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## **South Australian Power Project continues to move forward**

- **Confirmed commitment to the development of gas fired power station**
- **Scope broadened to include renewable power supply**

South Australian energy company, Leigh Creek Energy Limited (ASX: LCK) (“Leigh Creek Energy” or “the Company”), is pleased to provide an update on its power generation project.

The Company announced on 6 April 2016 that it had completed a Heads of Agreement (“HoA”) with Shanghai Electric Power Generation Group (“Shanghai Electric”), relating to the joint development of a gas fired power station in South Australia. This HoA formally expires in March 2017 but following the recent letter from the President of Shanghai Electric it is expected to be extended.

Both LCK and Shanghai Electric are committed to this process with the President of Shanghai Electric this week reconfirming in writing Shanghai Electric’s commitment to further develop the project with LCK which has the potential to augment a stable long term base load power supply for South Australia.

Whilst the initial concept of the HoA was the development of a gas fired power station, this scope has now been widened as Shanghai Electric has expressed its desire to expand the project to include a combination of gas and high efficiency coal fired power with solar and/or wind power.

This development is a specific response to provide a medium and long term solution to the power issues in South Australia. Future studies will be broadened to reflect this expanded scope. The combination of gas, high efficiency coal and solar/wind power effectively creates a low emissions baseload energy supply for South Australia.

*Commenting on the announcement Mr Phil Staveley (CEO of LCK) said: “This reconfirmation of the desire of LCK and Shanghai Electric to cooperate and partner on a major power generation project in South Australia to provide baseload power capability could never be more important to South Australia as it is now. The ongoing development of this significant infrastructure project continues to mature as we move to deliver a low carbon emission and long term, reliable power supply option for South Australia.”*



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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.*

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