Tuesday, 15 May 2018: ASX ANNOUNCEMENT (ASX:LCK)

Activity Notification Approved

- **Activity Notification for construction activity approved**
- **Site Operations scheduled to commence**
- **PCD operations (first gas flow) on target for Q3 calendar 2018**

Leigh Creek Energy Limited (ASX: LCK) ("LCK" or "the Company") is pleased to announce that it has received approval of the first of the three Activity Notifications (AN) required to commence its Pre-Commercial Demonstration (PCD) stage of the Leigh Creek Energy Project (LCEP).

Managing Director's comments

Commenting on the announcement, LCK Managing Director Phil Staveley said: *"Following approval of the first AN, LCK can now commence on site construction activities. This is a monumental moment for the Company as it moves towards its objective of being a key provider of energy in Australia."*

Activity Notification process

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

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; and
3. PCD Operations including operating, decommissioning and monitoring.

LCK and its contractors are scheduled to commence on site assembly and commissioning of PCD modules and supporting services and equipment next week. This is expected to take approximately 8 weeks. During this stage of the PCD, personnel will be in a range of accommodation in Leigh Creek and Copley, and at the on-site camp that will exist for the brief construction period.

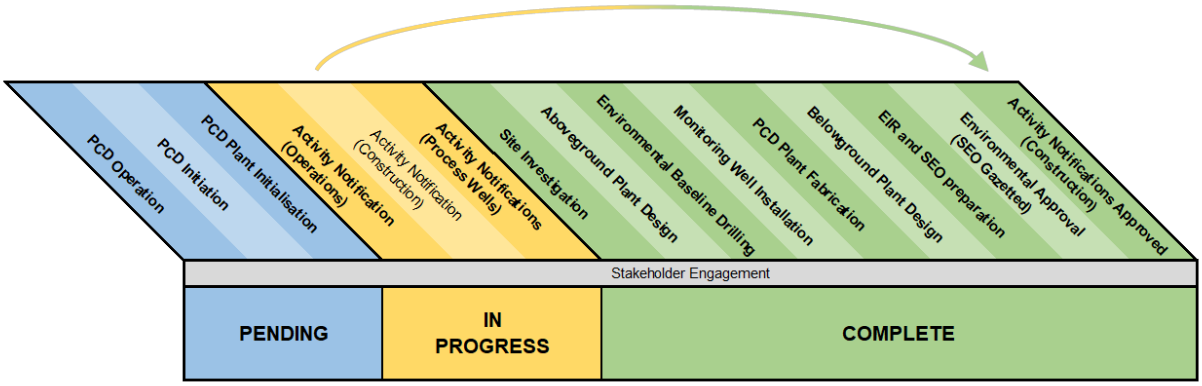
In conjunction with this activity, three process wells will be drilled to service the underground ISG chamber, on approval of the PCD Process well drilling AN. This activity is projected to last for 25 days.

Summary

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

LCK can now move towards its immediate objective of demonstrating gas flow from its 2,963.9PJ 2C resource, and the expected upgrade of a component of its 2C resource 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.

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. 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.