

Friday, 7 December 2018: ASX ANNOUNCEMENT (ASX: LCK)

Heads of Agreement with China Communications Construction Company Ltd

- **China Communications Construction Company Ltd (CCCC) to sign a Heads of Agreement with LCK**
- **CCCC to view LCK's Leigh Creek operations**

Leigh Creek Energy Limited (ASX: LCK) ("LCK" or "the Company") is pleased to announce that **China Communications Construction Company Ltd (CCCC)** have provided LCK with a draft Heads of Agreement (HoA), providing joint opportunities for investing in LCK and the Leigh Creek Energy Project (LCEP).

Executive Chairman's comments

LCK Executive Chairman Justyn Peters commented: "To have such an internationally renowned company in Adelaide is a great opportunity for LCK and the State to showcase the project. Active steps have been undertaken since our last announcement to bring this HoA and cooperation agreement with CCCC to fruition. It shows how significant world players are as excited as we are in developing this project. We look forward to hosting CCCC in the near future."

Heads of Agreement

The Company previously announced (ASX announcement 11 September 2018) that senior representatives of CCCC will be attending the site during the operations stage of the Pre-Commercial Demonstration at Leigh Creek, to view the syngas production currently underway. Other developments since this announcement are:

- Senior representatives of CCCC have monitored the progress of the demonstration facility and the continual operation since the 10th of October;
- CCCC have formed a new entity known as China Communications Construction New Energy, specifically for this project;
- Formal arrangements are underway for the CCCC visit such as invitations and visa approvals; and
- A final draft HoA has been developed by CCCC and LCK.

The draft HoA addresses:

1. Investment in LCK and project financing;
2. Design, construction and operation of LCEP;
3. Project consulting and planning;
4. A Special Vehicle Project (SPV) Company (or any other suitable corporate structure) to be considered to identify the best structure to deliver on the LCEP and other projects;
5. A project cooperation agreement to establish the best model to go forward on the LCEP, the specific details to be included in a SPV Agreement; and

6. That the parties will jointly seek opportunities to cooperate in the development of other infrastructure projects in South Australia such as ports and rail, which are both essential infrastructure assets for the distribution of fertiliser to markets (LCK announced on 20 November 2018 its plans to use syngas from the LCEP to produce fertiliser).

CCCC Company background information

CCCC is a publicly-traded, multinational engineering and construction company. Through its subsidiaries, CCCC has full Engineering, Procurement and Contracting (EPC) capabilities and actively pursues projects globally. CCCC has revenue of over US\$70 billion with over 118,000 employees. In 2006, the company listed its shares on the Hong Kong Stock Exchange, followed by a listing on the Shanghai Stock Exchange in 2012. CCCC now holds many subsidiaries, among them the John Holland Group (that CCCC acquired in 2015), which is an Australia-based construction company focused on infrastructure.

CCCC is Asia's largest international contractor and is:

- The world's largest port design and construction company;
- Has independently designed and constructed seven of the world's ten largest ports in terms of throughput;
- The world's largest offshore oil drilling platform design company; and
- Is ranked as the largest Chinese enterprise in terms of revenue from overseas projects.

CCCC is a state-owned enterprise in China and holds 63.8% of the company's shares. Other shareholders include multiple affiliates of (or funds managed by) Merrill Lynch, BlackRock and JPMorgan Chase.

<http://en.ccccltd.cn>

For further information contact:

Tony Lawry | Corporate and Investor Relations

T: +61 (0) 412 467 160 | E: tony.lawry@lcke.com.au

Ben Jones | Media and Communications Adviser

T: +61 419 292 672 | E: ben.jones@lcke.com.au

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 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.