
ASX ANNOUNCEMENT/ MEDIA RELEASE

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Linc Energy not affected by Cougar Energy shutdown

Linc Energy (ASX:LNC) (OTCQX:LNCGY) confirms that it is continuing to operate its UCG demonstration plant at Chinchilla and is not affected by the Cougar Energy shut down.

Linc Energy is compliant with the groundwater monitoring and reporting requirements set out in the Environmental Authority for UCG at its Chinchilla demonstration facility, which has been in operation since 1999.

Linc Energy notes concerns stated today by the Queensland Department of Environment and Resource Management ("DERM") regarding groundwater associated with Cougar Energy's UCG site.

Linc Energy stands by its nearly 11 year comprehensive water monitoring process and has consistently met regulatory requirements.

"The Linc Energy Chinchilla demonstration facility is the most comprehensively monitored UCG site anywhere in the world and is, in fact, the best source of groundwater monitoring data in the Surat basin region. That is why we have a total of eight Environmental Engineers and Hydrogeologists on our team".

"The Chinchilla site, though not our main UCG focus these days, still remains an important part of the development of UCG in the world. We are very proud of both our achievements at Chinchilla and the rapid pace which we continue to develop our UCG projects in other parts of the world", said the Linc Energy's CEO Peter Bond.

Whilst disappointed with the lack of consultation from DERM prior to its announcement, Linc Energy will continue to work closely with DERM and intends to fully cooperate in all aspects of environmental compliance.

With respect to comments made by DERM in its media statement concerning "exceedance of salt levels in groundwater" at its Chinchilla site; Linc Energy considers that the levels detected are consistent with regional salinity and are not associated with its UCG operations.

Linc Energy can confirm that it has not yet received an environmental evaluation notice from DERM at this time.

For further information please contact Linc Energy Media or Investor Relations.



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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.