

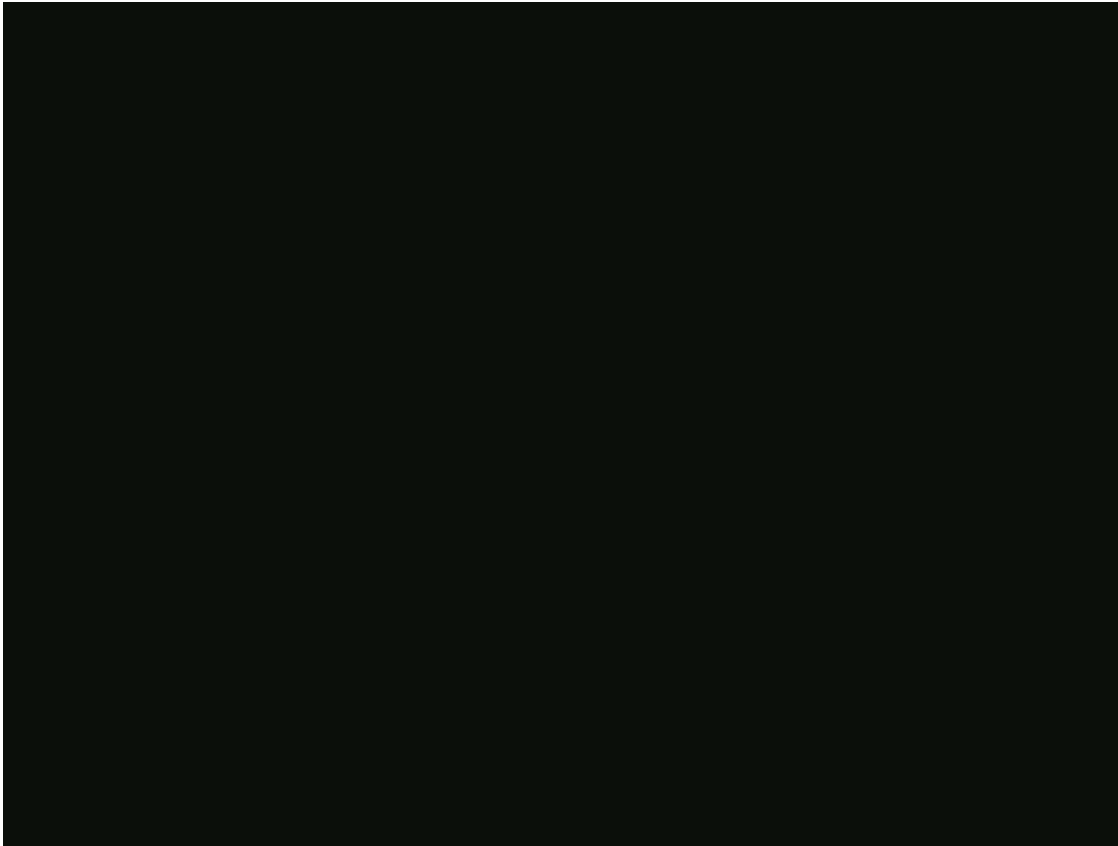


Australia's Leader in Clean Coal Technology

Limelight Series

2010

www.lincenergy.com.au



Limelight Series, Perth

Creating A New Energy Class: Linc Energy's Progress and Plans

About Linc Energy

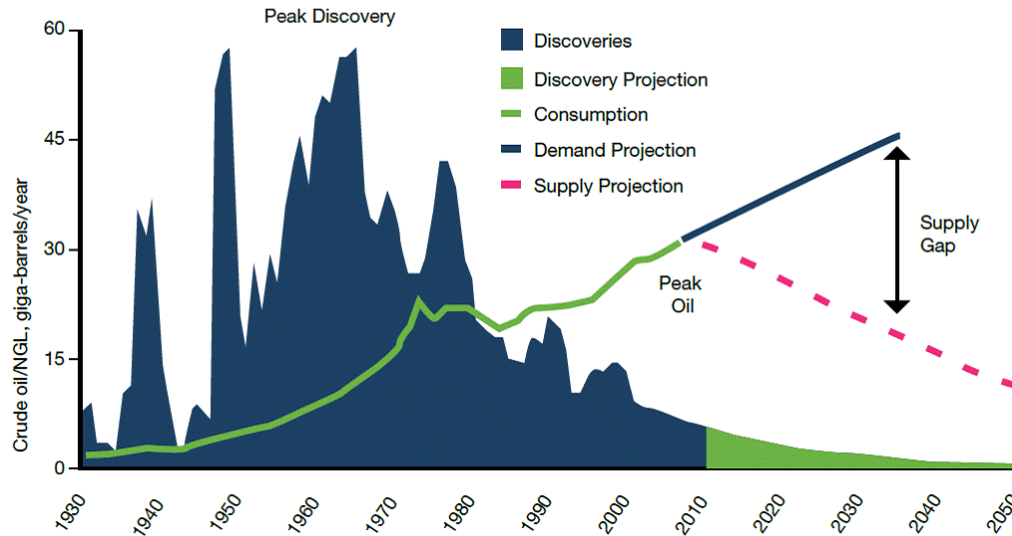
- ❑ Linc Energy is making good progress building a world-class business
 - Focus remains on building a large synthetic fuel business
 - Leading UCG/GTL technology position is a key competitive advantage
 - Significant coal resource position continues to expand
 - We have assembled some significant talent and technical capability.
- ❑ We understand the importance of rapid commercialisation
 - Planning to commence commercial operation at Orroroo in South Australia in 2012
 - Sale of coal assets will provide significant financial impetus.
- ❑ Chinchilla remains critically important
- ❑ Limelight Series launched in 2009 – showcase people and progress.

Tonight's Presentation

1. Restate our strategy
2. Recent progress
 - UCG
 - GTL
3. Environmental benefits and key controls of UCG
4. Exploration progress
5. Operating performance and stakeholders
6. Entry into the United States
7. Plans for commercialisation in South Australia

Global Oil Production Peaking

Global oil discovery, supply and demand trends and projections (EIA World Energy Projections)



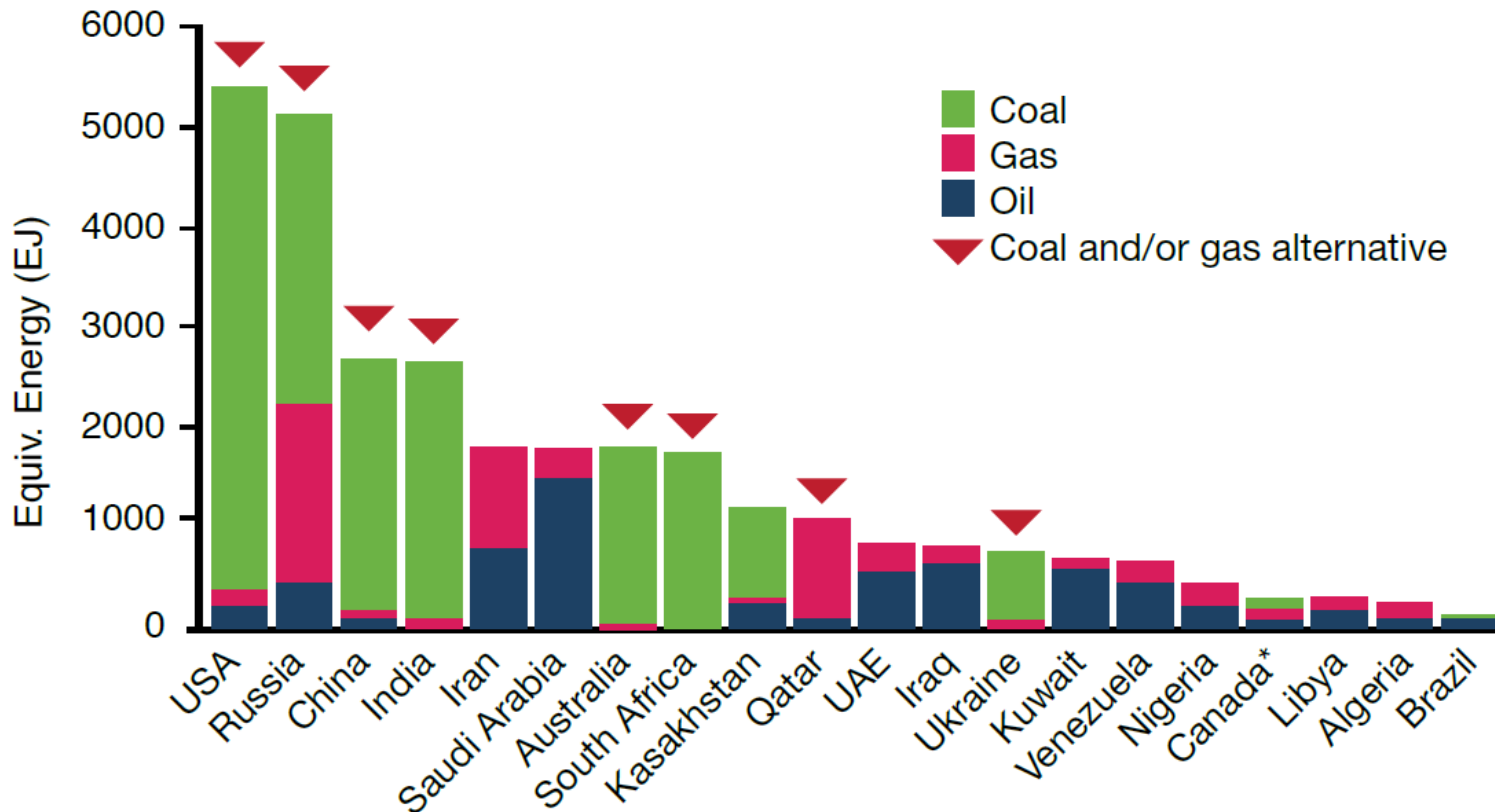
“Production (of oil) reaches 104 mb/d in 2030 requiring 64 mb/d of gross capacity additions – six times the current capacity of Saudi Arabia – to meet demand growth and counter decline.”

“For all the uncertainty highlighted ... we can be sure that the energy world will look a lot different in 2030 than it does today.”

*International Energy Agency
World Energy Outlook 2008*

Coal Is Part Of The Solution

Coal and/or natural gas can provide domestic energy security



What Is UCG?

- ❑ Two wells (injection & production) are drilled into the coal seam.
- ❑ Wells are connected on the horizontal plane.
- ❑ Air/oxygen is introduced – creating the heat for gasification (not combustion!).
- ❑ The raw product gas is extracted via the production well. Key components are CO + H₂
- ❑ Gas is cleaned and catalytically converted to liquid fuels in the GTL process.



Why Use UCG?

- ❑ UCG can access the world's vast resources of deep, otherwise stranded coal
- ❑ Linc Energy's UCG technology can deliver sustainable, low cost and consistent quality synthesis gas production
- ❑ Synthetic fuels high value – building blocks available at the well head
- ❑ UCG also has unique application for power generation
 - ❑ Higher thermal efficiencies and lower CAPEX/OPEX
 - ❑ CO₂ capture ready with even lower GHG emissions
- ❑ UCG gas can remain low cost as other energy becomes more costly
- ❑ Synthesis gas/town gas/producer gas well know fuel
- ❑ Significant environmental benefits.

UCG Development

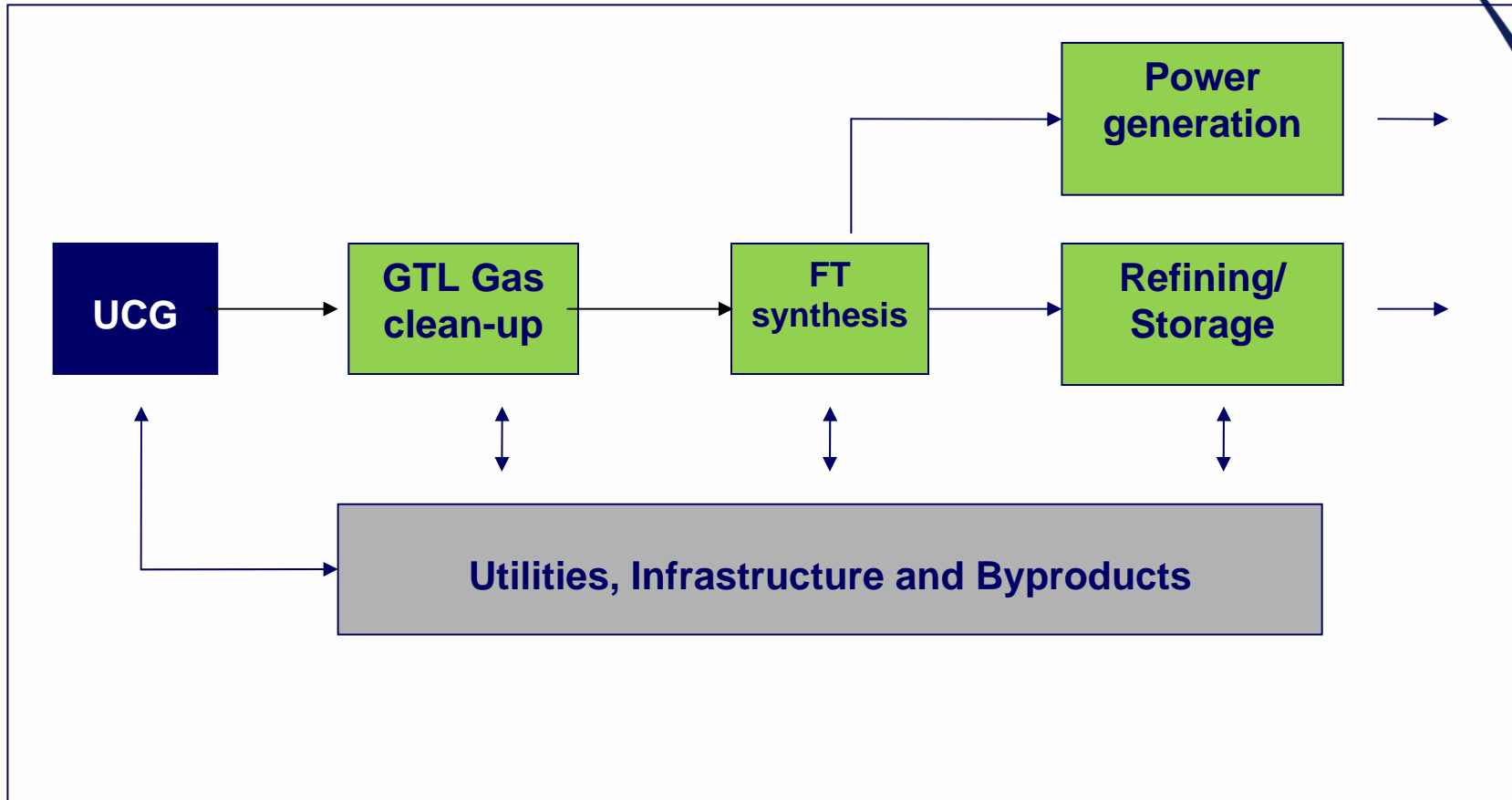
- ❑ Linc Energy has taken UCG development a long way, demonstrating significant developments in modelling, design and resource building
- ❑ Developed a new generation of UCG with Generator 4 to demonstrate:
 - ❑ Horizontal well technology
 - ❑ Adoption of oil and gas technology for reliability and repeatability
 - ❑ Increased resource recovery and generator life
 - ❑ Oxygen enrichment
 - ❑ Increased capital efficiency
- ❑ Generator 4 producing. Planning for Generator 5 now underway
- ❑ Visible progress towards commercialisation.

Generator 4

- ❑ The Project:
 - ❑ State of the art development
 - ❑ Sanction to completion in a fast-tracked timeframe
 - ❑ Unique design due to existing infrastructure at the Chinchilla site
 - ❑ New world-first technologies applied.

- ❑ The Performance:
 - ❑ Gas produced in record time after ignition
 - ❑ Producing good quality syngas for the GTL process
 - ❑ Good hydrogen/carbon monoxide ratio.

What is GTL?



GTL Technology Progress

- ❑ Proven GTL liquids production from UCG gas at Chinchilla
- ❑ Significant advancement in core FT technology developments/improvements
- ❑ Modifications to GTL plant completed with focus on improved conversion and reliability
- ❑ Conceptual design study with Aker Solutions for the 20,000 bpd commercial facility in South Australia on schedule and within budget
- ❑ Chinchilla pilot GTL plant will remain the technology hub for commercial design and technology development.

GTL Focus 2010

- ❑ Pilot plant to take UCG syngas for campaigns to test improved catalyst and synthetic product quality verification
- ❑ Verification of the business case via completion of conceptual study
- ❑ Licensor selections of key technologies in the GTL complex
- ❑ Finalising the scope and execution plans for commercialisation via engineering phases
- ❑ Building capacity in resources to fast track implementation.

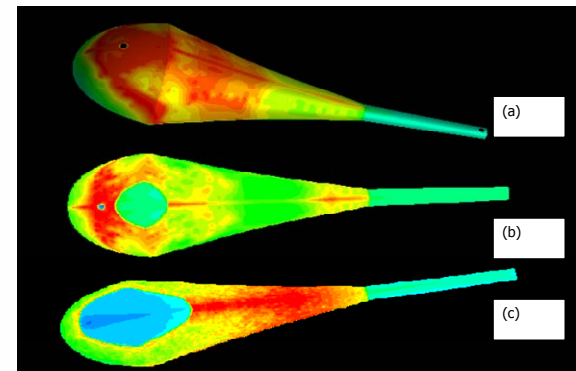
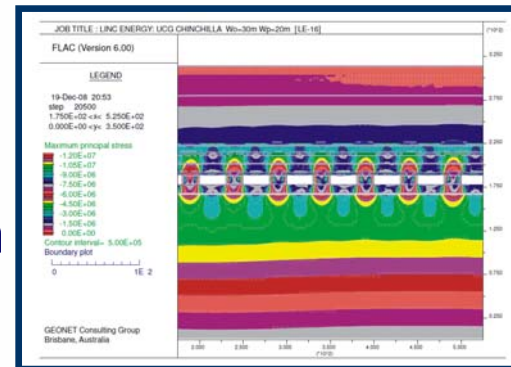
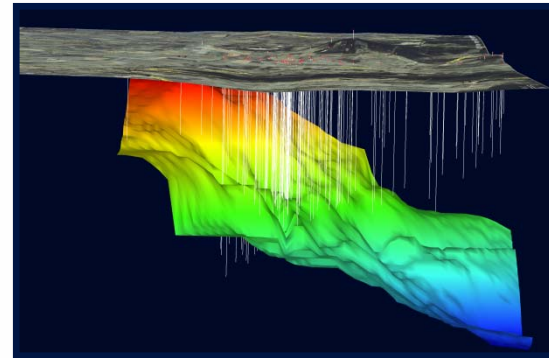
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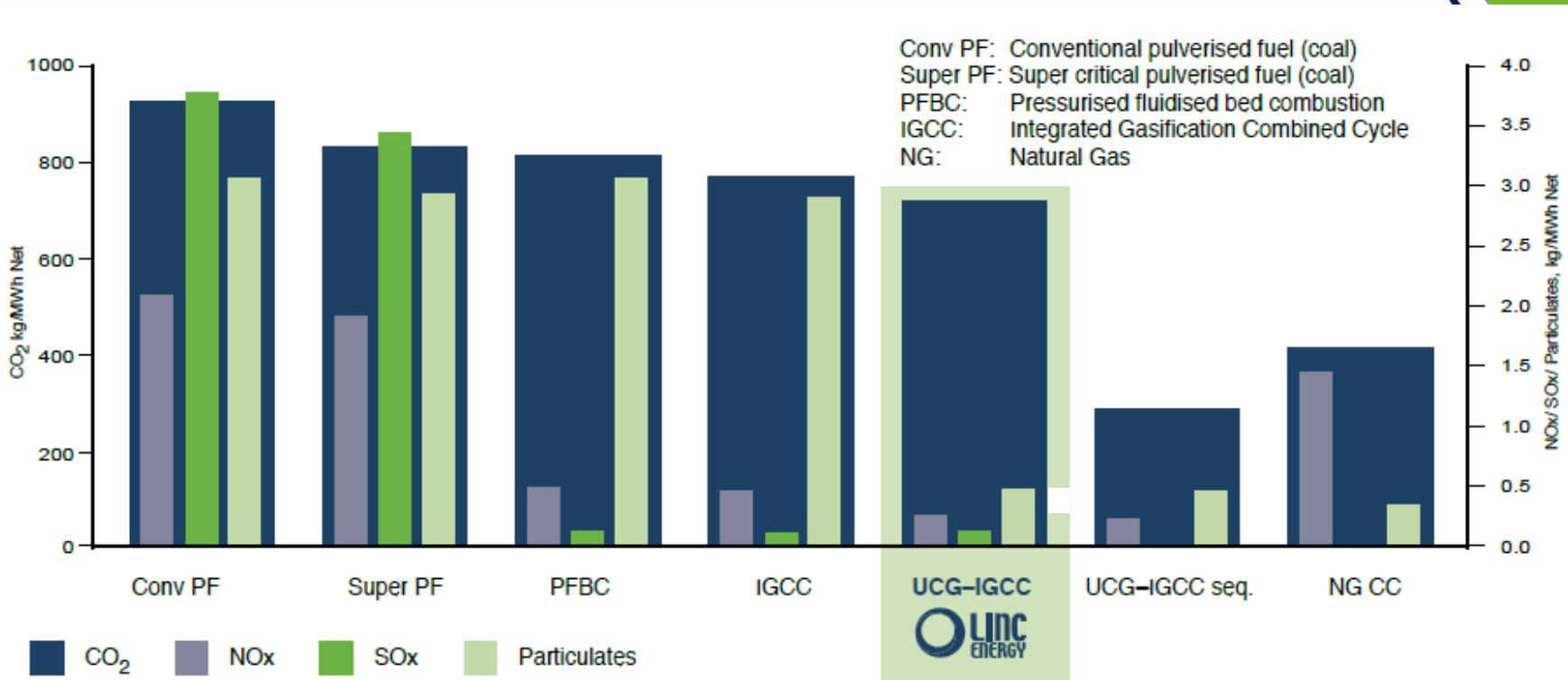
UCG: Smaller Footprint, Lower Impact

Controlling UCG Impacts

- ❑ PREDICT > CONTROL > MONITOR
- ❑ Linc Energy has developed excellent prediction tools
- ❑ Groundwater contamination
 - ❑ Prevention methods are well known and demonstrated
 - ❑ Excellent groundwater performance at Chinchilla by Linc Energy over 10 years.
- ❑ Subsidence.



UCG & GHG Emissions - Power



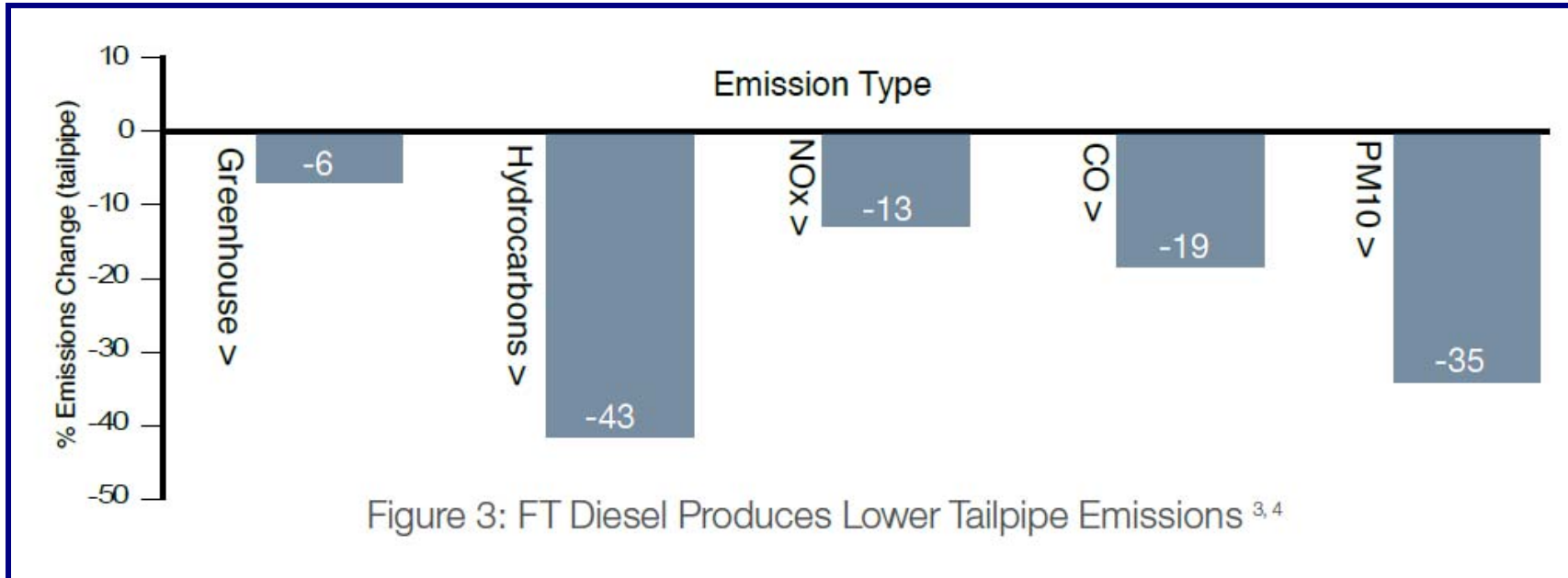
Air emissions from conventional fossil fuel power plants and UCG-IGCC ^{a,b}

^a BHP Billiton: <http://ciis.com.au/ref/static/reports/public/acarp/acarp2.html>

^b M.S. Binderman, C. Spero: *UCG in Australia: Development to Date and Future Options*. Report by Ergo Energy Technologies Inc., Linc Energy Ltd., and CS Energy Ltd., Brisbane, April 2002

FT Diesel Tailpipe Emissions

% change relative to conventional diesel (US2)



Source: CSIRO

Environment 2010

- ❑ Studies and approvals for proposed South Australian and US operations (underway)
- ❑ Pilot Project Reports to be prepared and submitted to Queensland Government and expert panel (underway)
- ❑ Ramp up the marketing of environmental credentials both on a domestic and international scale (underway) to address perceptions.

Exploration Success

- ❑ Confirmed a significant lignite resource (approx 1.3 billion tonnes) in South Australia
 - ❑ Thick coal seam, good UCG quality coal
 - ❑ Seam thickness a key driver for low cost gas
 - ❑ Well positioned relative to Adelaide and key transmission infrastructure.
- ❑ Galilee resource increased to 7.8 billion tonnes
 - ❑ Largest resource position in the Galilee Basin
 - ❑ Value of significant open cut resource increased with further understanding of tertiary cover (depth to coal).
- ❑ Completion of initial Arckaringa Basin program
 - Significant resources confirmed
 - Technical data for key UCG/GTL targets obtained.
- ❑ Specifically targeting coal to meet UCG requirements.

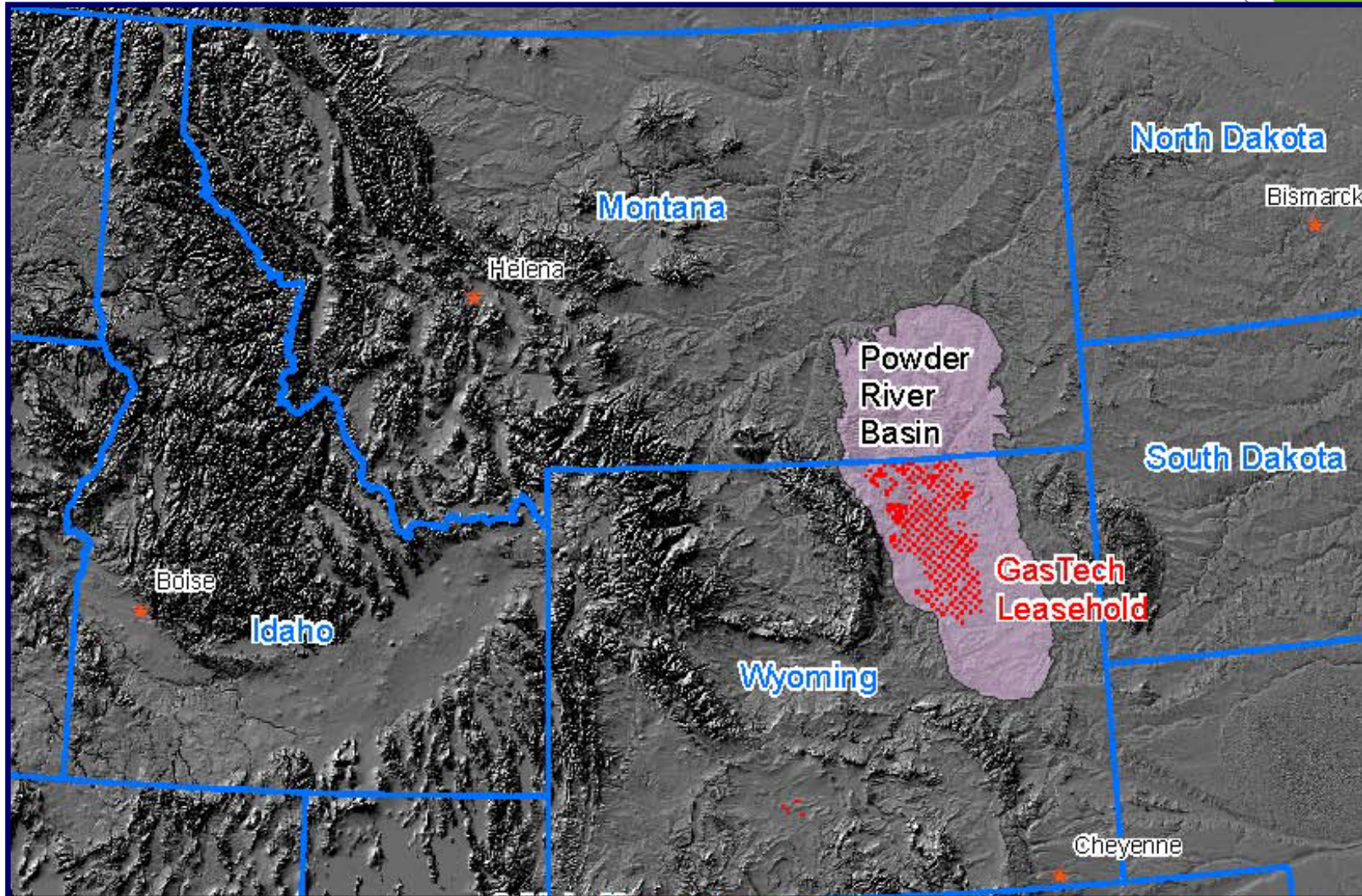
Linc Energy in the USA - Powder River Basin

- ❑ Linc Energy has acquired some 165,000 acres of coal leases across in the Powder River Basin
- ❑ Resource target in the order of 15 billion tonnes (non-JORC compliant)
- ❑ Site selection for key UCG targets now underway - drilling is to commence as soon as possible.

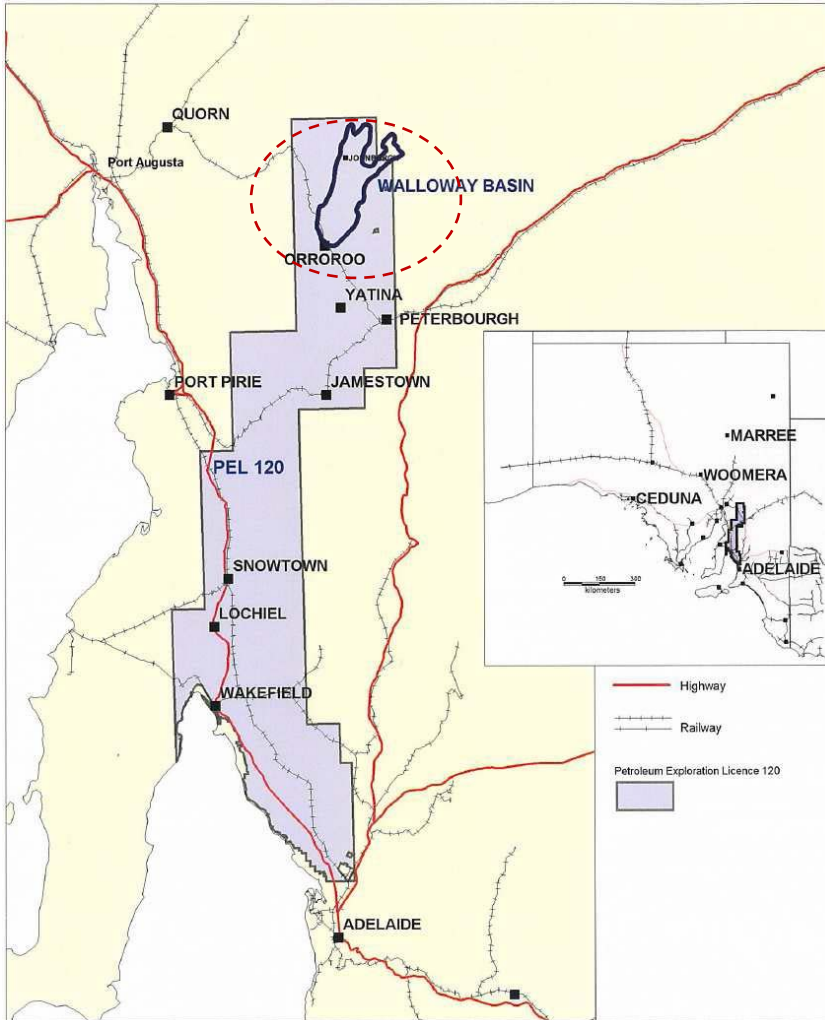


Linc Energy has established an office in Casper, Wyoming for its project operations, and is in the process of establishing a US head office in Denver, Colorado.

Powder River Basin



Commercialisation: Walloway Basin



- Exploration has confirmed very significant lignite resource:
 - Excellent thickness and depth
 - Lignite suitable for UCG
 - Resource feasibility studies underway.
- Well positioned relative to Adelaide (300km) and to major transmission infrastructure (35km)
- We are accelerating the development of pre-commercial UCG operation by end 2010
 - Developing 200 MW gas power station targeting generation by end 2012.
- SA power market attractive
- Potential to host 500 MW of power export and 20,000 bbls of clean fuels over long operating life (+50 years)
- Strong SA Government and local support for development.

Steps To Commercialisation

- ❑ Not just about coal resources, technology and people
- ❑ We understand our stakeholders need confidence in us
- ❑ Key is to build a strong operational culture
 - ❑ Health, Safety and Environment is performance is critical
 - ❑ We made further good progress in 2009
 - ❑ No significant injuries at Chinchilla (LTIs or MTIs)
 - ❑ Performance widely acknowledged by Government.
- ❑ We have stepped up our efforts to engage – particularly with Government
 - ❑ High quality information available on website, seminars for regulators in Queensland and South Australia.
- ❑ We are accelerating our community engagement – Orroroo
- ❑ Limelight Series – we understand that others need to believe in us and that we are ready!

Conclusion

- ❑ Linc Energy's strategy remains clear and compelling
- ❑ Coal sale will be concluded
- ❑ We will continue to build our very large, diversified coal resource position
 - ❑ Significant UCG assets in South Australia
 - ❑ Growing position and prominence in USA
 - ❑ None of our competitors have this position.
- ❑ We are increasingly focussed on Australia and USA
- ❑ Our UCG technology leads the industry
 - ❑ We have the most talented and capable team
- ❑ Conceptual GTL study complete in Q1 – confirm key value assumptions
- ❑ Focus on rapid commercialisation in South Australia.



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