



19 April 2018

ASX ANNOUNCEMENT (ASX:LCK)

LCK receives Environmental Approval

- **Statement of Environmental Objectives (SEO) gazetted by South Australia’s Regulator for Pre-Commercial Demonstration (PCD) Operations at Leigh Creek**

Leigh Creek Energy Limited (ASX: LCK) (“LCK” or “the Company”) is pleased to announce that it has received Statement of Environmental Objectives (SEO) approval for the Pre-Commercial Demonstration (PCD) stage of the Leigh Creek Energy Project (LCEP).

PCD Approval Process

Under South Australian Petroleum and Geothermal Energy regulations, any regulated activities must have an approved SEO in place with which they comply, prepared on the basis of an Environmental Impact Report (EIR).

After extensive investigation and consultation by the South Australian government the SEO for the PCD has now been completed and gazetted. The SEO for the LCEP PCD was approved by the Minister for Mining and Energy, and gazetted on Thursday, 19 April 2018. This constitutes the environmental approval for PCD operations, and follows the completion of the public consultation stage for the PCD.

Prior to commencing on-site works, LCK must now submit its activity notifications (AN’s). The AN’s are required to advise the Regulator of the specific activities that will be undertaken under the framework of the SEO. LCK expects the AN processes to be completed promptly with updates to be provided in due course.

Next Stages

LCK intends to submit three separate AN’s to the Regulator for the following phases of the PCD:

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

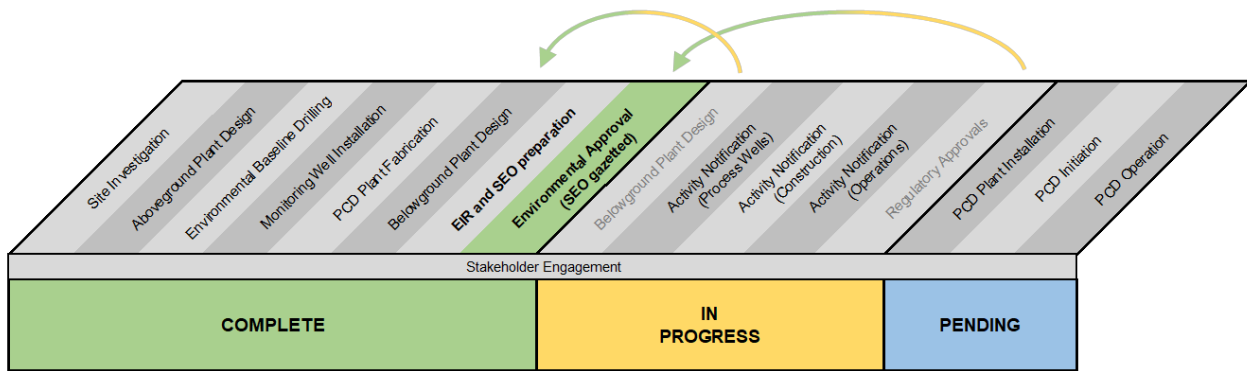
Following completion of the first 2 phases and AN for PCD operations, LCK will operate the PCD for 60 – 90 days. The PCD aims to:

- Produce first gas from the ISG process at the LCEP;
- Demonstrate that LCK can operate the ISG gasifier safely and in an environmentally responsible manner;
- Provide information for the development of the commercial project; and
- Provide the information required for the review of the existing SPE-PRMS 2C 2,963.9 PJ resource and the likely partial conversion from contingent resources to reserves (refer ASX announcement 8 January 2016).

SUMMARY

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

LCK’s clear focus remains on continued work towards demonstration gas operations. Current and expected progress is represented in the following graphic:



Commenting on the announcement, LCK Managing Director Phil Staveley said: *“This outcome marks a major milestone and de-risking event in LCK’s history, and is one that the market has been keenly awaiting. It is truly exciting to be involved with this stage of LCK’s development. The upcoming operation of the PCD will represent another significant de-risking activity with operations planned to be followed shortly thereafter by the likely upgrading of a component of the company’s gas resource at Leigh Creek, from Contingent Resource to a Reserve. We look forward to providing ongoing updates to the market during the operational phase for the company.”*

For further information, please contact:

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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. 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.