
ASX ANNOUNCEMENT/ MEDIA RELEASE

18 July 2010

Linc Energy confirms that it remains unaffected by Cougar Energy shutdown

Following inaccurate and misleading reports in local and national media over the weekend, Linc Energy (ASX:LNC) (OTCQX:LNCGY) again confirms that it is continuing to operate its UCG demonstration plant at Chinchilla and is not affected by the Queensland Department of Environment and Resource Management ("DERM") shut down of the Cougar Energy Kingaroy operation.

Linc Energy acknowledges the encouraging results stated in the additional media releases by DERM on 17 and 18 July and notes that the ongoing investigation of the environmental concerns regarding benzene and toluene are specifically related to the Cougar Energy Kingaroy site and the operations directed by its underground coal gasification ("UCG") technology provider, Ergo Exergy Technology Inc.

Linc Energy confirms that the UCG operations which it conducts utilise proprietary techniques significantly different from those employed by Ergo Exergy and Cougar Energy.

Linc Energy notes that the groundwater monitoring data which it has collected at Chinchilla and supplied to DERM over the past 11 years evidences the fact that there has been no impact on the quality of the groundwater of adjacent property holders.

Linc Energy continues to confirm that it remains in compliance with all groundwater monitoring and reporting requirements set out in the Environmental Authority for UCG at its Chinchilla demonstration facility.

"The investigation being undertaken by DERM in Kingaroy is specific to Cougar Energy and the manner in which it conducts its UCG operations with Ergo Exergy. Whilst we have communicated our concerns to DERM about their decision to include reference to operations conducted in a different manner by unrelated companies in their initial media release about this matter, we will continue to work proactively with the Queensland government regulators in all respects", said Linc Energy's CEO Peter Bond.

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.