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ASX ANNOUNCEMENT

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Linc Energy Breaks New Ground with UCG Oxygen Injection

Linc Energy (ASX:LNC) (OTCQX:LNCGY) announced today that its Underground Coal Gasification (UCG) team had successfully commenced and commissioned its 'oxygen injection' process at Chinchilla over the weekend. The Company's UCG team experienced an effective step change in the key quality gas measures within hours of commencing the oxygen enrichment process, including an increase in gas flow rates.

Linc Energy's Chief Executive Officer, Mr Peter Bond said "The philosophy of oxygen injection into the UCG process is that by completing an oxygen enrichment of the air being injected into the underground gasification process, it will ensure a better quality and more pure syngas is produced."

"Injecting more oxygen ensures a better conversion of the coal into carbon monoxide and hydrogen and subsequently less nitrogen." said Bond.

Oxygen injection also allows Linc Energy to complete underground coal gasification in deeper coal seams much more economically thereby opening up a significant number of coal opportunities around the globe.

"The deeper the UCG process, the higher the pressure that is required to pump air or oxygen down the UCG injection well. Subsequently by enriching the air by the injection of oxygen, the result is lower nitrogen and lower compression costs."

Linc Energy has found that oxygen enriched air (being a mixture of oxygen and air which is being injected) is the most proficient, effective and economical way forward and pure oxygen injection is simply not economical.

"We can now reach down to very deep coal seams and one can see how this opens up even more opportunities for our team to unlock the energy value of these stranded coal seams. This achievement of oxygen injection at Chinchilla is a huge credit to the entire UCG team and moves us further towards commercialisation."

“This is an outstanding success for Linc Energy - it allows us, as a Company, to push forward into a number of additional commercial opportunities such as chemical and methanol production.”

”It also means that any potential market which has deep stranded coal and requiring high quality syngas can now utilise Linc Energy’s groundbreaking work on UCG.”

The recent commissioning of Linc Energy’s UCG ‘Generator 4’ continues to be an outstanding success after months of continuous operation and the successful work on oxygen injection into Generator 4 is yet another testament to the level of skills and technology that Linc Energy is pioneering.” said Bond.

For further information please contact Mr. Peter Bond at Linc Energy.

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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.