

15 June 2021, ASX ANNOUNCEMENT (ASX:LCK)



\$18 million Capital Raising

Leigh Creek Energy Limited (ASX:LCK) has raised \$18 million to progress Stage 1 of the Leigh Creek Energy Project.

Highlights

- The \$18 million capital injection will be used to progress Stage 1 of the Leigh Creek Energy Project to production of commercial syngas and power generation
- The placement was supported by several Australian and global institutions
- The placement will be issued at \$0.18 per share with a one for one attaching 28c option expiring in three years subject to shareholder approval
- Evolution Capital Advisors acted as Lead Manager to the placement

LCK Managing Director Phil Staveley commented on the capital raising:

"This \$18 million capital injection will enable LCK to continue to move forward with Stage 1 of our flagship project with added confidence and puts us one step closer to our goal of building a plant at Leigh Creek which can deliver urea into the Australian and overseas markets.

The opportunity presented by this capital raise means we can immediately focus all our resources and attention on driving forward the commercial stages of the project.

In the coming weeks we expect to execute the final agreement for engineering, procurement, construction and completion of the urea plant with Korean giant, DL E&C and offer further equity to our existing, loyal shareholders."

Terms of the Placement

Placement shares will be issued at \$0.18 per share with an attaching unlisted option exercisable at \$0.28 within the next three years. Issue of the options will require shareholder approval. The placement price represents a 20% discount to the last trading price of \$0.225 prior to the placement and a 21.6% discount to the 5 day VWAP.

Evolution Capital Advisors Pty Ltd ('Evolution') acted as Lead Manager to the Placement. Evolution is to receive a 6% fee on funds raised plus 10,000,000 options exercisable at \$0.28 expiring in three years, subject to shareholder approval.

Use of Funds

Funds raised will be used to progress Stage 1 of the Leigh Creek Energy Project towards production of commercial syngas and power generation.

It is anticipated that funds will be allocated as follows:

Uses of Funds	\$ Million
Acquisition of 3D seismic	1.0
Drilling and construction of gasifier chambers	6.5
Acquisition of power generation infrastructure	6.0
General Working Capital	4.5
Total	18

The updated corporate presentation accompanying this release further outlines the Company's strategy, objectives and near-term activities.

The Board of Leigh Creek Energy Limited authorised this announcement to be given to the ASX.

Further information:

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About Leigh Creek Energy

The Leigh Creek Energy Project (LCEP) is Leigh Creek Energy's (ASX:LCK) flagship project, developing low-cost nitrogen-based fertiliser for local and export agriculture markets. Located in South Australia, 550km north of Adelaide, the LCEP will initially produce 1Mtpa (with potential to increase to 2Mtpa) of urea using LCK's 1,153PJ 2P gas reserves.

The \$2.6 billion LCEP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia.

The LCEP will be the only fully integrated urea production facility in Australia, with all inputs for low carbon urea production on-site. Average nominal operating cost will be \$109/tonne - within the lowest cost quartile of the global urea production cost curve. Pre-tax leveraged Net Present Value (NPV) is A\$3.4 billion, with an Internal Rate of Return (IRR) of 30%.

LCK has a comprehensive environment, social and governance strategy. It has produced syngas within all approved environmental parameters set by the regulator and will be carbon neutral by 2030.

For information on the ISG process [CLICK](#)

Resource Compliance Statement

The information in this announcement that relates to the 2P Syngas Reserve was detailed in an announcement lodged with ASX on 27 March 2019 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.