
ASX ANNOUNCEMENT

22 November 2010

TERESA COAL ASSET UPDATE

- **Further drilling on coal resource**
- **Commencement of Environmental Impact Statement (EIS)**
- **Participation in Stage 2 of Wiggins Island Coal Export Terminal (WICET)**
- **Sales process progressing**

Linc Energy (ASX:LNC) (OTCQX:LNCGY) is pleased to announce that it is currently working with potential buyers of the Teresa coal resource whilst continuing to develop and de-risk the asset even further with four more core holes drilled in the resource and more detailed work around port and rail access.

The Teresa coal resource is located approximately 17 kilometres north of the major regional town of Emerald in the prolific Bowen Basin and comprises of three adjoining coal tenements, EPC's 980, 1267 and 1226. Linc Energy has completed four new holes on the coal resource to better define the coal quality. Coal quality has been re-confirmed as a semi-soft coking coal, with some PCI potential. Further drilling is planned for later this year, with particular emphasis on the areas to the north-east of the block (adjacent to the BHP's Crinum mine and Rio-Tinto's Kestrel extended coal areas) with the aim of developing more coal at depth and focusing on the German Creek seam and other coking coal zones of interest.

Teresa is approximately 400km by rail to the Gladstone coal export terminal and is currently connected to this route via the rail line that crosses the tenement area.

Linc Energy is pleased to confirm that it will participate in the feasibility process for Stage 2 of the expansion of the Wiggins Island Coal Export Terminal at Gladstone whilst continuing to explore all other viable options for both rail and port logistics.

Linc Energy is also planning to conduct an Environmental Impact Statement (EIS). The work on the EIS will begin in early 2011 and will enable this asset to progress to a full coal mine lease and be ready to commence mine construction, thus increasing the value of the asset.

Earlier this year, Linc Energy commissioned Minecraft Consulting to conduct a conceptual study and they concluded that the Teresa coal resource offers the potential to support an underground long-wall operation. Linc Energy believes that the Teresa coal resource is capable of producing in the order of 5.5 Mt per annum.

In announcing this ongoing work, Linc Energy's Chief Executive Officer, Mr Peter Bond commented that; "It is important that we continue to develop this world class asset irrespective of how close we believe we are to a coal sale."

"Without diminishing our ongoing coal sales activities, we are very confident that by completing a number of these improvements to the Teresa resource, we are adding value to this coal asset which will contribute significantly to shareholder wealth. In addition we know by experience, that by adding value and pursuing all available options, we will deliver the best sales outcome. As always I look forward to providing an update in the near future on the progress of the Teresa coal asset sale." he said.



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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 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.