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## ASX ANNOUNCEMENT / MEDIA RELEASE

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### Update on Linc Energy's Galilee Exploration Program

- **Galilee (MDLa 372) Coal mineralisation exploration target<sup>1</sup> upgraded to 5.0-5.5 billion tonnes\* in accordance with the JORC Code**

Linc Energy Limited (ASX: LNC) (OTCQX: LNCGY) is very pleased to report that initial results from its Galilee Basin tenement area have exceed expectations and provided the basis for a significant increase in the Company's coal mineralization exploration target<sup>1</sup> from 3.0 – 3.4 billion tones to 5.0 – 5.5 billion tonnes\* in accordance with the JORC Code. MDLa 372 covers an area of some 261 km<sup>2</sup>.

The initial drilling program for MDLa 372 commenced in early June and is now approximately two-thirds complete with over 6,500 metres drilled to date. Drilling has confirmed that the Permian age coal seams in the tenement area are attaining cumulative thicknesses in excess of 35 metres within the central part of the tenement. Only slight thinning is in evidence to the north of this central area. Coal has been intersected at approximately 65 to 70 metres depth at the sub-crop implying a strip ratio of around 4 to 1 in the area targeted for open cut mine development.

Linc Energy has also received preliminary coal quality laboratory results for five of the core holes with raw ash results in the range 15-30 percent confirming that potentially high product coal yields at ash levels consistent with high quality thermal coal can be realised. Further washability studies are now underway to increase confidence in the expected product coal quality.

Xenith Consulting Pty Ltd was engaged to review the previously reported (June 12<sup>th</sup> 2009) coal mineralisation exploration target and have confirmed the significant increase to **5.0 – 5.5 billion tonnes<sup>1</sup>** in accordance with the JORC Code. This revision includes an extension of the seams to the western boundary of the tenement with a series of wide spaced holes\*\*.

Xenith's work has allowed the nature of the increased exploration target to be clearly quantified and is assisting with revised planning for the extended and accelerated Galilee

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<sup>1</sup> In accordance with the requirements of clause 18 of the JORC Code regarding exploration, the following compulsory statement concerning exploration targets is included: "[T]he potential quantity and [quality] is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource."

program. Acceleration is by way of a second drill rig that will be mobilised this week. Linc Energy remains committed to completing an initial resource statement in accordance with the JORC Code by November.

22 holes (of which 14 are cored holes) in the initial exploration program have been completed to date. All coal seam samples have been logged and ply samples sent to a coal quality laboratory in Emerald. The logging has shown that the coal seams (identified as the AB, C, D, E and F) are easily correlated and identified and can be shown to be contiguous across areas where the new exploration holes have been completed. This work is providing greater confidence in the lateral distribution of the seams. The two thickest coal seams (AB and D) are shown to each range from 10-15 metres thick. The total area covered by the initial exploration program is of the order of 180 km<sup>2</sup>.

**Figure 1** is attached to provide diagrammatic representation of the coal seam and interburden thicknesses for exploration hole GLC016 which has been selected as representative of the stratigraphic intersections within the MDL area.

In announcing the preliminary results of the exploration program, Linc Energy's Chief Executive Officer Mr Peter Bond remarked that "we have known for some time that our tenement in the Galilee Basin represent a fantastic opportunity with significant potential to host a large, long-life, low cost open cut thermal coal mine. These results are very exciting and confirm the value of this tenement. That value will continue to increase as Linc accelerates its exploration work so that we can fully comprehend the enormous potential of this resource in the shortest possible time."

For further information, please contact Chief Operating Officer Stephen Dumble.



**Peter Bond**  
Chief Executive Officer

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*\* Competent Persons Statement*

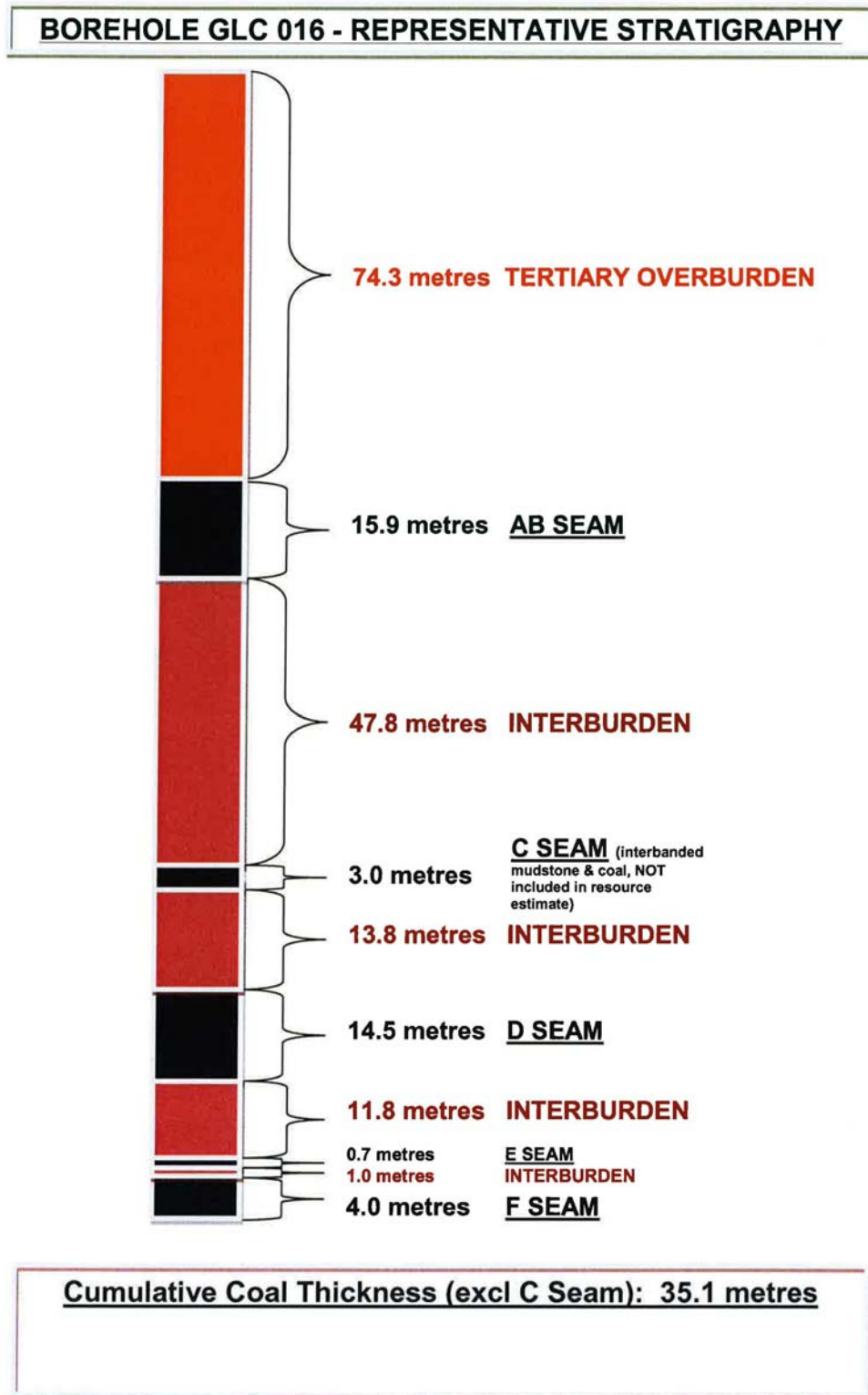
*The information in this announcement relating to resources is based on information compiled by Troy Turner, who is a member of the Australian Institute of Mining and Metallurgy and who is employed by Xenith Consulting Pty Ltd. Troy Turner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as competent persons as defined in the 2004 Edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Troy Turner consents to the inclusion in*

*the announcement of the matters based on their information in the form and context in which it appears.*

*\*\* The revised mineralisation target has been calculated using the following parameters –*

- 4 km spacing between the previous exploration holes.*
- Coal seams greater than 1 metre in thickness included.*
- Stone bands greater than 0.5 metre excluded.*
- Coal seam relative density of 1.50.*

Figure 1





***'AB' Seam Laid Out for Geotechnical Logging and Sampling – Galilee Basin***

## Company Profile

Linc Energy is an innovative, forward-thinking company developing a significant energy business based on the production of cleaner energy solutions.

Linc Energy has successfully combined two known technologies and demonstrated its vision of being a leading supplier of a new source of clean liquid transport fuels for the future.

The technologies are Underground Coal Gasification (UCG) and Gas to Liquids (GTL). UCG technology provides access to coal, deep underground and by in-situ gasification produces a high quality synthesis gas (syngas) containing carbon monoxide (CO) and hydrogen (H<sub>2</sub>). Aboveground, in the GTL process, syngas is processed via Fischer-Tropsch technology to produce high quality, sulphur free synthetic hydrocarbons.

Linc Energy plans to combine its UCG and GTL technologies commercially at sites in Australia and around the globe as it realises its vision of becoming the world's leader in providing clean synthetic diesel and jet fuels from stranded coal resources.

UCG produced syngas can also be used as a feedstock to generate gas turbine combined cycle power, resulting in reduced greenhouse gas emissions.

With significant coal deposits suitable for UCG technology, Linc Energy can provide alternative sources of liquid fuels and power generation well into the foreseeable future.

Linc Energy represents a new future for liquid fuels production and high efficiency energy generation.