

MEDIA RELEASE



21 April 2010

Linc Energy on the starting blocks in SA

Linc Energy has gone to tender in the first stage of development of its first commercial Underground Coal Gasification (UCG) and power generation projects near Orroroo in South Australia.

Linc Energy CEO Peter Bond announced his company was inviting selected engineering companies to tender for an indicative scope of work.

"The development of these projects in South Australia is planned in two distinct stages - a UCG pre-production stage and site infrastructure, and a pre-feasibility study for the commercial power generation and transmission stage," Mr Bond said.

"Each stage contains indicative scopes and service requirements with a degree of uncertainty due to the fact that some key project parameters are uncertain at this stage," the Linc CEO said.

Mr Bond said he was also keen to commence work on an environmental assessment in parallel to these proposed works.

"We are seeking businesses with an entrepreneurial approach to engineering challenges and who adopt fit-for-purpose solutions," he said.

Linc Energy has engaged engineering companies with experience in gas process and power engineering as well as environmental and sustainability backgrounds to quote for this first conceptual stage of the work.

Linc Energy is an innovative energy company and a world leader in Underground Coal Gasification (UCG).

The Australian company has proven the combination of two technologies, UCG and Gas to Liquids (GTL) at demonstration scale to produce high quality synthetic hydrocarbons.

Together these technologies have the potential to economically convert deep and otherwise 'stranded' coal deposits into ultra-clean transport fuels.

Linc Energy acquired South Australian petroleum and gas explorer SAPEX Limited in October 2008 as well as its explorations licences in the Arckaringa and Walloway Basins.

Linc Energy Ltd

Smellie & Co Building
32 Edward Street
Brisbane QLD Australia 4000

GPO Box 1315
Brisbane QLD Australia 4001

Australia's Leader in Clean Coal Technology

www.lincenergy.com.au

P +61 7 3229 0800
F +61 7 3229 6800
E linc@lincenergy.com.au

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“Exploration has confirmed a target of approximately 1.0 to 1.3 billion tonnes of lignite in accordance with the JORC code,” Mr Bond said.

Lignite is a suitable feedstock for UCG operations due to its high reactivity and low permeability. The coal seam in the Walloway Basin area has excellent thickness and is at good depth for UCG operations and has the potential to produce of the order of 500MW of power exports and 20,000 barrels a day of clean synthetic fuels over a long operating life,” he said.

The CEO said further drilling, exploration, hydro-geological and environmental studies would confirm the coal resource size and extent, gather data, and support approvals for Linc Energy’s first commercial UCG and power generation projects.

“Linc Energy has chosen power generation located near Orroroo as a fast-track low risk route to commercialisation of UCG that would open up further downstream opportunities both at Orroroo and elsewhere.”

Ends...

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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, Underground Coal Gasification (UCG) and Gas to Liquids (GTL) and has demonstrated its vision of being a leading supplier of a new source of cleaner liquid transport fuels for the future.

UCG technology provides access to coal, deep underground and by in-situ gasification produces a high quality synthesis gas (syngas) containing carbon monoxide and hydrogen.

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 realizes its vision of becoming the world's leader in providing cleaner 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.

For media enquiries contact:

Greg Meyer
Manager - Media
0457 761 213
greg.meyer@lincenergy.com.au

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