



ABN: 60 076 157 045
ACN: 076 157 045
Smellie & Co Building,
32 Edward Street
(GPO Box 1315)
BRISBANE QLD 4001
Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ASX ANNOUNCEMENT

23 March 2011

LINC ENERGY COMPANY UPDATE

- **Completion of Rancher Energy oil fields acquisition in Wyoming, USA**
- **Teresa Coal Asset sale update**
- **Great Northern Coal Leases drilling program update**
- **Arckaringa Basin oil & gas drilling program update**

Linc Energy Ltd (ASX:LNC) (OTCQX:LNCGY) is pleased to provide the following update on its key activities:

Completion of Rancher Acquisition

Linc Energy's wholly owned subsidiary, Linc Energy Petroleum (Wyoming) Inc., has completed the previously announced purchase of three producing oil fields (approximately 27,856 acres) from Rancher Energy Corp., a Nevada Corporation currently in bankruptcy.

The sale by Rancher Energy to Linc Energy was approved by the US Bankruptcy Court in February 2011 at a purchase price of US\$20 million.

The three fields purchased from Rancher Energy are "Big Muddy", "South Glenrock B" and "South Cole Creek". The fields, located 15 miles east of Casper, Wyoming, have combined current production of 190 barrels of oil per day. All oil sales revenue and operating expenses flow to the benefit of Linc Energy effective as of 1 March 2011.

Linc Energy is preparing a comprehensive plan to increase oil production levels across the assets by re-entering existing wells which require "workover" maintenance and additional infill drilling in proven reserve areas. As previously reported this acquisition represents the first strategic step by Linc Energy in acquiring producing petroleum assets which deliver immediate revenue and also provide an entry point into the enhanced oil recovery (EOR) market.

Peter Bond, CEO of Linc Energy, said, "We are pleased to close this transaction so promptly, and take control of these cash generating oil fields. Our focus is to get on with the workovers and move to more than double production as quickly as possible. Linc Energy is continuing to look at and review other oil opportunities which fit into our strategic plan."

Teresa Coal Asset

Linc Energy recently sent its coal quality data to Japan for testing by F-TeCon for evaluation using a proprietary furnace model. The Teresa coal was compared with other PCI coals of varying rank.

The testing results show that the Teresa coal had a replacement ratio of 0.74 kg coke per tonne based on the overall cost of coal and coke in a typical Asian blast furnace.

Following the testing, Salva Resources prepared a report based on this information to price the Teresa PCI coal. As of 18 March 2011, Salva Resources stated that the expected equivalent value of Teresa PCI coal would be US\$175/tonne FOB, based on hard coking coal at US\$325/t FOB and assuming LV PCI coal achieves 80% of this price.

This new information provides clarity on the coal quality and, importantly, supports and enhances the Company's valuation of the Teresa coal asset.

Linc Energy is in detailed discussions with several parties in relation to the sale of this coal asset, whilst continuing to assess all of its commercial options. Teresa is one of the few remaining PCI coal assets in the Bowen basin of this size and potential, which is also close to established infrastructure.

Great Northern Coal Leases

Access and clearance plans have been made to conduct further drilling on the Company's Great Northern coal leases. These are the 5 (five) coal tenements in Central North Queensland in the Richmond and Cloncurry districts, which have been affected by heavy rains over the New Year period.

The Company plans to drill approximately 10 holes per lease area in strike and dip parallel directional patterns around coal formation intersections in each of the coal tenements which will comprise approximately 50 holes in the first pass. This drilling is expected to commence in early April 2011 and should take 10 to 12 weeks to complete.

Arckaringa Basin

Following the 'oil show' discovery in the Company's 'Maglia-1' well in 2010, in January 2011 Linc Energy announced a \$9 million oil and gas seismic and drilling program in the Arckaringa Basin, South Australia. The program was scheduled to commence in February 2011.

Since the Company's January announcement, flooding occurred in the exploration area due to the effects of Cyclone Yasi. Assuming continued improvements in weather conditions, the Company now plans to mobilise seismic crews and the drill rig for commencement of work in late April 2011. In addition, Linc Energy has now committed to a full 10 well program in the Arckaringa Basin, expanding the original plan by a further 6 wells.

Linc Energy CEO, Peter Bond, said, "Linc Energy is very keen to expand its Oil/EOR assets both in North America and Australia so as to create a strong cash-flow positive company moving forward. The Arckaringa basin area, which is 100% owned by Linc Energy, has significant oil potential. Subsequently it makes sense that Linc Energy would focus on one of its key assets sitting in its own backyard."

For more information visit www.lincenergy.com.au or contact our office on +617 3229 0800.



Chief Executive Officer

Information for Media:

Greg Meyer
General Manager Corporate
Communications
Phone: +61 7 3229 0800
E-mail: greg.meyer@lincenergy.com.au

ASX Contact:

Brook Burke
Company Secretary
Phone: +61 7 3229 0800
E-mail: brook.burke@lincenergy.com.au

Information for Investors:

Justyn Peters
General Manager Investor Relations
Phone: +61 7 3229 0800
E-mail: justyn.peters@lincenergy.com.au

About Linc Energy

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 realises 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.