change in Management Structure
29-Jan-16	Quarterly Activities Report and Appendix 5B
8-Jan-16	Initial PRMS ISG Gas Resources Certification
6-Jan-16	Trading Halt
15-Dec-15	Leigh Creek Energy and APA Group sign Heads of Agreement
14-Dec-15	Appendix 3B
8-Dec-15	Initial JORC Resource – Leigh Creek Energy Project
19-Nov-15	Results of Meeting
19-Nov-15	Investor Presentation
19-Nov-15	Chairman's Address to Shareholders
4-Nov-15	Lapse of Options
3-Nov-15	Final Director's Interest Notice
30-Oct-15	Quarterly Activities Report and Appendix 5B
28-Oct-15	Significant Additional Historic Drill Data Located
22-Oct-15	Final Director's Interest Notice
22-Oct-15	Appendix 3B
22-Oct-15	Strategic Advisory Agreement with EAS Advisors LLC
15-Oct-15	Director Resignation
15-Oct-15	Annual Report to shareholders – amended
13-Oct-15	Director Resignation

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.lcke.com.au.

7.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules because the ASX Listing Rules expressly or impliedly exclude the information from disclosure, and which, in the Board's opinion, you or your professional advisers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to the Options and Shares.

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.39	15 April 2016
Lowest	\$0.225	29 February 2016
Last	\$0.28	6 May 2016

The Company has no quoted options on issue at the date of this Prospectus.

7.4 Details of substantial holders

Based on publicly available information as at 6 May 2016, the following persons have a relevant interest in 5% or more of the Shares on issue:

Holder	Shares Held	Percentage (%)	Persons with a relevant interest
Allied Resource Partners Pty Ltd	104,767,190	45.45	Mr David Shearwood (Director) has a relevant interest in ordinary shares in which Allied Resource Partners Pty Ltd has a relevant interest, pursuant to section 608(3)(a) of the Corporations Act. By virtue of Mr Shearwood's ownership of 20.9% of the issued capital of Allied Resource Partners Pty Ltd, Mr Shearwood is deemed to have a relevant interest in any shares in which Allied Resource Partners has a relevant interest.
Citic Australia Pty Ltd	17,242,855	7.48	
Mr Richard McGrath	13,965,235	6.06	

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	options
Gregory English	0	0
David Shearwood	104,953,962 ¹	1,000,000 ²
Justyn Peters	0	1,000,000 ²

Notes:

- Mr David Shearwood (Director) has a relevant interest in the 104,767,190 ordinary shares in which Allied Resource Partners Pty Ltd has a relevant interest, pursuant to section 608(3)(a) of the Corporations Act. By virtue of Mr Shearwood's ownership of 20.9% of the issued capital of Allied Resource Partners Pty Ltd, Mr Shearwood is deemed to have a relevant interest in any shares in which Allied Resource Partners has a relevant interest.
- Unlisted options exercisable at \$1.50 each on or before 31 July 2020.

7.6 Remuneration

The Constitution specifies that the total amount of remuneration of non-executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive Directors has been set at \$500,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The remuneration of the Managing Director is determined by the non-executive Directors and approved by the Board as part of the terms and conditions of his employment which are subject to review from time to time.

The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board. Non-executive Director remuneration is by way of fees and statutory superannuation contributions. Non-executive Directors do not participate in schemes designed for remuneration of executives but they may receive options or bonus payments subject to shareholder approval and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of Leigh Creek Energy given the nature of the Company's business as an exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Share Option Plan, approved by Shareholders, that enables the Board to offer eligible employees (including executive Directors) options. Under the terms of the Plan, options may be offered to the Company's eligible employees at no cost unless otherwise determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as an incentive to

achieve greater success for the Company and to maximise the long term performance of the Company.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	2015/16	2014/15	2013/14
Gregory English	\$42,431	Nil	-
David Shearwood	\$326,219	\$25,093	-
Justyn Peters	\$355,875	\$43,800	-

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a director of the Company. The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

7.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Watsons Lawyers has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Watsons Lawyers \$5,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Watsons Lawyers has been paid fees totalling \$16,600 (excluding GST and disbursements) for legal services provided to the Company.

7.8 Consents

Each of the parties referred to in this Section 7.7:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus, or on which any statement made in this Prospectus is based, other than those referred to in this Section; and
- (c) to the maximum extent permitted by law, expressly disclaims any liability and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Watsons Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Watsons Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

7.9 Directors consent

Each Director has consented in writing to any statements included in this Prospectus attributed to, or said to be based on, a statement by them, or the Directors or the Company and has not withdrawn that consent.

7.10 Broker handling fees

No handling fees are payable in connection with the Offers.

7.11 Estimated expenses of Offers

The total expenses of the Offers are estimated to be approximately \$32,506 as follows:

Expense	(\$)
ASIC Fees	2,320
ASX Fees	18,176
Legal Fees	5,500
Miscellaneous, printing and other expenses	6,510
Total	32,506

The estimated expenses will be paid out of the Company's existing cash reserves.

7.12 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus and you are entitled to participate in the Offers or either one of the Offers, please ensure that you have received the entire Prospectus accompanied by the Application Form or Share Application Form (as applicable). If you have not, please phone the Company on 08 8132 9104 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form or Share Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form or Share Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.13 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.14 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.15 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Option or Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.16 Privacy Act

If you complete an application for securities offered under this Prospectus, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a security holder, facilitate distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for securities offered under this Prospectus, the Company may not be able to accept or process your Application Form or Share Application Form.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



David Shearwood
Managing Director
For and on behalf of
LEIGH CREEK ENERGY LIMITED

9. **DEFINITIONS**

\$ means Australian dollars.

ACST means Australian Central Standard Time as observed in South Australia.

Application Form means an application form either attached to or accompanying this Prospectus and relating to the Options Offer.

ARP TriEnergy means ARP TriEnergy Pty Ltd (ACN 146 966 305), the Company's wholly owned subsidiary.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means Leigh Creek Energy Limited (ACN 107 531 822).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Participant has the meaning given in Section 2.2 of this Prospectus.

LCEP means the Company's 'Leigh Creek Energy Project' for developing commercial quantities of gas, located in central South Australia, 550km north of Adelaide.

Offers means the Options Offer and the Share Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offers as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

option means an option to acquire a Share, unless the context requires otherwise.

Option means an option exercisable at \$0.50 on or before the date that is 2 years from the date of its issue and otherwise having the terms set out in Section 5.1 of this Prospectus.

Optionholder means a holder of an option.

Options Offer means the offer of Options described in Section 3.1 of this Prospectus.

Placement means the placement of 35,894,999 Shares to sophisticated, professional and other investors at a price of \$0.30 per Share completed by the Company, and announced to ASX, on 28 April 2016.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Share Offer means the offer of a Share described in Section 3.1 of this Prospectus.

Share Offer Application Form means an application form either attached to or accompanying this Prospectus and relating to the Share Offer.

Share Registry means Computershare Investor Services Pty Ltd (ABN 48078279277).

Shareholder means a shareholder of the Company.