

Our ref: KKB:2003724
Your ref:



14 December 2017

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Dear Sir,

LEIGH CREEK ENERGY PROJECT (LCEP)

1. We refer to your letter dated 7 December 2017 addressed to my client, Leigh Creek Energy Limited (**LCK**).
2. We note your advice that your client, the William Light Foundation, is a not-for-profit association representing local interests in the Leigh Creek and Copley communities. LCK has recently conducted three community consultation in Copley to discuss its operations and ascertain the views and concerns of local people. These consultations were conducted on the following dates:
 - 27th June 2017(Copley Community Hall);
 - 28th August 2017 (Copley Community Hall); and
 - 29th November 2017(Copley Bakery)
3. We note that members of your client may have attended LCK's community consultation meetings yet not identified as members of your client and or cited any concerns. LCK would encourage your client to participate in any future consultation meetings should it maintain interest and concern.
4. In addition to community consultation, LCK has provided copies of its Environmental Impact Report (**EIR**) and Statement of Environmental Objectives (**SEO**) to various people who have made known their interest to LCK. We note that these people include the chairperson of the William Light Foundation, Mr Nigel Carney, in his personal capacity.

5. We confirm that in accordance with best practice, LCK has analysed data, technology, and methodology both nationally and internationally to develop its project model relative to the site presented within its Petroleum Exploration Licence (**PEL**) 650. In addition we confirm that LCK and its related entities have no corporate, legal or commercial relationship of any form with Linc Energy Ltd.
6. We note your advice of your client's preliminary view on the Environmental Impact Report (**EIR**) and Statement of Environmental Objectives (**SEO**). We reject any suggestion that these documents "*obfuscate, gloss or downplay the risks...*" The purpose of the EIR and SEO is to identify, assess and address all risks. LCK has undertaken rigorous engineering, environmental, water and cultural heritage assessments and community consultation to support approval of its activities pursuant to PEL 650. The evaluation of its EIR and SEO is ultimately a matter for the State government, through the Petroleum and Geothermal Division, within the Department of Premier and Cabinet (herein referred to as **the Regulator**).
7. LCK notes your client's separate correspondence dated 6 December 2017 to the Regulator. We understand that the Regulator intends to respond to your client to address the issues it has raised. This is likely to include address about the scope of the power of the *Petroleum and Geothermal Energy Act 2000 (SA)* (**PGA**) to support the current operations pursuant to PEL650.
8. We confirm that LCK is operating strictly in accordance with all approvals required pursuant to the PGA. LCK has not and will not undertake any activities other than in accordance with all required legal and regulatory approvals.
9. In relation to current status, we confirm that subject to the grant of all required approvals, LCK will continue with its current exploration program under PEL 650. Subject to the success of the proposed exploration program, the company will commence feasibility for a future project which will necessitate further assessment by the Regulator.

10. We refer lastly to your threat that in the event that LCK does not desist from further “drilling, flaring or similar activity” that you are instructed to apply to the Court for injunctive relief without further notice to us. We note that you have not particularised the activities nor linked them to any form of harm or loss. Your complaint about the state of LCK documentation, “*the high sensitivity now associated with UCG and any Linc-related project*” does not in our view constitute notice sufficient to determine the basis for purported injunctive relief. Given that LCK has and will only undertake operations in accordance with granted approvals, we are unable to identify the nature of the “issues” which you assert need to be “duly and properly resolved”.
11. In the event you seek to rely on your letter of 7 December 2017 to pursue an application for injunctive relief, LCK reserves all rights including the right to seek indemnity costs against your client.
12. We trust that the advice provided in this letter, combined with any response from the Regulator will allay your client’s concerns.

Yours sincerely



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