



ABN 60 076 157 045

17 September 2009

Mr Patrick O'Connor  
Australian Stock Exchange  
Level 5  
Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000

By facsimile: (07) 3832 4114

By Email: [Patrick.O'Connor@asx.com.au](mailto:Patrick.O'Connor@asx.com.au)

Dear Mr O'Connor,

In response to your query of today's date in relation to recent price and volume increases in our shares, we advise the following:

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

The Company notes the contents of the Bloomberg report referred to in your correspondence. The comments contained within the article regarding the status of the Queensland coal tenements sale and attributed to the Company's CEO, Mr Bond, are consistent with the previously announced sale process being undertaken by the Company.

As previously announced, the Company is pursuing a coal tenement sale process of three of its non-core assets located in Queensland, Australia. UBS has been engaged to manage the sales on behalf of the Company and is currently completing the first stage of that process this month, whereby non-binding indicative bids are being submitted by interested parties. The second stage of the process will involve completion of due diligence and negotiation of documentation with selected parties. The sale process is ongoing and whilst the Company remains confident of achieving a positive result in due course, there is no material information to report to the market at this time. The Company looks forward to continuing the UBS process and will update the market when material information is available.

2. Not Applicable.

**Linc Energy Ltd**

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Brisbane QLD Australia 4000

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*Australia's Leader in Clean Coal Technology*

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3. No.
4. Possible explanations for the price change and increase in volume could be a combination of the following issues:
- a. Market speculation regarding the completion of a coal tenement sale.
  - b. Successful completion of approximately AU\$65 million capital raising (without calling upon the Share Purchase Plan underwriter to pick up the shortfall), which provides sufficient funds to support the Company moving ahead aggressively on its business plan, including expansion of its drilling programs in South Australia and the Galilee basin in Queensland, and rapid expansion of operations into the North American energy and resources market.
  - c. Following the recently announced acquisition by Linc Energy of coal leases in the Powder River basin in Wyoming; yesterday of the USA based Clean Air Task Force released a report titled "*Coal without Carbon – An Investment Plan for Federal Action*" which recommends the rapid development and deployment of underground coal gasification in the USA to reduce carbon emissions and electricity prices.
5. Confirmed. The Company considers that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

If any further information is required, please contact our offices.

Yours faithfully



Peter Bond  
**Managing Director**

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17 September 2009

Mr Craig Ricato  
Company Secretary  
Linc Energy Ltd  
Level 7, 10 Eagle Street  
BRISBANE QLD 4000

By email: [cr@lincenergy.com.au](mailto:cr@lincenergy.com.au)

Dear Mr Ricato

**Linc Energy Ltd (the "Company")  
PRICE QUERY**

We have noted a change in the price of the Company's securities from a closing price of \$1.50 on Wednesday, 16 September 2009 to an intraday high of \$1.79 today at the time of writing. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

In answering this question, please address the recent press report released by Bloomberg in relation to the Company having received offers for its coal assets in Queensland and that it expects to reach an agreement regarding such offers in the next few weeks.

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

**Australian Securities Exchange**

Australian Stock Exchange  
Sydney Futures Exchange

Australian Clearing House  
SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
Austraclear

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2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the Company's operating result before abnormal items and income tax so that the figure for the half year ending 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at [patrick.oconnor@asx.com.au](mailto:patrick.oconnor@asx.com.au) or by facsimile on facsimile number (07) 3832 4114. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the commencement of trading (ie. 9.30 a.m. E.S.T) on Friday, 18 September 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.

- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely



Patrick O'Connor  
**Senior Adviser, Issuers (Brisbane)**

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