

28 April 2017

(1) UPDATES PURSUANT TO RULE 704(23) OF THE LISTING MANUAL

(2) APPLICATION TO THE SGX-ST FOR REPORTING WAIVERS

Reference is made to, *inter alia*, the following announcements by Linc Energy Ltd ("**Company**" or "**Linc Energy**") and/or Stephen Longley, Grant Sparks and Martin Ford (in their capacity as Liquidators of the Company):

- (a) the announcement dated 24 March 2016 and 30 March 2016 on the trading halt on and subsequent voluntary suspension of the Company's securities; and
- (b) the announcement dated 31 May 2016 on the confirmation by its Administrators that the Company was placed into liquidation on 23 May 2016 and that each of the Company's subsidiaries in USA had filed for voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on 29 May 2016.

1. UPDATES PURSUANT TO RULE 704(23) OF THE LISTING MANUAL

Pursuant to Rule 704(23) of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Liquidators announce updates relating to the Company as follows:

1.1 SALE OF SAPEX LIMITED

On 20 April 2017, the Liquidators completed the sale of Linc Energy's 100% shareholding in Sapex Limited ("**Sapex**").

Sapex holds a number of Petroleum Exploration Licences in the Arckaringa basin in South Australia.

1.2 SALE OF MINING DEVELOPMENT LICENCE 361

On 31 March 2017, the Liquidators entered into an agreement to sell Mining Development Licence 361, being the Pentland coal tenement in the Galilee Basin.

The agreement is subject to certain conditions, including indicative approval for transfer being granted by the Queensland Department of Natural Resources and Mines.

The sale is expected to complete within the next 6 months.

1.3 SALE OF LAND

On 16 March 2017, the Liquidators auctioned Linc Energy's real property assets in Chinchilla, Queensland. Two of the five properties, being Lillyvale and Ulinda Park were sold either at auction or shortly thereafter.

The Liquidators are currently considering options to realise the remaining three properties.

1.4 SECTION 511 OF THE CORPORATIONS ACT APPLICATION

The Liquidators filed a section 511 of the *Corporations Act 2001* application in the Supreme Court of Queensland for directions on whether they were justified in:

- (a) not causing Linc Energy to comply with the environmental protection order issued by Queensland Department of Environment and Heritage Protection on 13 May 2016; and
- (b) not causing Linc Energy to comply with any future environmental protection orders issued by the Queensland Department of Environment and Heritage Protection.

The Court did not deal with point (b) outlined above, however in respect to point (a), made orders on 13 April 2017 that the Liquidators are not justified in causing Linc Energy to not comply with the environmental protection order issued by the Queensland Department of Environment and Heritage Protection dated 13 May 2016.

The Liquidators are currently considering the orders made by the Court. Further updates will be provided in due course.

2. APPLICATION TO THE SGX-ST FOR REPORTING WAIVERS

2.1 Background

As mentioned above, trading of the Company's shares on the SGX-ST was suspended on 30 March 2016. Pursuant to Rule 1304(1) of the Listing Manual, the Company is required to submit a proposal with a view to resuming trading in the Company's shares ("**Resumption Proposal**") within 12 months of the date of suspension.

In this regard, the Liquidators made an application to the SGX-ST to seek a one (1)-year extension from the SGX-ST to submit the Resumption Proposal from the current deadline of 29 March 2017 to 29 March 2018 ("**Resumption Proposal Extension**").

In addition, pursuant to Rule 107 of the Listing Manual, the Liquidators also made an application to seek a waiver from compliance with the following requirements under the Listing Manual of the SGX-ST:

- (a) Rules 705(1) and (2); and
- (b) Rule 707(1).

(collectively, “**Reporting Waivers**”).

2.2 Reasons for seeking the Extension of Time for the Resumption Proposal

Since the suspension of trading of the Company's shares on 30 March 2016, the Liquidators have been monitoring the criminal proceedings presented against the Company in Australia. As the proceedings are ongoing with no clear conclusion on the outcome, the Liquidators are unable to ascertain the financial impact and legal implications arising from the same on the Company. Accordingly, the Liquidators cannot engage potential investors and other stakeholders to explore the various options for the Company to exit liquidation at this time.

As such, to provide for sufficient time to prepare and submit the Resumption Proposal, taking into account the above, the Liquidators had sought the Resumption Proposal Extension for up to 29 March 2018.

2.3 Reasons for seeking the Reporting Waivers

- (a) No requirement to prepare financial statements of the Group and convene AGMs upon commencement of subsequent liquidation of the Company

Pursuant to Rule 705(1) of the Listing Manual, the Company must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period. Pursuant to Rule 705(2) of the Listing Manual, the Company must announce its financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end.

Rule 707(1) of the Listing Manual provides that the time between the end of the Company's financial year and the date of its annual general meeting must not exceed four (4) months. Further, Rule 707(2) of the Listing Manual provides that the Company must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

On 15 April 2016, the Company appointed Voluntary Administrators and in connection therewith was granted relief from financial reporting, lodging annual reports etc. and holding of AGMs for six (6) months (commencing from the time of appointment). Shortly thereafter (within the prescribed six (6)-month period), the Company was placed into liquidation and the Liquidators were appointed on 23 May 2016. Accordingly, upon commencement of liquidation of the Company, under the laws of Australia, being the country of incorporation of the Company:

- (i) the Company is no longer required to comply with the relevant requirements for any financial year and half year reports due for lodgement after 23 May 2016; and
- (ii) the Company is no longer required to hold an AGM or to issue and despatch the annual report to its shareholders.

The above exemptions for the Company are not restricted by time, subject to the Company remaining in liquidation.

In light of the above, the Liquidators:

- (i) have and will maintain all their reporting obligations under the Australian *Corporations Act 2001* to the local regulator (ASIC) and the Company's creditors; and
 - (ii) have and will make available all information to shareholders of the Company via the SGX-ST that is provided to the Company's creditors.
- (b) Difficulty faced in preparing financial statements of the Group

On 24 March 2016, the Company announced the voluntary suspension of trading of its securities with immediate effect. The Company had been focusing its efforts on progressing debt restructuring and recapitalisation negotiations with multiple parties, including its major debt holders inside and outside the USA and a potential new investor, as also announced by the Company on 30 March 2016. As such, the Company was not able to consolidate, and make an announcement on, the Group's financial statements for the then most recently completed quarter ended 31 March 2016 which ought to have been released by mid-May 2016.

Further, the key office holders of the Group resigned on 22 April 2016, who included Craig Ricato (Managing Director and Chief Executive Officer), Chris Munday (Chief Financial Officer) and Michael Mapp (Chief Operating Officer), due to the restructuring process undertaken by the Company and the subsequent appointment of Voluntary Administrators. The Liquidators continue to have access to each person for information, however that access is limited.

Also, as at the date of this Announcement, the Company's Finance team has since been terminated in order to preserve the limited funds in the liquidation. All financial reporting moving forward will be prepared by the Liquidators and their staff, along with (if required) external advisers.

As such, the Reporting Waivers would allow the Liquidators to streamline the Company's processes and focus their efforts on the situation of the Company.

(c) Saving of unnecessary costs to the Company

In view of the commencement of the liquidation of the Company, the Liquidators would like to avoid incurring unnecessary costs in relation to the time and expenses in preparing for the issuance of the financial statements and annual report for the Company and other preparatory work for the convening of an AGM taking into consideration the present circumstances as mentioned above.

(d) Suspension of Trading

As the trading of the shares in the Company has been suspended since 30 March 2016 until further notice, the financial results of the Company are not price-sensitive and will not have any impact on the share price of the Company for the time being.

In view of the foregoing and given that the Liquidators are considering the viability of the several options for the Company to exit liquidation in order to unlock value in its listing status (including without limitation, a restructuring of its assets and/or debts, or an injection of funds, or a combination of both by way of a scheme of arrangement with creditors and/or shareholders or a deed of company arrangement), the Liquidators had sought the SGX-ST's consent to the following:

- (i) an extension of one (1) month after the discharge of the Company from liquidation to comply with Rules 705(1) and (2) of the Listing Manual on an ongoing basis;
and

- (ii) an extension of two (2) months after the discharge of the Company from liquidation to comply with Rule 707 of the Listing Manual for the Company.

Further announcements will be made by the Company to keep its shareholders updated on any material developments as and when appropriate.

Any enquiries should be directed to:

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