

21 August 2008.

Announcement to the ASX

**LINC ENERGY COMMENCES COAL DRILLING
PROGRAM IN ARCKARINGA BASIN, S.A.**

SAPEx Limited (ASX: "SXP") advises that Linc Energy (ASX: "LNC") has commenced a drilling program for coal assessment in the Arckaringa Basin, South Australia.

Under the terms of a Memorandum of Understanding (MOU) to farm in to identified coal areas, Linc will drill approximately 20 holes in Exploration Licence (EL) 3325 for approximately a total of 5900 metres to assess and better define the inferred coal resources in accordance with JORC principles for Underground Coal Gasification purposes.

EL 3325 (East Wintinna) is located some 135 km north-east of Coober Pedy.

Following the completion of this drilling program a similar program will be undertaken in EL 3326, located some 70 km SE of EL 3325.

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