



16 January 2018

ASX ANNOUNCEMENT (ASX:LCK)

Approvals and Drilling Program Progress

- **Approval documents submitted to Regulator for assessment**
- **Public consultation of regulatory approval documents to conclude end of February 2018**
- **Additional Drill Program to be completed this week**
- **On target for operation of Demonstration plant**

Leigh Creek Energy Limited (ASX: LCK) (“LCK” or “the Company”) is pleased to provide its shareholders and the market with an update to the market on the approval process for the Pre-Commercial Demonstration stage (PCD), and significant progress with its additional Drilling Program for the Leigh Creek Energy Project (LCEP).

PCD Approval

The public consultation period for the demonstration phase of the Leigh Creek Energy Project (LCEP) has now commenced and will conclude at the end of February 2018.

As an outcome of the drilling program outlined below, LCK has secured sufficient additional geotechnical information to update the Environmental Impact Report (EIR) and companion document, the Draft Statement of Environmental Objectives (SEO), together constituting the approval documents for the LCEP PCD.

LCK delivered the completed documents to the Energy and Resources Division – Department of Premier and Cabinet (“the Regulator”) in December 2017. The Regulator has commenced its assessment process, which includes a statutory 30 business day public consultation period that concludes at the end of February 2018.

During this period, the public is invited to engage with LCK on matters pertaining to the approval documents, which are available through the Department of Premier and Cabinet, or at:

<http://www.lcke.com.au/Corporate-Responsibility/Environment>

In addition to the Company’s extensive and continued stakeholder engagement efforts, LCK will continue to engage with stakeholders during the assessment period, and for the life of the project.

Drilling Program

LCK announced in its September 2017 Quarterly Report (30 October 2017) that it would be undertaking a program of additional drilling to secure geotechnical information required by the Regulator to augment existing information. This program commenced in early December 2017 and is expected to be completed this week.

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Exploration rig on site at the LCEP

The scope and objectives of this program are to:

- Drill three holes – two holes to provide further geological information requested by the Regulator and needed for the EIR, and a third hole to confirm design criteria for the PCD gasifier; and
- Reaffirm that no geological structures exist in proximity to the intended PCD gasifier location that could adversely affect the containment of ISG reactions.

LCK is pleased to report that the first two holes have been completed and the final hole will be completed this week. This has enabled the Company to provide the Regulator with additional geological data so it can fully assess the suitability of the proposed PCD site. Significantly, LCK has reaffirmed that there are no significant geological structures in proximity to the intended PCD Gasifier location.

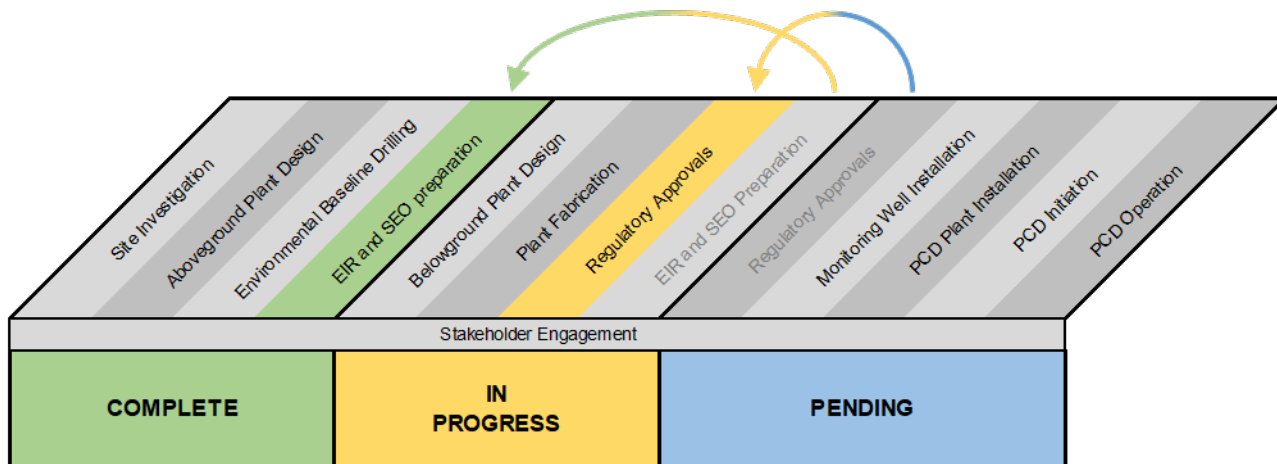


Drill rig on site at the LCEP

SUMMARY

The Company believes that successful PCD approval and operations are significant milestones in its progress to commercialisation.

LCK's focus has been on continued work towards demonstration gas operations (PCD). Current and expected progress is represented in the following graphic:



Commenting on the announcement, LCK Managing Director Phil Staveley commented: *“We at LCK are excited to have passed another significant milestone, being the completion of approval documents for the LCEP PCD. Providing the Regulator with these documents in a timely manner has initiated the formal assessment process, a key step in the pathway to approval for PCD operations. Public consultation is an important component of the approval process. Notwithstanding our very extensive and comprehensive stakeholder engagement efforts to date, LCK is continuing to engage with stakeholders in regard to the approval documents and LCK’s PCD operations at Leigh Creek.”*

For further information, please contact:

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About Leigh Creek Energy

Leigh Creek Energy Limited (**LCK**) is an emerging gas company focused on developing its Leigh Creek Energy Project (**LCEP**), located in South Australia. The LCEP will produce high value products such as electricity, methane (synthetic natural gas) and ammonium nitrate products (fertiliser and industrial explosives) from the remnant coal resources at Leigh Creek, utilising In Situ Gasification (**ISG**) technologies, and will provide long term stability and economic development opportunities to the communities of the Upper Spencer Gulf, northern Flinders Ranges and South Australia.

The Company is committed to developing the LCEP using a best practice approach to mitigate the technical, environmental and financial project risks.

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