

Proposed Intermodal development of Leigh Creek rail infrastructure

Archer Exploration and Bowmans Intermodal have signed an agreement to identify opportunities to jointly progress the development of rail infrastructure at Leigh Creek to support Archer's Leigh Creek Project and a possible Bowmans Leigh Creek Intermodal Facility.

Archer's Leigh Creek Magnesite Project is located approximately 10km northwest of the Leigh Creek Coalfield and the Company is considering both rail and road transport solutions for the movement of magnesite ore from Leigh Creek.

Under the agreement Archer and Bowmans will work together to assess the feasibility of developing and sharing of rail infrastructure at Leigh Creek.

The agreement between Archer and Bowmans is designed to enhance project economics and unlock synergies between Archer's Leigh Creek Magnesite Project and Bowmans' proposed Leigh Creek Intermodal Facility.

The ability to align the infrastructure development strategies of both companies should help to facilitate economic growth in the Leigh Creek region as well as lead to reduced capital costs and lower operating costs, especially in relation to the transport of Archer's magnesite ore.

Commenting on the signing of the agreement, Archer's Chairman, Greg English said:

"Archer is pleased to have signed the agreement with Bowmans and is looking forward to working together to identify a shared

infrastructure solution."

"The work with Bowmans will enable Archer to finalise plans and costs for the ore rail solution and provide Archer with the information it needs to reach a decision on the best ore transport solution for Archer's Leigh Creek Magnesite Project.

"The agreement with Bowmans and the previous cooperation agreement signed with Leigh Creek Energy will allow Archer to develop the Leigh Creek magnesite Project in a more timely and cost effective way and meet the aggressive timelines we have set for ourselves."

Leigh Creek Intermodal is the proposed development of an intermodal (investment in the construction of hard stand and infrastructure) between the township of Leigh Creek and the mine to service the Cooper Basin Oil & Gas industry with a rail/road alternative to road transport.

Leigh Creek Intermodal will utilise the existing rail infrastructure in Leigh Creek and the Leigh Creek/Port Augusta rail line. Bowmans would operate trains between Adelaide and Bowmans to Leigh Creek and transfer imported and domestic freight that are inputs to the development of the oil and gas fields and operations.

The Leigh Creek Magnesite Project is located approximately 20 kilometres northwest of Leigh Creek Township, South Australia and is the world's largest cryptocrystalline magnesite deposit.

Archer has been developing the project with the results of a recent project study supporting a simple open pit mining operation, third party processing and the export of high quality caustic calcined magnesia and/or monolithic dead burn magnesia to overseas customers.

The small outback community, 550 kilometres north of Adelaide, was a service town for Alinta Energy's now-defunct coal mine, with the company providing many of the local services and recreational facilities.

Alinta closed its mine recently because it was shutting down the coal-fired power stations at Port Augusta, further south, but it promised it would maintain services for Leigh Creek until the middle of 2018.

The SA Government said it had been negotiated that the Outback Communities Authority (OCA) take over the operational management of the town and local services including street lighting and parks from next January.

