

Thursday, 3 May 2018:

ASX ANNOUNCEMENT (ASX:LCK)

LCEP Fabrication Update

- **Workshop fabrication of PCD modules complete**
- **PCD operations on target for quarter 3 calendar 2018**

Leigh Creek Energy Limited (ASX: LCK) (“LCK” or “the Company”) is pleased to provide an update to the market on progress with installing plant and equipment required for the Pre-Commercial Demonstration (PCD) stage of the Leigh Creek Energy Project (LCEP).

Fabrication Update

Aboveground Plant Construction

The aboveground plant workshop fabrication by Ottoway Engineering and other contractors is complete and is ready for mobilisation and final site fabrication. Once the Activity Notification (AN) process is completed, LCK and its contractors will commence on site installation of PCD modules (photos below) and supporting services and equipment. Site installation is expected to take approximately 8 weeks. The images below show various PCD modules including the Separator Vessel, Modularised Syngas control valves and the ABB supplied Gas Analysis Package.



Separator Vessel

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Modularised Syngas control valves



ABB supplied Gas Analysis Package

In conjunction with the aboveground plant construction activities, three process wells will be drilled to service the underground ISG chamber. Completion of these process wells will utilise the same drill rig used for some of the earlier monitoring wells, which has remained on site at no cost to LCK during the environmental approval and AN processes.

Pre-Commercial Demonstration Stage

Following completion of the AN process, LCK will operate the PCD for 60 – 90 days. The PCD will:

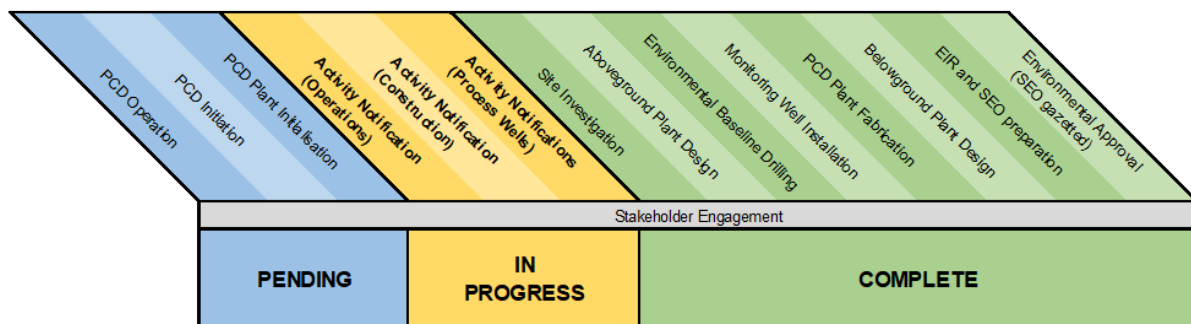
1. Produce first gas from the ISG process at the LCEP;
2. Demonstrate that LCK can operate the ISG gasifier safely and in an environmentally responsible manner;
3. Provide information for the development of the commercial project; and
4. Provide the information required for the review of the existing SPE-PRMS 2C 2,963.9PJ resource and the expected partial conversion from contingent resources to reserves (refer ASX announcement 8 January 2016).

PCD operations are the next major phase of the PCD. LCK is planning to first operate the PCD in Q3 Calendar 2018.

Summary

The PCD approval and operations are significant milestones in LCK's progress to commercialisation.

LCK's clear focus remains on continued work towards demonstration gas operations. Current and expected progress is represented in the following graphic:



Commenting on the announcement, LCK Managing Director Phil Staveley said: "Now that LCK has completed workshop fabrication of the PCD modules and once the AN process is completed, we expect to be mobilising on site resources immediately. The operation of the PCD represents another significant de-risking activity. PCD operations will be followed shortly thereafter by the likely upgrading of a component of the Company's gas resource at Leigh Creek, from Contingent Resource to a Reserve. This will confirm a significant new supply of valuable and critically required energy for eastern Australia. We look forward to providing ongoing updates to the market during this operational phase for the company."

Leigh Creek Energy – poised for growth

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About Leigh Creek Energy

Leigh Creek Energy Limited (LCK) is an emerging energy 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 (synthetic natural gas) and ammonium nitrate products (fertiliser and industrial explosives) from the remnant coal resources at Leigh Creek, utilising In Situ Gasification (ISG) technologies, and will provide long term stability and economic development opportunities to the communities of the Upper Spencer Gulf, 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.

LCK acknowledges and respects the Adnyamathanha people, the Traditional Owners of the land on which its operations occur and pays its respects to their Elders past and present.

Resource Compliance Statement

The information in this announcement that relates to the 2C Contingent Syngas Resource was detailed in an announcement lodged with ASX on 8 January 2016 and is available to view at www.lcke.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. All estimates are based on the deterministic method for estimation of petroleum resources.

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