
ASX ANNOUNCEMENT / MEDIA RELEASE

12 June 2009

Update on Linc Energy's Galilee Basin exploration program

- Linc Energy's Galilee Basin tenement drilling program commences
- Total exploration target coal resource¹ of 3.0 – 3.4 billion tonnes of coal in accordance with the JORC Code confirmed
- Open cut mine exploration target coal resource¹ of 1.6 to 1.9 billion tonnes has been identified using an initial cut off depth of 120 metres

Linc Energy Limited (ASX: LNC) (OTCQX: LNCGY) is pleased to announce that it has commenced exploration and appraisal drilling of its Galilee Basin tenement area.

Prior to the commencement of drilling, Linc Energy commissioned Xenith Consulting Pty Ltd to review historical data within its Galilee Basin tenement area to confirm the exploration targets. That review has confirmed a significant exploration target coal resource¹ in accordance with the JORC Code of **3.0 – 3.4 billion tonnes**. Of this total resource, an open cut exploration target coal resource¹ of **1.6 to 1.9 billion tonnes** has been identified using an initial cut off depth of 120 metres.

As at today, Linc Energy has completed the first 4 exploration holes of the proposed 39 hole exploration program (24 core holes, 15 chip holes). The program in total will require approximately 12,860 metres of drilling.

Information from the initial 4 holes from Linc Energy's program has confirmed historical geological information in the areas where drilling has been completed. The preliminary geological model is based on 23 exploration drill holes along strike of the deposit completed by the Department of Mines and Energy drilling branch in the late 1970's. These drilling programs were reported in 2 reports which include detailed coal seam logs and coal quality information. This drilling has identified that the 5 main coal seams contain a total cumulative coal thickness of up to 35 metres in the centre of the deposit, thinning slightly towards the north.

The target coal seams are contained within the Galilee Basin late Permian coal measures in the area near Moray Downs, approximately 160 km NW of Clermont in Central Queensland.

¹ 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."

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Linc Energy's tenement covers an area of 260 square km and is approximately 35 km long along the strike of the coal seams and approximately 5 km wide. The late Permian coal measures are characterised by five thick coal seams, with the two thickest seams shown to each range from 10-15 metres thick. The Galilee Basin coals are characterised as high volatile, low sulphur, low-rank thermal coals.

In response to these initial results, Mr Peter Bond, Linc Energy's Chief Executive Officer said "Our Galilee area contains one of the most exciting open cut thermal coal resources that I have seen. Given the anticipated quantities and depth of the coal, it has the potential to provide the resource base for a very large, long life, open cut thermal coal mining operation. Our initial drilling results are confirming my view about the significant value of these tenements. Once this initial program is completed, it is our intention to continue our exploration work to further delineate the resource and maximise shareholder value until such time as the tenement is sold and this value realised. The value once realised will be yet another factor which will allow the Company to continue to move quickly to commercialisation of UCG to produce GTL fuels like ultra clean diesel and Jet A1."

"The quality of Linc Energy's Galilee coal tenements and recent announcements by competing coal interests regarding mine and infrastructure development in this area, reinforce my view that the Galilee basin will in the near term become Queensland's next major thermal coal export province".

For further information, please contact Mr Peter Bond, Chief Executive Officer.

Peter Bond
Chief Executive Officer

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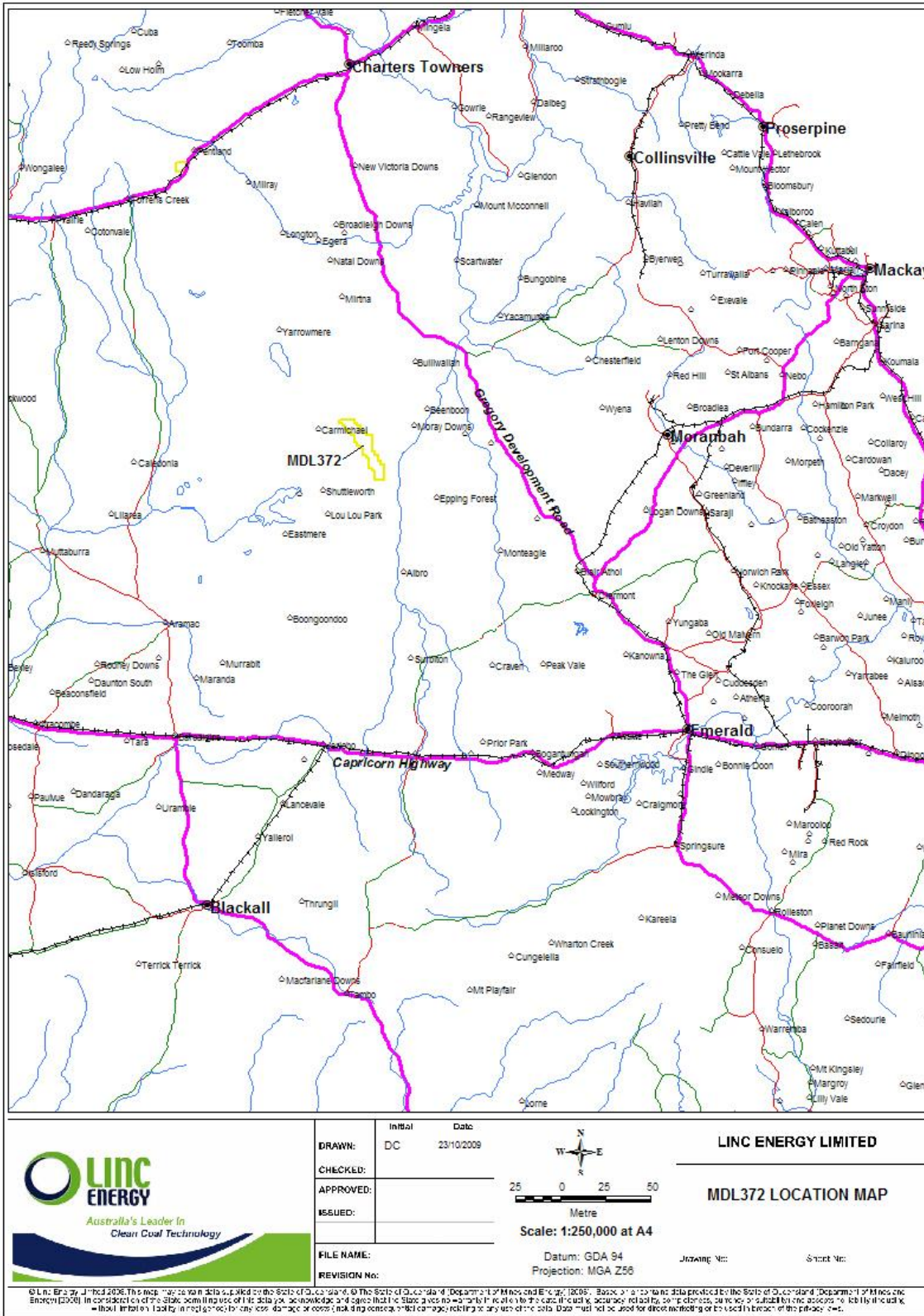
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** Competent Persons Statement*

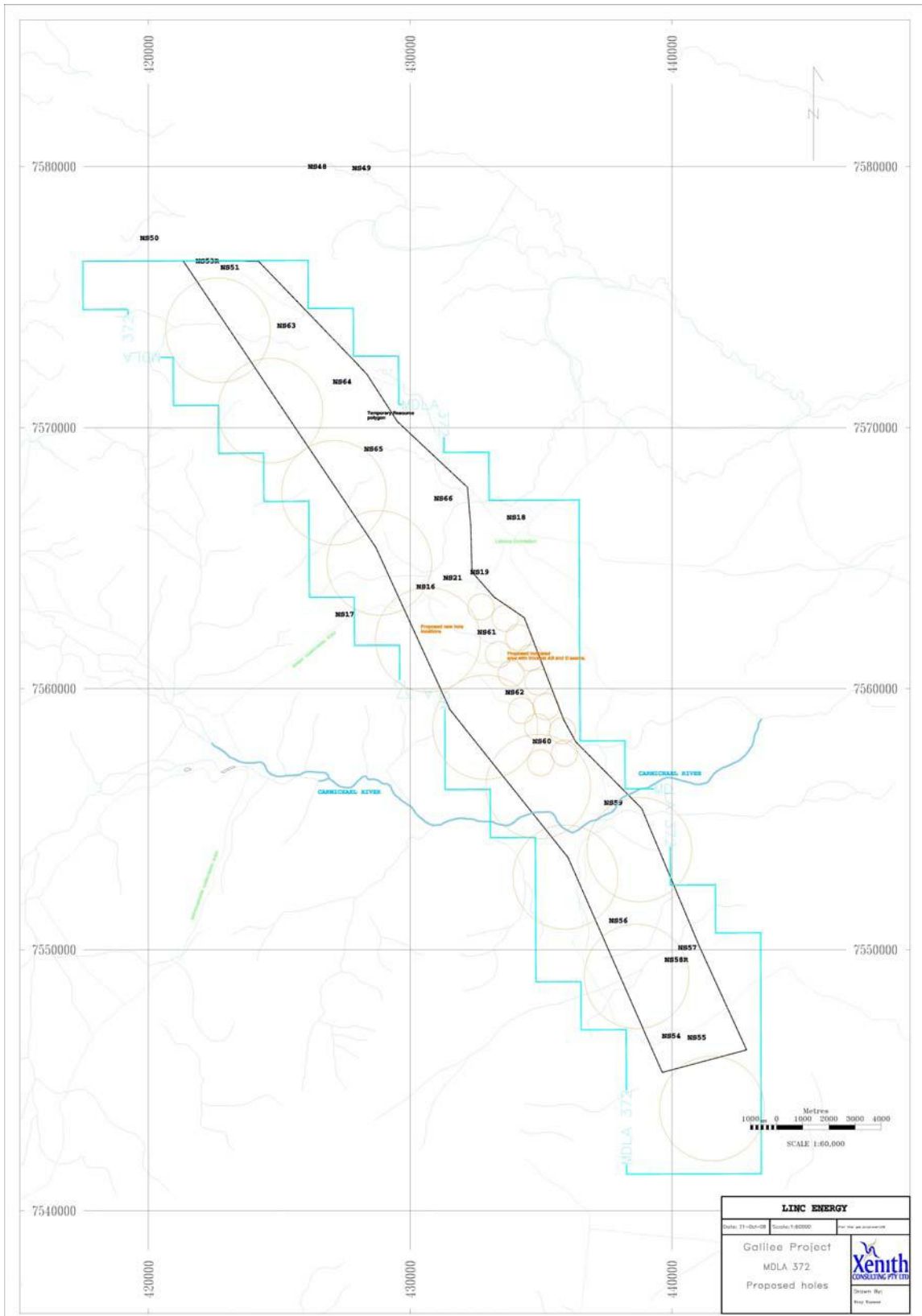
The information in this announcement relating to resources is based on information compiled by Troy Turner, who is a member of the Australian Institute of Mining and Metallurgy and who is employed by Xenith Consulting Pty Ltd. Troy Turner has sufficient experience which is relevant to the style of mineralisation 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.

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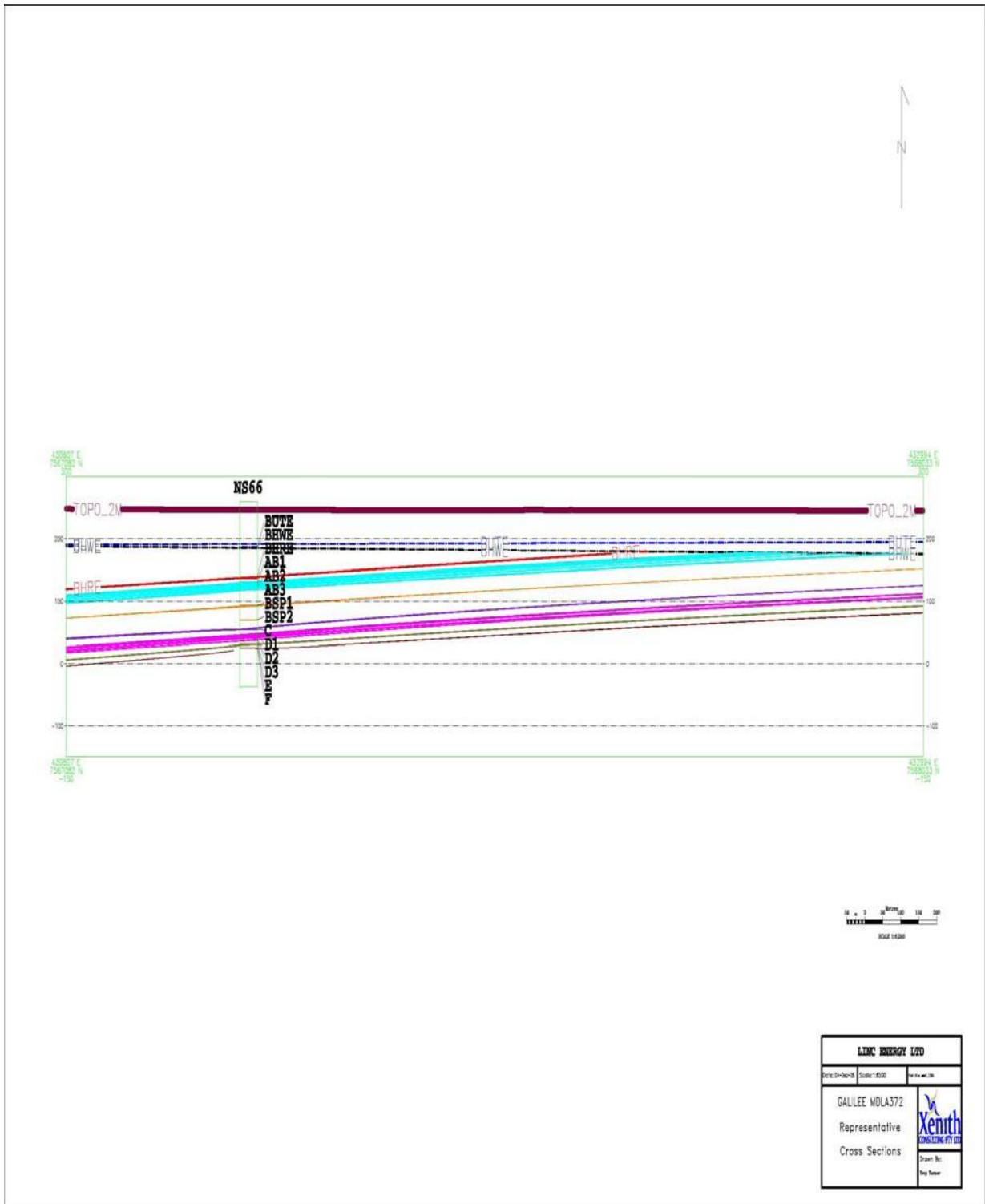
Location Map of Linc Energy's Galilee Basin tenement area

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Linc Energy's Galilee Basin tenement drilling program

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Cross section of exploration target

Company Profile

Linc Energy is an innovative, forward thinking energy company and Australia's leader in clean coal technology. The Company's vision is to become a dominant player in the supply of more environmentally friendly power, diesel and jet fuel.

Linc Energy aims to achieve this vision by bringing together, for the first time anywhere in the world, two proven production processes known as Underground Coal Gasification (UCG) clean coal technology and Gas to Liquids (GTL).

These processes will economically convert vast "stranded" coal deposits into ultra clean liquid fuels.

Linc Energy will also use the Syngas produced from UCG clean coal technology as feedstock for gas turbines to generate much needed environmentally friendly electricity.

The Company has a unique leading edge capacity to provide a viable, more sustainable and smart alternative source of liquid fuels and power generation well into the foreseeable future.

Linc Energy represents a new future for liquid fuels production and power generation.