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ASX ANNOUNCEMENT

14 July 2010

COAL SALES UPDATE

Linc Energy Ltd (ASX: LNC) (OTCQX: LNCGY) has become aware of the media and market speculation overnight as a consequence of an article published in The Economic Times in India regarding an impending sale of one of Linc Energy's non-core assets in Queensland to Adani Enterprises.

As previously announced, Linc Energy remains in detailed negotiations with a number of parties in relation to the sale of its non-core Queensland coal tenements. These negotiations remain commercial in confidence.

Linc Energy confirms that at this stage it has not concluded any binding contract or finalised any material terms with any party. Linc Energy will immediately advise the market should this position change.

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

A handwritten signature in black ink, appearing to read "P. Bond", is positioned above the name Peter Bond.

Peter Bond

Chief Executive Officer

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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.