



LINQ RESOURCES FUND

ASX ANNOUNCEMENT

Linq Announces Part Settlement of Loan facility

26 October 2010

The LinQ Resources Fund (ASX: LRF) ('the Fund') is pleased to announce that it has converted 80 million Continental Coal Limited (ASX: CCC) ('Continental') options into ordinary Continental shares at 5c per share. These shares were subsequently on sold at market prices, yielding an attractive return for the Fund. In addition, the Fund has re-financed the balance of its loan to Continental into a convertible loan facility at a conversion price representing a discounted VWAP following the recent capital raising by Continental, thereby providing further upside for the Fund.

Furthermore, the Fund also participates in a coal Royalty, through the existing structured loan facility, on the first 15 million tonnes of coal produced by Continental and the first Royalty was paid to the Fund for the quarter ended 30 June 2010.

We congratulate Continental on their strong achievements to date and commencing production from their coal projects in South Africa.

For further information on Continental Coal Limited's assets, production planning and corporate strategy please refer to their website at conticoal.com.

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About LinQ Resources Fund ('LRF') ARSN 108 168 190

LRF is a registered managed investment scheme.

LRF is an actively-managed resources fund listed on the ASX, which specialises in investments in small to medium resources companies both in Australia and overseas. The Fund may invest in companies at all stages of development from exploration through to production, although the focus on pre cash flow companies is in the later stage exploration and economic evaluation phases between discovery and completion of bankable feasibility studies. The Fund aims to provide both yield and capital growth for its investors. Interests in the Fund have been issued by LinQ Capital Ltd. More information on the Fund may be obtained at <http://www.linqresources.com>. Past performance is not a reliable indicator of future performance.