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CLEAN COAL PROJECT DECLARED A SIGNIFICANT PROJECT

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Queensland has taken a major step forward in the support for clean coal technology initiatives – and the international community is taking notice.

Brisbane-based clean coal technology leader and energy company, Linc Energy Ltd (ASX: LNC) has been advised that the Queensland Coordinator-General has declared Linc Energy's Underground Coal Gasification (UCG) project near Chinchilla, incorporating the Company's UCG gas to liquids proposal as well as its UCG gas turbine power generation, to be a "Significant Project for which an EIS is required".

Linc Energy's UCG process is based on technology, which has been used in Russia for nearly fifty years and Linc Energy has confirmed it is in discussions with a number of overseas parties about possible commercial opportunities.

Overseas interest appeared to impact on Linc Energy's share price, with a 30% rise earlier this month to 38 cents per share (after listing on the Stock Exchange at 25 cents per share last year).

Linc Energy Managing Director, Mr Peter Bond said "Linc Energy is delighted that the project has been declared to be a "Significant Project". This will provide Linc Energy with a coordinated approach to the comprehensive EIS process that Linc Energy will now undertake. We look forward to working with the Government through this process.

"Linc Energy plans to transform vast stranded coal resources into synthesis gas while still in situ. There is minimal impact upon the surrounding environment, whilst unlocking considerable amounts of energy, which is capable of powering Australia and world economies," Mr Bond said.

"Linc Energy represents a new future for liquid fuels production and power generation and the Government's support by granting Linc Energy's project a "Significant Project" is a considerable boost for us."

The Deputy Premier and Minister for Infrastructure, Hon Anna Bligh, said "underground coal gasification technology offers the potential to utilise parts of Queensland's vast coal resources that are currently uneconomic to recover.

"If the gas-to-liquids (GTL) demonstration plant and feasibility study are successful, Linc Energy proposes to develop a plan with a production capacity of at least 20,000 barrels per day of ultra-clean diesel and other transport fuels.

"This would reduce Australia's dependence on imported oil and diversify the use of Queensland's coal resources.

"In addition, Linc Energy's proposed 200 megawatt gas fired power station using fuel from the UCG process would produce lower greenhouse gas emissions than conventional coal fired power station," said Ms Bligh.

Linc Energy also recently announced another milestone in its Underground Coal Gasification (UCG) clean coal technology project in Chinchilla with interim drilling results revealing an expanded coal area.

Linc Energy's UCG to GTL (Diesel) demonstration plant at Chinchilla is scheduled to open in the third quarter of this year, which will be the only UCG to GTL facility in the world.

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