

Linc Finds Large Coal Target Suitable For Gasification

MELBOURNE (Dow Jones)--Linc Energy Ltd. (LNC.AU) said Friday its drilling program in South Australia state has identified a coal mineralization target of between one billion and 1.3 billion metric tons that could be suitable for coal gasification.

The Brisbane-based group said the drilling had intersected coal at depths between 200 and 230 meters with coal seam thickness of 23 meters.

"The coal deposit is at an ideal depth for underground coal gasification and initial analysis confirms that the coal properties and the geology of the overlying strata are all well suited to host a world-scale UCG project," Linc said in a statement.

The company now plans to drill another 30 wells and hopes to post a resource that is compliant with the Joint Ore Reserves Committee code in the second quarter of 2010.

Linc plans to fast track the commissioning of a small underground coal gasification plant at the site to confirm the suitability of the resource for producing gas to be used in power generation and the production of clean synthetic fuels.

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November 05, 2009 17:40 ET (22:40 GMT)