

23 March 2022



Appointment of PwC as Strategic Debt Advisor

Leigh Creek Energy Limited (“LCK”) advises of recent progress on the debt funding strategy for its carbon neutral urea manufacturing facility in South Australia.

Initial Bankable Feasibility Study

LCK is producing an initial Bankable Feasibility Study (BFS) to progress funding of its Leigh Creek Urea Project (LCUP). Typically, the financing period for a project commences upon completion of a final Bankable Feasibility Study (BFS) and a Final Investment Decision (FID) being taken by the company.

The initial BFS will be further refined during the remaining period of Front End Engineering Design (FEED) and updated to produce a final BFS (scheduled for the end of this year). This entire body of work is being conducted independently by NexantECA.

The Board of LCK has determined the initial BFS will be used throughout this year to accelerate sourcing of the required finance for the construction phase of the project, significantly reducing the time involved in securing full funding. The decision has been made to appoint a senior adviser to advise and assist in securing the LCK component of all funding requirements for the LCUP construction.

It is expected that the Initial BFS will show a sufficiently compelling case for the LCUP and that this will enable banks to progress their due diligence programmes in expectation of the final BFS completion.

Strategic Advisor

As the initial BFS on the LCUP is due to be produced in the first quarter of CY2022 the process of securing the project funding has commenced.

The first stage in securing funding is the appointment of an experienced and suitable strategic debt advisor. For this role LCK has appointed PwC which will assist in providing advice, from the selection of an appropriate investment bank as a first step, through to final settlement.

Managing Directors Comment

LCK Managing Director Phil Staveley commented “Adding PwC to the world class team of consultants and contractors working on LCUP is not only a reflection of the size and quality of the underlying project but provides further confidence to our investors and stakeholders that the project is moving rapidly towards construction.”

This announcement has been authorised by the Board of Leigh Creek Energy.

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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 high-quality nitrogen-based fertiliser for local and export agriculture markets using its proprietary Syngas technology. 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. LCK is a signatory to the United Nations Global Compact and is proud to have brought forward its carbon neutral status to 2022. LCK has achieved this in the pre-production period by purchasing offsets from accredited international carbon farming projects. In the longer term the project will inherently be carbon neutral as most of the CO₂ it produces will be used in the production of urea and any excess will be sequestered.

The 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.