

Tuesday, 29 May 2018: ASX ANNOUNCEMENT (ASX: LCK)

## LCK moves closer to first gas

- **Activity Notification for drilling of ISG Process Wells has been approved**
- **Site construction activities commenced and on schedule**
- **PCD operations (first gas flow) expected Q3 2018**

Leigh Creek Energy Limited (ASX: LCK) (“LCK” or “the Company”) is pleased to announce that it has received the second of the three Activity Notifications (AN) required to move towards demonstrating gas flow at the Pre-Commercial Demonstration (PCD) stage of the Leigh Creek Energy Project (LCEP).



*Drilling rig installing wells at Leigh Creek site*

### Managing Director’s comments

LCK Managing Director Phil Staveley commented: *“Site construction mobilisation activities commenced immediately after approval of the first AN, and are on schedule. LCK and its drilling contractor will now commence drilling the ISG Process Wells, and progress towards planned gas operations in quarter 3 2018, unlocking a significant energy resource in South Australia.”*

### Activity Notification process

Following approval of the Statement of Environmental Objectives (SEO) for the LCEP PCD on 19 April 2018, the Company submitted each of the three AN submissions to the Regulator.

AN's are required to advise the Regulator of the specific activities that will be undertaken under the framework of the SEO. The ANs submitted are for the following activities:

1. **PCD Aboveground plant construction** **APPROVED**
2. **PCD Process well drilling** **APPROVED**
3. PCD Operations including operating, decommissioning and monitoring

LCK and its contractors were able to commence activities for the assembly of PCD modules and supporting services and equipment immediately after approval of the first AN. This schedule is on target and is expected to take approximately 8 weeks to complete from approval.

With the AN for Process Well Drilling now received, three process wells will be drilled to service the underground ISG chamber. This is a scheduled 4-5 week activity that will commence immediately and is concurrent with other site operations.

### Production of First Gas

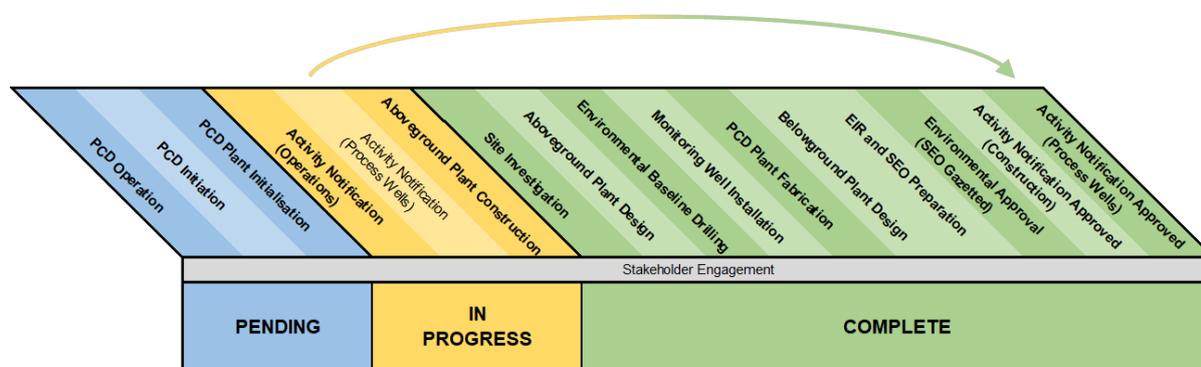
Once the final AN has been obtained the PCD can be operated, representing first gas flow at Leigh Creek.

### Summary

The PCD approval and operations are significant milestones in LCK's progress to commercialisation.

LCK is progressing toward its immediate objective of demonstrating gas flow from its 2,963.9PJ 2C resource, with a portion of its 2C resource expected to be upgraded to a 2P reserve.

Current and expected progress is represented in the following graphic:



Over the coming weeks we will regularly advise our shareholders and the market of our progress and the anticipated date of first Gas Production as well as other important announcements.

### Reappointment of Executive Chairman

The Company is also pleased to announce that it has reappointed its Executive Chairman, Justyn Peters. The Board is very pleased that Mr Peters will continue in his current role at the Company. The reappointment of Mr Peters is ongoing with no fixed term. The key terms of his contract remain unchanged.

## Leigh Creek Energy – poised for growth

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**About Leigh Creek Energy**

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

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

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

**Resource Compliance Statement**

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