



1 February 2019

Mr Michael Malavazos
Director Engineering Operations
Energy Resources Division
Department for Energy and Mining
GPO Box 320, Adelaide SA 5001

Dear Michael

Leigh Creek Energy Project: Request for Extension of PCD Trail under Section 27

I refer to your letter dated 7 November 2018 approving 4-week suspension of the 3-month production period of the Pre Commercial Demonstration (PCD) in PEL 650 which now expires on 7th February 2019.

At this stage the PCD is still in its commissioning (or “ramp-up”) stage as defined in the our ISG Demonstration Plant Environmental Impact Report (EIR) April 2018.

We have confirmed commercial grade syngas, but have yet to reach sustained gas flow rates for a sufficient time to evaluate sustainable and consistent environmental, safety and technical performance of the PCD as required by the Statement of Environmental Objectives (SEO) April 2018.

No timeframe was stipulated in the EIR for the commissioning stage of the PCD and therefore we request that a 3-month extension of the production period is approved under Section 27(3) of the Petroleum and Geothermal Energy Act 2000. During this time it is expected that the gasifier develops and progresses through the commissioning stage to the operating stage with commercial flow rates of up to 18,000 standard cubic meters per hour (Sm³/h) before starting the 60 to 90 day period which is defined as the “operations” phase.

The EIR states that, for the operations phase:

“Once commissioning is completed and gasification has commenced, the demonstration plant will be operated continuously for a period of approximately 2-3 months.” (Section 3.8 of EIR).

As discussed and in accordance with the EIR/SEO, LCK will notify you within 24 hours of completion of the commissioning phase of the PCD when the 60 to 90 day timeframe for the operation and test plan regime will commence.

At this stage it is difficult to predict when the operations phase is likely to commence due to constraints on development of the gasifier.



Please contact Cristian Bolda, GM Operations or Justin Haines, GM Technical in the first instance if you have any queries or would like any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P Staveley'.

Mr Phil Staveley

Managing Director