ASX Code: LNC
OTCQX Code: LNCGY

12 November 2012

LINC ENERGY'S UMIAT OIL FIELD UPDATE

- **Work commences on winter drilling campaign for Umiat field in Alaska**
- **Ryder Scott estimates Umiat contains 2P Reserves of 154.5 MMboe**
- **Drilling program expected to commence spudding first well in January 2013**

Linc Energy (ASX: LNC) is pleased to announce that it has commenced operations for its winter drilling campaign at the Company's Umiat oil field on Alaska's North Slope with construction of the snow road underway.

OVERVIEW OF UMIAT OIL FIELD

As previously announced on 27 August 2012, the Umiat oil field has been estimated by Ryder Scott* to contain Proved & Probable ("2P") reserves of 154.5 million barrels of oil equivalent ("MMboe"), with a 2P $NPV_{10\%}$ of US$1.496 billion, and Proved, Probable & Possible ("3P") reserves of 194 MMboe, with a 3P $NPV_{10\%}$ of US$1.828 billion.

Linc Energy anticipates that peak production could be approximately 50,000 barrels of oil per day (gross).

The Umiat reservoirs were discovered by the US Navy in the mid-1940s as a part of the exploration of the National Petroleum Reserve #4 (later renamed National Petroleum Reserve – Alaska (NPR-A)) and adjacent areas. The US Air Force took over the operation of the Umiat Air Station in the late 1950s.

A total of 12 "legacy wells" have been drilled within the lease area between the years 1944 and 1979. Historical well testing at Umiat has determined that the oil is light, sweet crude with a 37 API gravity and a pour point of less than -5 degrees Fahrenheit.

Linc Energy's winter drilling program will mark not only the first drilling at Umiat since the late 1970s, but will be the first time that modern arctic drilling techniques will be applied to the Umiat reservoirs.

The winter drilling program includes the drilling and testing of shallow vertical and horizontal delineation wells in the Lower Grandstand Formation, as well as drilling and testing of a deep exploration target. The information gained from this program will help to validate the geological model, define the extent of the reservoirs, determine oil and rock properties for input into a reservoir simulation model, determine comparative production rates for horizontal and vertical completions and gather information on deeper reservoirs.

Drilling operations are anticipated to last through late April 2013.

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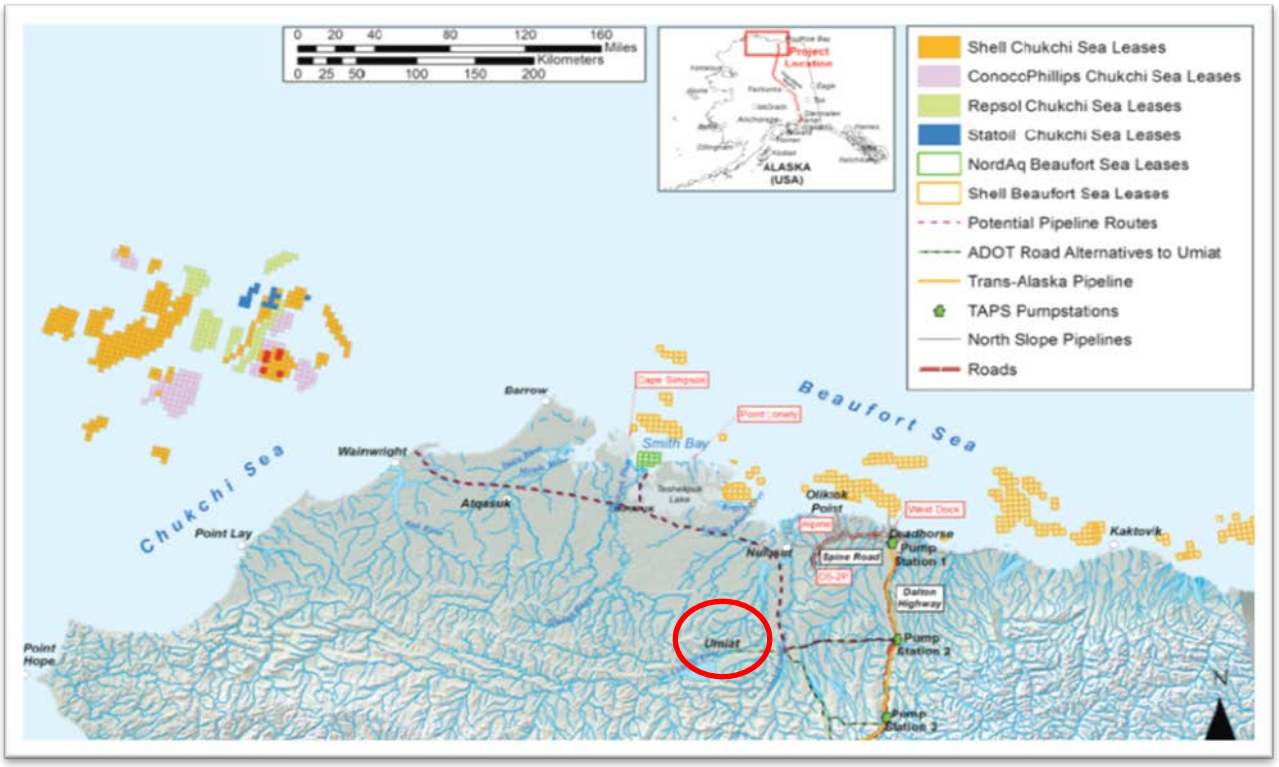
LOCATION OF UMIAT OIL FIELD

The Umiat oil field is located on the Alaskan North Slope, approximately 60 miles north of Anaktuvuk Pass, Alaska and approximately 60 miles south of Nuiqsut, Alaska. It is just inside the eastern boundary of the Northeast Planning Area of the NPR-A, along the Colville River and managed under the rules and guidelines established for the NPR-A.



UMIAT WINTER DRILLING PROGRAM (November 2012 to April 2013)

SNOW ROAD CONSTRUCTION (November 2012)

Pre-packing operations have commenced for the development of the 100-mile snow-packed access road which will support the upcoming winter exploration and delineation drilling program at the Company's Umiat oil field on Alaska's North Slope.

The 100-mile snow-packed road will begin at the Dalton Highway near Pump Station 2 of the Trans-Alaska Pipeline and continue eastward to Umiat which is located just inside the eastern boundary of the NPR-A. The snow road will be used to move equipment and supplies in and out of Umiat over the course of this winter's drilling program. It will take approximately 30 days to complete the snow road development.

MOBILSATION OF RIG AND SUPPORTING EQUIPMENT (December 2012)

Mobilization of the man camp, drill rig and related support equipment into Umiat will commence on or about 15 December 2012, at the completion of snow road construction.

While the rig and support equipment are en route to Umiat, development of the in-field ice roads and ice drill pads will commence. NPR-A and North Slope Borough rules require that all in-field roads and drill pads be constructed of ice during the exploration and pre-development drilling phases. No gravel structures can be constructed until there is a fully approved Master Plan of Development.

DRILLING PROGRAM (January to April 2013)

Four wells are initially planned for Umiat this winter program.

The DS#1, a Class 2 (oilfield waste) disposal well will be the first well drilled in the 2012-13 program, and is scheduled to spud on or about 18 January 2013. The DS#1 allows for the local disposal of drilling fluids and waste.

After the completion of the DS#1, the Kuukpik #5 drill rig will be moved up the hill to the northwest to location of Umiat #16, which will be drilled vertically into the Lower Grandstand oil sands. Four 60-foot sections of core will be pulled from the Lower Grandstand, kept frozen and analyzed after extraction. Umiat #16 will be flow tested after completion.

Once #16 has been drilled, the rig will be skid over approximately 10 feet and Umiat #16H, a horizontal well, will be drilled directionally into the same Lower Grandstand intervals being tested in the #16. A side-by-side test of the #16 and #16H is important for assessing the performance of the horizontal production well in contrast to the vertical producer.

After the #16H has been drilled, the rig will be moved east to the location of Umiat #23. Umiat #23 will target the deeper horizons below the Lower Grandstand formation where additional natural gas is expected. Natural gas will be required for the Umiat development, as injection of cold gas into the Upper and Lower Grandstand reservoirs will be required to maintain reservoir pressure for production. Well #23 will be plugged back to the Lower Grandstand oil sands and flow tested in that zone.

Two additional holes have been permitted (Umiat #18 and Umiat #19), as alternate locations for placement of wells in this winter's program. One or both of these wells could be drilled if time allows.

Crude oil samples will be taken for assay and further analysis and all wells will be drilled using mineral oil-based muds.

Demobilisation from the Umiat location will commence by late April 2013.

*The reserve estimates used in this statement were compiled by the Ryder Scott Company, L.P. by Scott J. Wilson (Senior Vice President of Ryder Scott Company LP) who is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which the reserve estimates appear.

Company Profile

Linc Energy is a globally focused, diversified energy company with a strong portfolio of coal, oil and gas deposits. It is Linc Energy's purpose to unlock the value of its resources to produce energy to fuel the future.

A publicly listed company, Linc Energy is the global leader in Underground Coal Gasification (UCG), which delivers a synthesis gas feedstock to supply commercially viable energy solutions – such as electricity, transport fuels and oil production – through gas turbine combined cycle power generation, Gas to Liquids (GTL) Fischer-Tropsch processing and Enhanced Oil Recovery.

Linc Energy has constructed and commissioned the world's only UCG to GTL demonstration facility located in Queensland, Australia. This facility produces the world's only UCG to GTL synthetic diesel fuel. Linc Energy also owns the world's only commercial UCG operation, Yerostigaz, located in Uzbekistan. Yerostigaz has produced commercial UCG synthesis for power generation for 50 years.

Linc Energy is on a rapid global expansion path to commercialise its portfolio of resources, with established offices across three continents in the United States, the United Kingdom and Australia.

Linc Energy is listed on the Australian Securities Exchange (LNC) and can also be traded in the United States via the OTCQX (LNCGY).