

8 November 2021, ASX ANNOUNCEMENT (ASX:LCK)

Construction Update

Leigh Creek Energy Limited (“LCK” or “the Company”) provides this update on construction activity for the Leigh Creek Urea Project (LCUP).

Highlights

- Production of the Siemens power generators to supply power for LCUP Stage 1 operations is on track for completion early in 2022.
- The Company expects the generators to be shipped to Australia in January 2022.



LCUP syngas-fired power generator on the Siemens assembly line in Spain (Nov 2021)

LCK Managing Director Phil Staveley commented:

“The Siemens syngas-fired power generators are part of the onsite infrastructure for commercialisation of the \$2.3 billion Leigh Creek Energy Project (LCUP). We have received a production update from Siemens that the generators are progressing to plan through the production line build at the Siemens manufacturing facility in Spain. They will power site infrastructure, eliminate diesel generation, and enable commissioning of gasifiers.”

The LCUP intends being carbon neutral from 2022, likely the first large scale fertiliser project in the world to reach this milestone. This is possible because we have incorporated lower emissions and carbon neutrality into all areas of LCUP planning, from the start of construction through to full scale production as Australia's first fully integrated urea plant servicing local and export agriculture markets."

Stage 1 Long Lead Time Items - Generators

The Company has ordered the generators required for the upstream commercialisation of the LCUP. The Siemens generators, ordered from Drivetrain Australia in July 2021, are the first long lead items for the upstream commercialisation (Stage 1) of the LCUP. Drivetrain Australia expects the Siemens engines to arrive from Spain in early 2022, which aligns with LCK's plans to install them onsite.

The Board of Leigh Creek Energy Limited authorised this announcement to be given to the ASX.

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About the Leigh Creek Urea Project

The Leigh Creek Urea Project (LCUP) is Leigh Creek Energy's (ASX:LCK) flagship project, developing low-cost nitrogen-based fertiliser for local and export agriculture markets. Located in South Australia, 550 kilometres north of Adelaide, the LCUP will initially produce 1Mtpa (with potential to increase to 2Mtpa) of urea.

LCK has a comprehensive environment, social and governance strategy. It has produced syngas within all approved environmental parameters set by the regulator and will be **carbon neutral from 2022**.

The AUD 2.3 billion LCUP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia.

The LCUP will be the only fully integrated urea production facility in Australia, with all inputs for low carbon urea production on-site. Average nominal operating cost are forecast to be A\$109 per tonne which is within the lowest cost quartile of the global urea production cost curve. Pre-tax leveraged Net Present Value (NPV) is A\$3.4 billion, with an Internal Rate of Return (IRR) of 30%.

The LCUP will be developed in 2 commercial stages:

Stage 1 consists of:

1. Construction of gasification wells to provide energy (syngas) for the project; and
2. 5 MW gas fired power generation.

Stage 2 consists of:

1. Expansion of gasification fields;
2. 100MW gas fired power generation;
3. Ammonia facility;
4. Urea facility; and
5. Logistics, loading and transport.