

OIL & GAS DIVISIONASX Code: LNC
OTCQX Code: LNCGY

15 July 2013

PRODUCTION UPDATE - CEDAR POINT FIELD, GALVESTON BAY

- **New well at Cedar Point established with initial production of 1000 BOEPD**
- **Ten further similar well locations at Cedar Point have been identified for drilling**

Linc Energy Ltd (ASX: LNC) (OTCQX: LNCGY) is pleased to announce the recent drilling success and future drilling potential at Cedar Point Field in Galveston Bay, Texas.

To date we have completed one well with initial production rate of 1000 barrels of oil equivalent per day (BOEPD) (400 barrels of oil per day (BOPD) and 3.6 million cubic feet of gas per day (MMCF/D)). Linc Energy is currently drilling and completing two more wells at Cedar Point.

Further to this drilling success, Linc Energy has successfully utilised its recently reprocessed 3D seismic to develop multiple drilling opportunities in Cedar Point Field. The Company's geoscientists were then able to correlate the seismic signatures to historical well data.

Linc Energy anticipates that these reservoirs will be capable of sustaining excellent production rates over several years in contrast to higher declines at Barbers Hill due to the ten-fold increase in the size of each completed reservoir. Historical average cumulative production per well in the Cedar Point field has been 600,000 barrels of oil equivalent.

As provided in Table 1 below, the quality of the reprocessed data has already allowed the Company to identify 10 drilling and recompletion prospects with mean reserve potential of over 4.1 million barrels*. These reserves numbers were internally generated. Linc Energy will continue to evaluate the Cedar Point data as well as similar data in the adjacent Atkinson Island field.

Mr Peter Bond, Chief Executive Officer and Managing Director of Linc Energy, said "We are greatly encouraged by the results of the Cedar Point Field. Given the increase in reservoir size, higher initial production rates, higher estimated ultimate recovery and lower decline rates, we plan to prioritise our resources on Cedar Point in the short to medium term. This will result in a net decrease in overall capital expenditure in the Gulf Coast and enable us to grow production in line with our expectations. We also have the ability to replicate this success at our other underdeveloped salt domes."

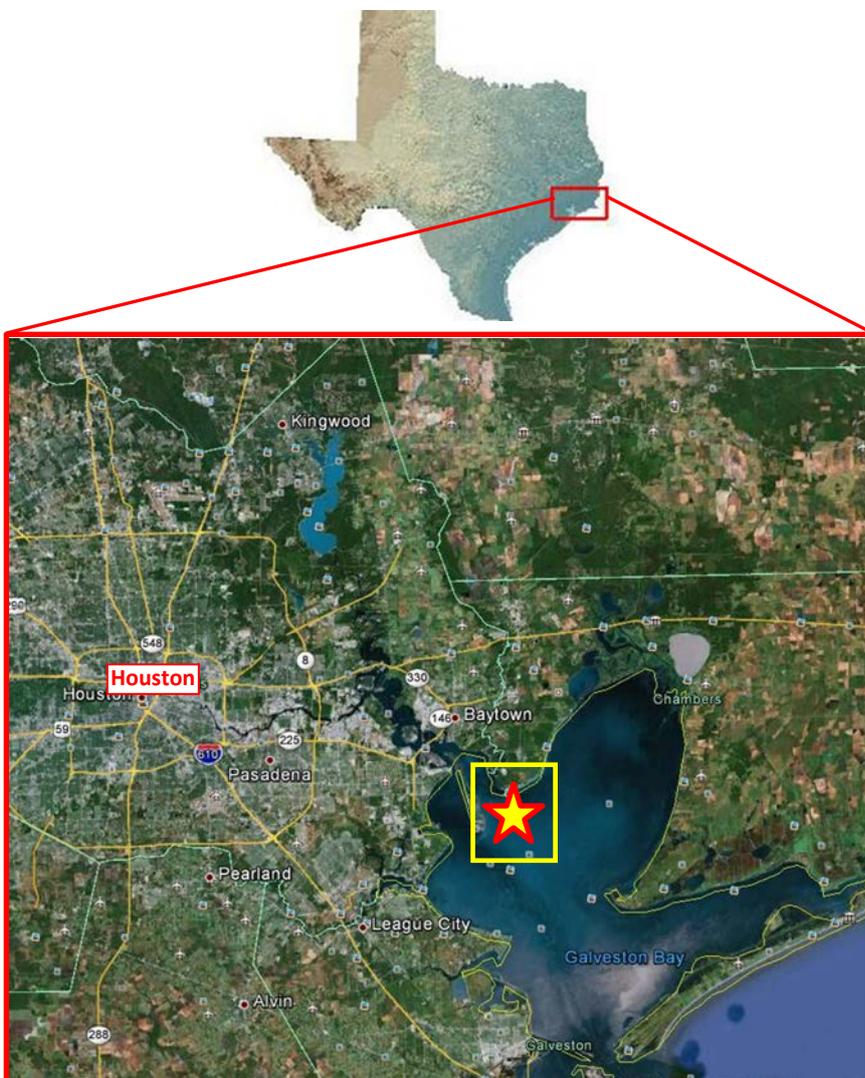
"We have doubled production since the acquisition and we look forward to further growth as we exploit our significant acreage position in the Gulf Coast. Importantly, our lease operating expenses have been substantially reduced," Mr Bond said.

Mr Bond said, "Our team has also identified some exciting sub-salt opportunities and we look forward to updating the market in the coming months about this."

Background

Cedar Point Field is located in Galveston Bay which is about 28 miles southeast of Houston, Texas in water depths ranging 2-3 metres. The field has been in production for over 75 years. It is situated in the heart of three oil-producing trends: the Miocene, Frio, and Vicksburg. The field consists of a deep-seated salt dome underlying prolific oil and gas reservoirs. Cedar Point was discovered in 1938 by the Standard Oil Company of Texas. Over 20 million barrels of oil and 28 billion cubic feet of gas have been produced in the field to date.

The Frio Deep-Seated Salt Dome trend has the second highest ultimate oil production EUR of the 32 most prolific plays in Texas and Cedar Point lies in the middle of the trend.



Cedar Pont Field, Chambers County, Texas

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TABLE 1**Cedar Point Field Reserve Potential (MBBLS)**

Trend	A	B	C	D	E	F	G	H	I	J	Total
Miocene	45	-	97	-	-	536	63	-	-	-	741
Frio	403	809	562	420	245	-	-	90	52	469	3,049
Vicksburg	-	-	44	-	60	-	-	54	-	177	335
Total	448	809	703	420	305	536	63	144	52	646	4,126

Cedar Point Field Reserve Potential (MBBLS) - Proved Developed Producing - PDP

Trend	A	B	C	D	E	F	G	H	I	J	Total
Miocene	-	-	-	-	-	-	-	-	-	-	-
Frio	299	-	-	-	-	-	-	-	-	-	299
Vicksburg	-	-	-	-	-	-	-	-	-	-	-
Total	299	-	299								

Cedar Point Field Reserve Potential (MBBLS) - Proved Developed Non-Producing - PDNP

Trend	A	B	C	D	E	F	G	H	I	J	Total
Miocene	45	-	-	-	-	-	63	-	-	-	108
Frio	104	809	-	-	-	-	-	-	35	-	948
Vicksburg	-	-	-	-	-	-	-	-	-	-	-
Total	149	809	-	-	-	-	63	-	35	-	1,056

Cedar Point Field Reserve Potential (MBBLS) - Proved UnDeveloped - PUD

Trend	A	B	C	D	E	F	G	H	I	J	Total
Miocene	-	-	97	-	-	536	-	-	-	-	633
Frio	-	-	375	420	50	-	-	90	-	-	935
Vicksburg	-	-	44	-	60	-	-	54	-	-	158
Total	-	-	516	420	110	536	-	144	-	-	1,726

Cedar Point Field Reserve Potential (MBBLS) - Probable - 2P

Trend	A	B	C	D	E	F	G	H	I	J	Total
Miocene	-	-	-	-	-	-	-	-	-	-	-
Frio	-	-	187	-	195	-	-	-	17	469	868
Vicksburg	-	-	-	-	-	-	-	-	-	177	177
Total	-	-	187	-	195	-	-	-	17	646	1,045

*The oil resource estimates in this announcement were compiled by GMS Contract Services by John Thibeau who is qualified in accordance with ASX listing rule 5.11 and who has consented to the form and context in which this statement appears.

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Company Profile

Linc Energy is focused on both conventional and unconventional oil and gas production. The Company owns a diverse and world-class commodity portfolio that includes oil, gas, shale and coal.

Conventional oil and gas is focused onshore USA (Alaska, Texas, Louisiana and Wyoming) with current production expected to grow significantly from the Company's existing reserves.

Unconventional oil and gas is focused on our world-leading capability in Underground Coal Gasification (UCG), the process of converting coal into a valuable synthetic gas in situ. Linc Energy has constructed and commissioned the world's only UCG to Gas to Liquids (GTL) demonstration facility near Chinchilla, Australia. The Company also owns and operates the world's only commercial UCG operation in Uzbekistan, which supplies syngas to a nearby power station.

Linc Energy is listed on the ASX (Australia) and the OTCQX (USA).

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