

BILLION TONNE COAL DISCOVERY DEFINES SA COMMERCIAL LOCATION

This month, Linc Energy announced its exploration activities in South Australia had confirmed a significant coal deposit with a coal mineralisation exploration target¹ of 1.0 to 1.3 billion metric tonnes, in accordance with the JORC Code. The exploration area is located in Linc Energy's, SAPEX Limited Petroleum Exploration Licence 120, about 90 kilometres south-east of Port Augusta, just north of the rural township of Orroroo (pronounced oro-roo).

The drilling of five exploration holes to date has intersected coal at 200 to 293 metres deep, with seam thicknesses up to 23 metres. An additional 30 exploration wells will now be undertaken and evaluated.

Of the drilling results to date, Chief Executive Officer Mr Peter Bond said, "These initial drilling results are fantastic. It seems this area has the attributes Linc Energy is looking for in its first commercial Underground Coal Gasification (UCG) site."

"Results have revealed great coal, at ideal depth, with excellent coal seam thickness, good geology and flat terrain. This deposit has the potential to support the production of synthesis gas for power generation and synthetic fuels production."

Subject to obtaining the necessary approvals, Linc Energy sees the potential to commission a commercial UCG facility near Orroroo. This will confirm the suitability of the deposit for synthesis gas production, to be used as a feedstock for power generation and the production of synthetic fuels.

Linc Energy believes the identified deposit is of a suitable scale to support a 500 megawatt, high-efficiency, UCG power generation project. Such a project would be a significant addition to South Australia's electricity system. The deposit is of a size that can also support a Gas

to Liquids (GTL) plant to produce 20,000 barrels per day of ultra-clean synthetic fuel. Based on the known scale of the deposit to date, the production life of the combined UCG and GTL facilities is estimated to be about 75 years.

"Orroroo is in good proximity to Adelaide. It has good access to port and power transmission infrastructure. Linc Energy is grateful for the support it has received from the local Orroroo community and the South Australian Government to date. With their continued support we will look to develop the potential that the Orroroo location has to offer," said Mr Bond.

Linc Energy is pleased with the drilling results achieved so far and believes this deposit is the best UCG location examined to date. On that basis, Linc Energy anticipates the site to become the western world's first commercial UCG facility and in time, the focus of combined UCG to GTL commercialisation.

Linc Energy is on track for the next stage of drilling near Orroroo and aims to release a JORC Code resource statement early in the second quarter of 2010.

¹ In accordance with section 18 of the JORC code, the company wishes to state that the potential quantity and quality of this mineralisation target is conceptual in nature, with insufficient verification of previous exploration to define a mineral resource. It is uncertain if further exploration will result in the determination of a mineral resource.



▲ Drilling on location near Orroroo, South Australia.

GTL COMMERCIAL DESIGN CONCEPT ON TRACK

Conceptual design is well underway for Linc Energy's first commercial Gas to Liquids (GTL) facility. With an estimated total of 13,000 work hours over six months, the team is on target to deliver its design concept by the end of February 2010, paving the way for Linc Energy's commercial success.

Conceptual design of the GTL facility is crucial for Linc Energy to accelerate plans for Underground Coal Gasification (UCG) and GTL technologies to produce cleaner energy solutions for Australia. Delivered in a relatively short timeframe, the conceptual design phase complements Linc Energy's demonstration plant developments and is indicative of its focus and commitment towards long-term commercial success.

Throughout the design phase, special focus has been given to selecting the most cost-effective and technically-

viable option. Work to date has focused on key technological aspects of the commercial GTL complex, specifically the optimisation of a process flow scheme with cost estimates (+/- 25 per cent) to verify the economic feasibility for the first commercial facility in South Australia.

Since work began, available GTL technologies have been investigated, with sessions held to gather knowledge and industry experience. Expert peer review has been conducted to ensure all options were considered. Catalyst development work is now being undertaken by a Fischer-Tropsch (FT) catalyst manufacturer, while a US-based, independent, specialised FT laboratory conducts further catalyst testing. All of this helps define the parameters to be used for the first commercial plant.

To date, 18 process options have been identified for consideration. Each option has been compared based

on set criteria including, technology, economics, and Health Safety Environment. This rigorous process has resulted in the selection of a preferred GTL process scheme for further development and optimisation.

The focus now is to further optimise the selected process, and upon completion of the conceptual GTL design, deliver the most optimum process flow diagram; completed heat and material balances; preferred licensor and vendor shortlists; +/-25 per cent cost estimates; and project economic viability with sensitivity analyses.

The conceptual design work continues with Aker Solutions and the partnership is progressing well. Aker Solutions functions as an extension of Linc Energy's process engineering capabilities. Linc Energy's goal is to enhance the partnership for future GTL developments to take place across Australia and around the world.

Check out future editions of *InvestorLinc* for more information on the progress of GTL conceptual design.



▲ The GTL plant in Chinchilla is being upgraded for its next start up, December 2009.



INSIDE FOCUS UCG TECHNOLOGY FOR CLEANER ENERGY

We talk with General Manager – Underground Coal Gasification (UCG), Daryl Rattai

What attracted you to join the Linc Energy team?

I was seeking a new challenge and saw enormous opportunity at Linc Energy. Linc Energy is a very dynamic company with a very strong team, a world-class UCG to GTL research and development facility, a solid technology platform and vast coal resources. Ahead of its competitors, Linc Energy's commercialisation of UCG technology represents an exciting challenge.

What has been your priority since starting with Linc Energy?

Priority for any business is to increase shareholder value. My focus has been to understand the status of Linc Energy's

UCG technology platform and how it relates to all staff and the technical, infrastructure and energy resources of the company. This understanding is vital for commercialisation.

How does UCG technology differ from other technologies using coal for energy?

In the UCG process, coal conversion takes place deep underground. Other technologies convert coal at the surface, requiring additional infrastructure and funds for process facilities, operations and maintenance. The lower costs associated with UCG technology is the key driver for its commercialisation.

How does information from other Linc Energy technical teams assist UCG development?

UCG development depends on the quality of information provided by other technical teams. The information received enhances and validates Linc Energy's computer models to predict and monitor UCG generator performance. The design of UCG well and surface facilities also relies on

information from other teams. All of the information provided is very important for Linc Energy's future success, especially as the path towards the commercialisation of UCG and GTL technologies accelerates.

How will planning for Generator 5 assist Linc Energy's UCG to GTL commercialisation?

Early works for Generator 4 are under way at the Chinchilla Demonstration Facility. Its design includes many new technical developments, demonstrating a significant advancement in Linc Energy's UCG technology platform. The real challenge for the project team is to focus on scalability to ensure the technology fully aligns with the design of a commercial size operation. The completion of Generator 4 will demonstrate that Linc Energy's UCG technology is on track for full scale commercialisation. The approach taken for Generator 4 will underpin the design for the next generator (Generator 5), which is already underway.

Where do you see Linc Energy in ten years time?

Linc Energy is a dynamic business with enormous potential. I believe it may be somewhat limiting to think in absolute terms about where it will be in ten years. Within the next ten years, however, I fully expect Linc Energy will have at least one full-scale, commercial UCG to GTL facility in operation, with several other projects in various stages of establishment.



▲ Each UCG generator builds on Linc Energy's technology platform.

TECHNOLOGY POWERS ON GLOBAL PLATFORM

In Vietnam, sources of power supply are high on the agenda. A developing economy with increasing power supply needs, the Vietnamese Government has opened its market to foreign power producers and investors to cater to these supply needs. Chief Operating Officer Stephen Dumble presented Linc Energy's case for UCG at the VietPower Conference during September.

"Vietnam's economy is growing at an accelerated pace. There is a growing gap between electricity supply and demand, driven by a lack of indigenous forms of traditional fossil fuels. Linc Energy's UCG technology is creating much interest in Vietnam due to its ability to provide low cost gas for high efficiency generation, with further potential for carbon capture and storage," he said.

"Participation in the VietPower Conference was very positive for

Linc Energy and UCG. Attending conference delegates were excited when they realised UCG can provide input fuel costs, consistent with traditional coal generation, but with lower capital costs than gas-fired generation – a real win-win as one delegated commented."

Linc Energy is working in partnership with VINACOMIN and Marubeni Corporation to deliver a trial UCG project in the Red River Delta, 60 kilometres south-east of Hanoi. If successful, the trial will be the precursor to a commercial UCG power project in the area.

The VietPower conference ran for two days in Ho Chi Minh City and was attended by Vietnamese government authorities, business leaders and decision makers. Check out Linc Energy's presentation online at www.lincenergy.com.au/presentations.php.

Out and about

It has been a busy quarter for spreading the good news about UCG and GTL technologies for cleaner energy solutions. Linc Energy representatives recently presented at global technology conferences, explaining the process for UCG and GTL technologies and bolstering support for Linc Energy as it accelerates its commercialisation strategy.

Read below to find out where the team has been:

September:
VietPower Conference
Ho Chi Minh City, Vietnam

October:
UCG Conference | London
Gas to Liquids Conference | London

Check out these presentations at www.lincenergy.com.au/presentations.php.

Linc Energy is proud to spread the word about its technology and achievements to date. To help further understanding of Linc Energy's technologies, a series of information sheets was recently developed. These are available online at www.lincenergy.com.au/info-sheet.php.



▲ Linc Energy's UCG technology leads the way for the growing UCG industry.

THE TRUTH ABOUT UCG

During October, Linc Energy presented a series of one-day information sessions to state and local governments in South Australia and Queensland.

Topics such as the potential for UCG in today's energy mix, Linc Energy's UCG modelling tools, subsidence, groundwater, geology and environmental benefits were covered to educate regulators and increase confidence in Linc Energy's capabilities to safely operate UCG commercially. The sessions were followed by visits to the Chinchilla Demonstration Facility, where participants saw UCG and GTL operations, and the control systems in place.

Linc Energy Manager, Environmental Affairs, Matthew Buchanan said, "The sessions were part of an ongoing campaign to communicate the environmental credentials of UCG. By presenting the facts about UCG and the tools we have to predict, control and monitor the process, we have been able to dispel many, too often heard myths."

Feedback received was overwhelmingly positive. Sessions were supported by Linc Energy's recently completed information sheets, available online at www.lincenergy.com.au/info-sheet.php!

COMMUNITY WATCH

Over the past quarter, Linc Energy has been active in the South Australian Walloway and Arckaringa Basins with its drilling and exploration program.

Linc Energy is committed to being a good neighbour in the communities in which it operates. As a Queensland-based company, fairly unknown in South Australia, Linc Energy and its representatives recently took time out of their schedules to meet with the local Orroroo community. About 200 people gathered at the local Orroroo football club as Linc Energy provided information on the company and its activities.

The session a success, further engagement activities will be arranged as more details become available about Linc Energy's future plans.

Check out the page four article 'At the Coal Face' for more information on South Australian drilling.

As a sponsor of this year's Chinchilla Melon Festival in Queensland, Linc Energy would like to congratulate the festival and its committee for its win in the Events and Tourism section of the Queensland Regional Achievement Community Awards. Well done on a great achievement.



INTERVIEW WITH OWEN CARINGTON SMITH LINC ENERGY SHAREHOLDER

How did you hear about Linc Energy and what attracted you to investing?

In 1979 I attended a conference where oil supply and demand, based on world economic growth, the rise of Asian economies and oil demand to 2015 was forecast. The speaker determined peak oil production would occur by 2010 and said to look for signs of special extraction techniques. I kept this in mind until I received a newsletter detailing Linc Energy's float in 2006.

The Chinchilla Demonstration Facility has shown great success to date. How do you perceive further GTL technology development with Aker Solutions will enhance Linc Energy's commercialisation?

Mining ventures must cope with changes in nature (overburdens, impurities, percentage of targeted mineral,

groundwater pressure). These may occur on any site to be developed and Linc Energy's Fischer-Tropsch equipment needs to optimise production yields. A robust design process will verify operational criteria, capital and operating costs.

Linc Energy has been pursuing an aggressive drilling program in South Australia. What do you think about the potential for commercialisation in the state?

South Australia seems to have a cooperative government and good infrastructure to the leases, with potential for conventional oil and gas. Further investigation will characterise the South Australian deposits to the same level as Chinchilla. I understand plans proceed on the basis that commercialisation will occur in South Australia and Queensland.

How do you view Linc Energy's recent capital raise for the pursuit of its commercial activities?

With regret; we only took up part entitlement. Capital received will ensure planning and production testing

continues awaiting the sale of surplus coal leases. It reflects Peter Bond's personal determination to stick to his plans, regardless of hurdles. Linc Energy has a great 'can do' attitude. It is an exciting story to watch as each step unfolds.

Linc Energy recently purchased coal tenements in the Powder River Basin for its trial UCG operations. How will commercial operations in the USA benefit shareholders?

The US Government has strategic, military and economic concerns over its dependence on imported oil. The investment may generate an interest from US shareholders, creating more buying and a broader investment base. Commercial production may provide a better balance in exchange rate risk.

Would you recommend Linc Energy stock to friends, family or other acquaintances?

Yes, this is a train with a full head of steam waiting for the tracks to be laid. My sister, her husband and some friends have now invested.

Age
65

Type of employment

Chair of a major tourist complex in Port Douglas; Director in Tasmania's Salmon Industry.

Interests

Growing and processing olives with my wife Dianne on one of Australia's most southern olive farms on Bruny Island.

Home city

Hobart, Tasmania

Immediate family members

Married to Dianne for 40 years; two children Michele and Richard, plus three vigorous grandchildren.

Share experience

I have been on the rollercoaster since the 1967 mining (Poseidon) boom.

Purchased shares in Linc Energy

Purchased initial offering at 25 cents, but failed to act when they dropped to 15 cents. I have purchased many parcels since.

LINC ENERGY GOING GLOBAL

In the last edition of *InvestorLinc* we provided an update on Linc Energy's global UCG activities. Read what took place during the last quarter.

Vietnam | Tonkin Project

Late September, Chief Executive Officer Peter Bond and Chief Operating Officer Stephen Dumble attended the fourth Tonkin Project management committee meeting in Hanoi. These meetings work to govern project contracts, schedules, and financial obligations.

Linc Energy and its partners, VINACOMIN and Marubeni Corporation, have submitted the necessary documentation to the local Vietnamese authorities to obtain its investment licence. Technical staff continue to finalise the core well drilling program. Data gathered helps finalise the remaining aspects of the project, such as UCG well design and aboveground production facility engineering.

Stage 1 of the program will determine suitability of the region for UCG, including sixty days of gas production to be completed within 12 months. If successful, Stage 2 will involve the development of a commercial UCG field to provide syngas for much needed power generation in Vietnam.

As international projects progress, experience on the Tonkin Project is invaluable. Linc Energy staff have engineered a UCG method for implementation anywhere in the world, with only minor modifications to the technical parameters.

Uzbekistan | Yerostigaz

Yerostigaz continues to perform well and remains the best energy utility in Uzbekistan. Acknowledged as a benchmark for other Uzbek energy proponents, it continuously produces in excess of 1,000,000 m³ of syngas per

day. Syngas produced is of consistent, high energy content for transfer to Angren Power Station, subsidising its fuel energy needs when the adjacent coal mine is unable to produce the required quantity of brown coal from its open cut and underground operations.

To date, Yerostigaz is well ahead of its production forecast for the year. Recent negotiations with UzbekEnergy (Uzbekistan Government Energy Department) resulted in a price increase for the syngas for Angren Power Station. Much needed casing recently arrived on site and has enabled the acceleration of the drilling program, prior to the onset of the winter months (December to February), when drilling and other operations become more difficult due to the sub-zero temperatures.

The renewal program to update site equipment is on schedule and

will be accelerated once a share emission is completed. This will provide funds for the purchase of equipment to enhance existing operations to ensure the continued performance and favoured reference from the Uzbekistan Government.



▲ Site tour as part of the fourth Tonkin Project management committee meeting, Hanoi.

SPREADING THE WORD

Linc Energy is passionate about its achievements with its UCG and GTL technologies, and the measures and controls under which these currently operate at the Chinchilla Demonstration Facility.

Working with UCG technology for the last ten years, Linc Energy is keen for wider understanding of its economic benefits and environmental credentials.

To better inform stakeholders on Linc Energy's UCG and GTL technologies, Linc Energy recently developed a series of information sheets covering areas such as corporate activities, the environment, and detailed information on UCG and GTL technologies.

Information sheets are available online at www.lincenergy.com.au/info-sheet.php. Linc Energy is always keen for feedback on its materials. Submit feedback to linc@lincenergy.com.au.

UCG, GTL and the Environment 01 Environment Series		LINC ENERGY
<p>The information sheet provides an overview of the complex environmental impacts and benefits of Underground Coal Gasification (UCG) and Gas to Liquids (GTL) technologies. Used in the report and benefits assessment books are described below in other information sheets.</p>		
<p>Linc Energy's environmental philosophy</p> <p>Linc Energy is committed to developing its operations in an environmentally responsible manner and recognises the importance of environmental issues in UCG technology.</p> <p>The Linc Energy environment policy is available on the website.</p> <p>What is Underground Coal Gasification?</p> <p>UCG is the in-situ conversion of coal to a gas (called synthesis gas or syngas) through a series of reactions</p>	<p>that often arise with traditional coal mining.</p> <ul style="list-style-type: none"> Compared with conventional coal to liquids or surface gasification for power, UCG eliminates the need for a surface production plant. Such plants are capital and energy intensive. Compared with conventional gas or coal seam gas production, UCG creates significantly more energy for the same land area, meaning UCG takes up a smaller space. When used for power generation, UCG syngas results in a 25 per 	<p>centage increase in UG produced FT diesel, meaning on-board vehicle engine conversion requires no maximum oil supply, reducing air emissions.</p> <p>25% Reduction in greenhouse gas emissions when FT diesel is used for power generation.</p> <p>35% Reduction in particulate emissions when FT diesel is used to drive engines.</p> <p>43% Reduction in hydrocarbon emissions when FT diesel is used to drive engines.</p>

SEASONS GREETINGS

Linc Energy wishes all its shareholders and business associates a happy and safe festive season.

The Christmas/New Year period in Australia is generally corporate 'downtime'. The Linc Energy offices will be closed from midday, Thursday 24 December 2009. The office will reopen at 8am on Monday 4 January 2010. We look forward to an exciting 2010.

Contact us

Web: www.lincenergy.com.au

Email: linc@lincenergy.com.au

Phone: +61 7 3229 0800



EXPLORATION UPDATE

In previous months, drilling and exploration has focused on four key geographical areas; in Queensland: the Galilee Basin and existing Chinchilla site; and in South Australia: the Walloway and Arckaringa Basins.

In Galilee, Linc Energy announced it has identified a coal deposit of 7.8 billion tonnes in accordance with the JORC Code. This comprises 7.3 billion tonnes at Inferred resource status and 500 million tonnes at Indicated resource status. The drilling program began in June and to date, 15,000 metres of cored and chipped holes have been completed.

At the Chinchilla Demonstration Facility, the Linc Energy rig has drilled and constructed a number of piezometer holes for groundwater monitoring for Generator 3 shutdown and the upcoming Generator 4 program. The rig has also drilled and cored a number of holes to gather key geotechnical data to assist with the design of Generator 4.

In South Australia, a suitable rig was contracted for a 14 well exploration program. Submissions of cultural heritage, notice of entry and well-specific documents have been made. Statutory approvals to drill were secured in early August. The rig was mobilised to the Walloway Basin, three hours north of Adelaide, where one hole was drilled on Exploration Licence 4148 and five wells on Petroleum Exploration Licence 120 to assess the lateral extent of a previously noted Tertiary aged coal occurrence in the vicinity of Orroroo. One core was cut to allow UCG specific analysis of the coal and overburden material to evaluate its suitability for Linc Energy's UCG process. Evaluation of the results is ongoing. On completion of the Walloway Basin drilling in late September, the rig moved to the Arckaringa Basin. Drilling now continues across a number of Arckaringa Basin Petroleum Exploration Licences to assess the suitability of known coal accumulations for Linc Energy's UCG process, testing a number of 'wildcat' exploration leads.

TECHNOLOGY UPDATE

Underground Coal Gasification

At the Chinchilla Demonstration Facility, Generator 3 decommissioning continues as planned. Now in its final stages, the UCG cavity is now rapidly cooling and filling with water, indicating the combustion process has been extinguished. Comprehensive groundwater quality monitoring continues to confirm no environmental impact from UCG activities.

Generator 4 will continue to further demonstrate and validate Linc Energy's UCG technology for commercial UCG operation. In addition to supplying the Chinchilla GTL demonstration plant with synthesis gas to produce liquid Fischer-Tropsch products for testing and analysis, Generator 4 will also focus on demonstrating key technical developments aimed at increasing resource recovery, improving the commercial drivers for gas production, including economies of scale and capital efficiencies, as well as further enhancements in operational reliability and predictability. The environmental sustainability of UCG will also continue to be demonstrated.

Design work for Generator 4 is complete and the project is currently in construction, with start-up and the first production of syngas targeted for the end of 2009. With the aim of collecting valuable information for commercial scale UCG to GTL operations, Generator 4 will include the use of oxygen-enriched air as the oxidant, a new UCG water treatment facility, and other aboveground facilities to simplify and improve operability and reliability.

With an increasing focus on the commercialisation of UCG, technical work for Generator 5 has already begun. Generator 5 is planned to be Linc Energy's first, full-scale, commercial generator and will ultimately be expanded to consist of a number of operating panels to supply high quality syngas, for commercial power generation and GTL application in South Australia and the USA.

Opportunities for CO₂ capture will also be explored as part of the next phase of UCG development. This will demonstrate that UCG with carbon capture and storage is the most realisable, cost-effective and technically-feasible clean coal power generation technology of those currently envisaged.

FROM THE CEO, PETER BOND

Welcome to edition 14, the third anniversary of *InvestorLinc*. Over the years, investors from around the world have complimented us on this newsletter. It may look easy, but *InvestorLinc* takes a huge team effort to produce. I'd like to thank Janelle van de Velde for her commitment and outstanding effort. Janelle has worked on *InvestorLinc* since the first issue and her excellent standards have made it a great success. Well done to Janelle and her fabulous team on three great years. Let's continue to enjoy more editions.

Well, another AGM has come and gone. About 350 people attended this year; our largest to date. Like all things at Linc Energy, we just keep getting bigger. I'd like to thank the Board and the team for a successful year under difficult and testing circumstances.

It is with great pride I summarise some 2009 highlights, including the:

1. Discovery of a 1.3 billion tonne coal deposit exploration target² in accordance with the JORC code near Orroroo (pronounced oro-roo), South Australia.
2. Purchase of land at Orroroo and identifying the area for the first commercial UCG/GTL facility.
3. Completion of UCG Generator 4, Chinchilla.
4. Operation and improvement of the Chinchilla GTL facility and the start of front-end engineering (Aker Solutions). A prolonged operational run will start soon to produce significant quantities of synthetic liquids for further testing.
5. Galilee coal tonnage increase to 7.8 billion tonnes in accordance with the JORC code (7.3 billion tonnes Inferred, 500 million tonnes Indicated), expanded from 3 billion tonnes and expansion of the Galilee open cut deposit.
6. Purchase of 94 coal leases totalling 92,059 acres in the Powder River Basin, Wyoming.
7. Establishment of Linc Energy's first USA office in Casper, Wyoming.
8. Arckaringa Basin drilling leading to a significant expansion in coal tonnage targets and better understanding of it in terms of oil and gas.
9. Expansion of our UCG and GTL technical teams and their significant achievements. For those who attended the Limelight Series/AGM, you will have witnessed the talent of our technical teams.
10. Achievements in health and safety. Managing growth while implementing strong systems and procedures for health and safety has been important. Linc Energy recorded no Lost Time Injuries over the past year. The entire team, and particularly H&S policy driver COO Steve Dumble, can be proud of this achievement.
11. Relocation into larger and better Brisbane offices.
12. Work with local communities and government counterparts. We have had success in South Australia and Wyoming and see

13. Completion of a \$65m capital raise to deliver a number of priorities, particularly drilling and engineering. When you reflect on what we've achieved in just 5 months of this capital injection, we've certainly fast-tracked our initiatives.

Finally, I'd like to touch on the coal sale and the future for 2010 and beyond. My sincere apologies that the coal sale is not yet completed. We have made a lot of progress. The demand for our coal assets is increasing, in value and the number of interested parties. The value of the asset remains. With exploration and drilling in the Galilee showing a 7.8 billion tonne coal deposit, this reinforces our decision to explore Galilee. Other companies in the Galilee are offering their coal assets at much higher valuations than us. This has added an additional dimension of an independent valuation, confirming the high value of our assets. The UBS process has taken longer than anticipated, yet demand and interest is very strong. It's up to my team and I to ensure we unlock the best value for our shareholders in a reasonable timeframe. That is what we are doing. The coal deposit remains, and as we drill more, we unlock more value.

On the future, we will:

1. Push ahead with construction of our first commercial UCG/GTL facility near Orroroo, South Australia.
2. Construct a 400MW combined cycle power generator in two stages as part of the South Australian program.

3. Further expand in the USA, increasing coal acreage in a number of impressive locations.
4. Commission UCG Generator 4 and run syngas into the upgraded Chinchilla GTL facility. The focus will be on producing high volumes of synthetic liquids for high quality diesel and jet fuel. Jet fuel will be refined offsite and we aim to produce enough Jet A1 to use in flight tests next year.
5. Continue to expand our talented team across all business units.
6. Open a USA head office in Denver.
7. Aim to have UCG Generator 5 operating in Orroroo next year, and potentially Generator 6.
8. Due to positive feedback, continue the Limelight Series of events in 2010.

And yes, I aim to have the coal sale completed and the money in the bank. That's a taste of what's to come next year. Thank you for your support. It's been a "tough year" on a few fronts, yet Linc Energy has been able to consolidate, improve and expand.

May you all have a Happy Christmas and fantastic New Year!

Kindest Regards and Best Wishes



Peter Bond

² In accordance with the requirements of clause 18 of the JORC Code regarding exploration, the following compulsory statement concerning exploration targets is included: "[T]he potential quantity and [quality] is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource."

Competent Person's Statement: The information in this announcement relating to resources is based on information compiled by Troy Turner, who is a member of the Australian Institute of Mining and Metallurgy and who is employed by Xenith Consulting Pty Ltd. Troy Turner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Troy Turner consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

Linc Energy Ltd

32 Edward Street
GPO Box 1315
Brisbane QLD 4001

P 07 3229 0800

F 07 3229 6800

E linc@lincenergy.com.au

www.lincenergy.com.au

