



19 November 2015

Manager Companies
Companies Announcements Office
Australian Stock Exchange Limited

LEIGH CREEK ENERGY LIMITED (ASX: LCK)

Chairman's Address to the Leigh Creek Energy Limited Annual General Meeting 2015

Ladies and Gentlemen, thank you for your attendance today and for your continued support of Leigh Creek Energy Limited (LCK) over the last 12 months. For many of you, your support of the Company has been for much longer, and we appreciate your continued support. It is important that I take this opportunity to thank several people for the work they have undertaken on behalf of the Company over many years.

This is my first Annual General Meeting (AGM) as LCK Chairman. A lot of changes have taken place in our Company and I wish to highlight a few of them.

The acquisition of the Leigh Creek Energy Project was approved in May 2015. This heralded a change in direction of the Company from that of a uranium explorer to a gas and energy developer. To make that transition complete we changed the name of the Company to Leigh Creek Energy (LCK) to better reflect our flagship project.

Over the last 6 months we have seen major changes to staff growing from 3 to 21 and to the board of LCK. Most of the former Marathon staff have either retired or moved on to other positions outside the Company. We have moved into the Adelaide Central Business District to have a higher profile and to be near many of our stakeholders. The previous Managing Director, Dr Shad Linley, the previous Non-executive Chairman Peter Williams, and the previous Non-executive Director Christopher Schacht, all stepped down from the board. Sam Appleyard also retired from the position of Company Secretary. I want to thank them for their tireless efforts to ensure that they developed a project that would ultimately return value to the shareholders of LCK and we wish them the best of health and future success in all of their endeavours.

We have also seen the appointment of Greg English to the Board. Greg is an experienced mining engineer and lawyer with over 25 years of involvement in the resources industry. As a mining engineer he has worked on underground and open pit coal mines, including working as a mining engineer at the Leigh Creek Coalfield where he lived in the Leigh Creek town. As a lawyer Greg has acted for numerous oil and gas companies and advised on numerous gas marketing, gas transportation and similar transactions. Greg's experience in the coal industry, and in particular his knowledge of the Leigh Creek Coalfield, and experience and contacts in the oil and gas industry will complement the skills of the board.

Greg is a great addition to the board as an independent director and we look forward over the coming year to further expand the non-executive directors to a majority representation on the board. There are many good candidates to expand the board, but we feel it is extremely important that the additions to the board add to our ability to build a larger organization and reflect the gas and energy focus of the company.

I also want to take this opportunity to thank one of our shareholders. We are fortunate at LCK to have loyal and positive shareholders at LCK. George Kwitko is one of our shareholders who has been of great assistance and an example to all of us in LCK. It is not an exaggeration to say that George's knowledge of resources in South Australia is legendary both within the resource sector and also within the Government. George was aware of the existence of a large amount of drilling data that existed on the Leigh Creek Coalfield, but could not be located. George tracked down this data and provided it to our Geological Team. The provision of the drilling data to our team has saved us many months of work and millions in drilling costs.

As in most things in life, timing is extremely important. We have seen a major contraction in commodity prices. Coal and iron ore producers and explorers are feeling this more than any other sector. LCK is now firmly positioned in the gas and energy sector. The gas sector in particular is experiencing rapid growth flowing from the construction of the new LNG facilities on the East Coast. The growth offers opportunities for new players such as LCK.

With regard to these gas markets, there are many external indicators that clearly demonstrate that the gas market is changing and adapting and also expanding. There have been countless articles in the major press in Australia over the last few months that have highlighted the issues facing the gas markets in Australia. These articles have been predominantly focused on the challenges of meeting the demand for gas which is in the process of tripling. In an attempt to put the magnitude of this issue in context, the Australian newspaper reported recently that over \$15b of investment in the gas industry in Australia was needed just to meet demand.

Ongoing M&A activity reflects the changing landscape of the industry. We are seeing the transaction between Arrow Energy and British Gas play out with the regulators. Beach Energy and Drillsearch Energy are going through a merger process. SANTOS has rejected a proposal to buy the company and is in the middle of refinancing and restructuring its business. Queensland Investment Corporation just purchased EnergyAustralia's IONA Gas Plant for storage of 27 PJ of gas for \$1.78b, and only this week the new \$800m gas pipeline from Tennant Creek to Mt Isa was announced. LCK is well positioned from a timing point of view to put ourselves front and centre in this market.

I also want to point out a few of the issues that we are dealing with and some of the milestones we will achieve this year.

The closure of the Leigh Creek Coalfield

As has been well publicised in the press, Alinta Energy closed the mining of coal at Leigh Creek this week. Whilst this has caused considerable concern for the residents of Leigh Creek, the closure provides LCK with opportunities and alternatives that need to be fully explored, with the retention of infrastructure at the mine site still to be resolved.

In addition we have now had a number of meetings with stakeholders including the Government, the local indigenous community and the residents of Leigh Creek and Copley. The level of encouragement and support for our project by these communities has been greatly appreciated and we really look forward to being able to be part of the long term future of both Leigh Creek and Copley.

Achieving a resource estimate.

We are now in a position where we believe we will have a complete coal and then gas resource estimate (in accordance with the JORC Code 2012 and Petroleum and Resource Management System (PRMS)) before the end of the 2015.

This is extremely important for our gas marketing process, as we will have 3rd party validation of both our coal and gas resources to underpin gas contracts and gas sales.

Staff and team building

One of the achievements that I am most proud of is the employment of young enthusiastic staff. We have seen great growth in the company over the last 12 months. We have gone from a core group of 3 people to nearly 21.

One of most important people to have joined the company was through the recruitment of Justin Haines, one of the most experienced ISG engineers in Australia and the world. Justin joined the company as head of ISG and his knowledge, enthusiasm, and optimism has set a great example to the young team he has around him.

Our team of executives, geologists, safety officers, accounting and information technology, engineers and analysts will all have a very busy year ahead of them.

South Australian Government

The SA Government and especially the Department of State Development have provided us with every assistance we have needed, and have always been available to listen and been willing to guide us through the regulatory process. We look forward to this continuing in order to achieve a great outcome for LCK, Leigh Creek and Copley and for South Australia.

Finances

I am pleased to be able to announce that we have received the first tranche of just over \$700 for the sale of approximately 3.5m of the 15m treasury shares at a price of 20c. We also have been provided with 2 term sheets for the purchase of the balance of the treasury shares and we are still in discussion with those two parties.

EAS Advisors

We recently appointed EAS Advisors based in New York as our strategic advisors. Their knowledge of the Oil, Gas and Energy markets in Australia and the United States is outstanding. Of most importance to LCK is their track record of success with the companies they work with. Their track record in supporting, assisting in financing, and providing advice, is in our opinion without equal in this sector. We look forward to working closely with them over the next few years.

Future of LCK

I am extremely bullish on the future of LCK. We will soon have resource estimates that confirm our gas resources. We are financially secure with many options open to us for future funding. Let there be no doubt that there is a huge amount of international interest in what we are doing in South Australia.

We are building a strong team of both in house expertise, and external contractors and advisors to move us towards commercial success and we at LCK look forward to updating you as shareholder and the market in general over the next 12 months. Once again thank you for your support and for being here today.

Justyn Peters
Executive Chairman
Leigh Creek Energy

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 methane and fertiliser from the remnant coal resources at Leigh Creek utilising In Situ Gasification 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 to as low as can be reasonably achieved.