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Key Engineering Contract to Accelerate Development of the Leigh Creek Energy Project

First PCD contract awarded for design of Thermal Oxidiser and Cold Vent Package

- First contract awarded for Leigh Creek Energy Project to leading engineering company Gasco
- Equipment award represents a significant milestone towards accelerating development
- Gasco contract complements Leigh Creek's high-level specialist in-house engineering expertise

South Australian Energy Company, Leigh Creek Energy Limited (ASX: LCK) ("Leigh Creek Energy" or "the Company"), is pleased to confirm that it has awarded its first contract for the Pre Commercial Demonstration (PCD) plant for the Leigh Creek Energy Project (LCEP) in South Australia.

Following an extensive tender process, LCK has awarded the contract for the design of the Thermal Oxidiser and Cold Vent package to Gasco Pty Ltd, a leading combustion and process engineering company. The Thermal Oxidiser will dispose of syngas and associated condensate products produced during the precommercial stage of the LCEP. The Cold Vent (or Safety Vent) is only used operationally for short periods or for safety assurance, and is the system's safety pressure release valve. Gasco will design and fabricate the thermal oxidiser and cold vent in Australia.

Using the same supplier for both Thermal Oxidiser and Cold Vent has created several efficiencies and cost savings, and minimises mobilisation costs for installation supervision and commissioning work on site. The PCD plant will operate under appropriate license and regulator conditions.

Commenting on the announcement Mr Justyn Peters (Executive Chairman) said: "The awarding of this first contract is an exciting milestone in the development of the Leigh Creek Energy Project in South Australia, as we look to develop the LCEP to benefit all stakeholders. Our in house engineering team has worked very hard and in a meticulous manner to ensure that this project is developed to a very high standard by leading engineering professionals and we are delighted to be accelerating development, making the most of the opportunities presented."

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Pre-Commercial Demonstration Plant

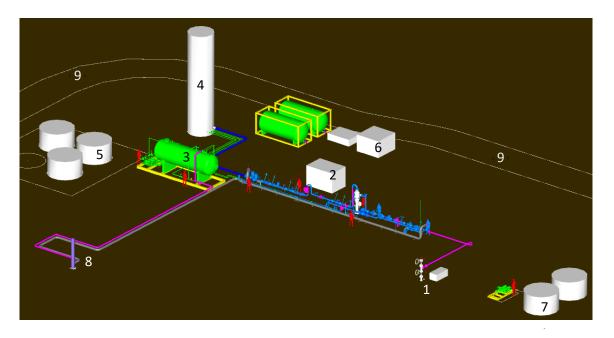


Figure 1: Indicative view of the PCD plant components

Demonstration components (annotated above) include:

- 1. Production well
- 2. Gas analyser
- 3. Condensate separation tank
- 4. Thermal oxidiser
- 5. Condensate buffer tanks
- 6. Generators and diesel storage
- 7. Water injection facility
- 8. Cold Vent/Safety Vent
- 9. Access Road

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About Leigh Creek Energy

Leigh Creek Energy Limited (**LCK**) is an emerging gas 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 and fertiliser from the remnant coal resources at Leigh Creek utilising In Situ Gasification (**ISG**) technologies, and will provide long term growth and opportunities to the communities of the 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.