



ABN: 60 076 157 045
ACN: 076 157 045
Smellie & Co Building, 32 Edward St
(GPO Box 1315)
BRISBANE QLD 4001
Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ASX ANNOUNCEMENT / MEDIA RELEASE

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Linc Energy increases its Coal Lease holdings in Wyoming, Montana & North Dakota, USA, to 173,327 acres

- **Linc Energy has executed contracts to acquire:**
 1. **an additional 72,960 acres of State of Wyoming coal leases in the Powder River Basin from GasTech, Inc.; and**
 2. **8,308 acres of leases over privately owned coal in the Williston Basin in Montana and North Dakota from Wold Oil Properties, Inc.**
- **Following completion of the transactions Linc Energy will hold a total of 173,327 acres of coal lease areas across both the Powder River and Williston Basins in Wyoming, Montana & North Dakota, USA.**

Linc Energy Ltd (ASX:LNC) (OTCQX:LNCGY) is pleased to announce that its wholly owned subsidiaries, Linc Energy (Wyoming), Inc. and Linc Energy (Montana), Inc., have signed agreements with Wyoming based GasTech, Inc. (**GasTech**) and its related company, Wold Oil Properties, Inc. (**Wold Oil**), to acquire 81,268 acres of additional coal lease areas in Wyoming, Montana & North Dakota, USA.

These new coal lease areas will add to and complement the 92,059 acres of State of Wyoming Powder River Basin coal leases already held by the Company and announced in September 2009.

On completion of the GasTech and Wold Oil transactions, Linc Energy will hold a total of 173,327 acres of coal lease areas across both the Powder River Basin and the Williston Basin in the USA.

The Chief Executive Officer of Linc Energy, Peter Bond, stated, "This transaction is a key component to the completion of Linc Energy's entry into the Powder River Basin. Linc Energy now holds more State coal leases than any other company, with a coal acreage footprint of 173,327 acres. This puts Linc Energy into a very strong position to undertake commercial UCG operations in Wyoming and move quickly to the construction of a commercial Gas to Liquids facility in the USA. The Linc Energy model will allow us to gain significant energy flows from the coals of the Power River Basin using UCG. That gas flow

will feed a GTL plant, but it will also provide additional opportunities such as the sale of CO₂ for use in stranded oil recovery in the Wyoming region, and the ability to produce cost effective power. All of this from just one good site in Wyoming, and we believe that we will have at least 20 good sites within this acreage to undertake UCG on coal properties. I strongly believe that the utilisation of UCG in Wyoming will transform the State and Linc Energy over the next 24 months."

Williston Basin Coal Leases

The Williston Basin acreage is well known as a significant coal bearing region, containing abundant lignite seams of economic importance in the Fort Union Formation which is the same geologic unit containing most of the important coal seams in the Powder River Basin of Wyoming.

The area has been evaluated in the past as a surface coal mining location with significant resources in the Harmon Seam occurring at shallow depth. Additional coal seams at depths suitable for development by UCG methods are also present. As such, this coal acreage provides the Company with a number of opportunities to exploit both the deep coals by UCG and shallower coals by traditional extraction methods with an appropriate partner.

Key Terms

The key terms of the Purchase and Sale Agreements with GasTech and Wold Oil are as follows:

- Linc Energy (Wyoming) Inc (**Linc Wyoming**) will purchase from GasTech 62 State of Wyoming coal leases (**Wyoming Leases**) covering a total area of 72,960 acres.
- Linc Energy (Montana) Inc. will purchase from Wold Oil Properties Inc. (Wold Oil) 8,308 acres of coal mining leases and surface leases in Wibaux County, Montana and Golden Valley County, North Dakota (**Montana Leases**).
- The purchase consideration payable to GasTech is US\$20,000,000, payable in ordinary, fully paid shares in Linc Energy Ltd. The shares are to be issued in four equal instalments valued at US\$5,000,000 each, with the first instalment being payable on the Closing Date and subsequent instalments on each 6 month anniversary. The Closing Date for the transaction is expected to occur in the first quarter of 2010.
- The shares are to be valued at the 10 day volume weighted average price (VWAP) of Linc Energy Ltd shares traded on the ASX ending, in respect of the first instalment, on the trading day immediately before the Closing Date and, otherwise, on the trading day immediately before each of the three subsequent instalment payment dates.
- GasTech will retain a royalty interest in an amount equal to one quarter of the coal production royalties payable to the State of Wyoming under the Wyoming Leases, but not greater than 2%.
- Wold Oil will retain a royalty interest of 2% of the market value of the coal mined and sold from the Montana Leases.

GasTech are supporters of Linc Energy's business plan and have expressed a desire to become long term shareholders, which is why the parties have agreed to use Linc Energy

stock as consideration for this transaction. As part of this process Linc Energy and GasTech have also entered into a side letter where, if necessary at the time of acquisition, the parties will manage any share sale and reduce downward price pressure. Under the side letter GasTech has agreed to restrictions regarding the share sale period and the maximum daily sale volume, and Linc Energy has agreed to introduce GasTech to a third party Australian broker and will guarantee that GasTech achieve a price equivalent to the value which the shares were issued.

Further to the information provided above, pursuant to Listing Rule 3.10.3 Linc Energy provides the following additional information in relation to the proposed issue of the shares to GasTech under the Purchase and Sale Agreement:

Class of securities to be issued	Fully paid ordinary shares in Linc Energy.
Number of securities to be issued (if known) or maximum number which may be issued	The shares are to be issued in four equal instalments. The total number of shares to be issued per instalment will be calculated by dividing an amount of US\$5,000,000 by the issue price of the shares (see below as to issue price).
Principal terms of the securities to be issued	The shares will rank equally with existing ordinary fully paid shares in Linc Energy.
Issue price or consideration	The issue price of the shares will be the VWAP of Linc Energy shares traded on the ASX ending on the trading day immediately before: <ul style="list-style-type: none"> • In respect of the first Instalment, the date that Linc Wyoming's due diligence enquiries are completed pursuant to the Purchase and Sale Agreement; and • In respect of the remaining Instalments, each of the remaining instalment dates.
Purpose of the issue	The issue is being made pursuant to the Purchase and Sale Agreement between Linc Energy, Linc Wyoming and GasTech as consideration for the purchase of the Wyoming Leases by Linc Wyoming.
Whether the entity will seek security holder approval in relation to the proposed issue of securities	Linc Energy will not seek security holder approval in relation to the issue of the shares.
Whether the issue will be to a class of security holders	The issue of the shares will be made only to GasTech.

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



Peter Bond
Chief Executive Officer

Information for Media:

Mr Peter Bond
Chief Executive Officer
Phone: +61 7 3229 0800
E-mail:
pab@lincenergy.com.au

ASX Contact:

Mr Craig Ricato
Company Secretary
Phone: +61 7 3229 0800
E-mail:
craig.ricato@lincenergy.com.au

Information for investors:

Ms Janelle van de Velde
Manager, Investor Relations &
Corporate Communications
Phone: +61 7 3229 0800
E-mail:
janelle.vandavelde@lincenergy.com.au

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.