



ABN: 60 076 157 045
ACN: 076 157 045
Level 7, 10 Eagle St
(GPO Box 1315)
BRISBANE QLD 4001
Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ASX ANNOUNCEMENT / MEDIA RELEASE

14 May 2009

LINC ENERGY SIGNS CONTRACT FOR ITS FIRST USA COAL ACQUISITION

- Linc Energy has signed a purchase agreement with GasTech Inc to acquire 92,059 acres of Powder River Basin coal tenements in the USA.

Linc Energy Limited (ASX:LNC) (OTCQX:LNCGY) is pleased to announce that it has signed a purchase agreement to acquire a 100% interest in 92,059 acres of coal tenement lease areas in the Powder River Basin in Wyoming USA from GasTech Inc, a company based in Casper Wyoming.

The 92,059 acres being acquired have a coal deposit exploration target range of 7 to 8 billion metric tonnes (non-JORC Code standard) based on existing drilling data.

The Powder River Basin is the largest coal producing region in the United States with current production from surface mines representing over 45% of the total US production. The area being acquired by Linc Energy contains multiple sub-bituminous coal seams ranging from 6 to 15 metres thick and occurring at depths in excess of 150 metres, making them excellent targets for Underground Coal Gasification (UCG) operations.

Linc Energy has agreed to pay US\$5 million for the purchase of the GasTech coal tenements. This agreement follows the Letter of Intent between Linc Energy and GasTech which was announced on 3rd December 2008 and completes the first phase of the proposed GasTech purchase, with the remaining area subject to a further transaction pending resolution of pre-emptive rights held by a major petroleum company.

The relevant coal tenements are now subject to the satisfactory completion of Linc Energy's remaining due diligence enquiries, with settlement of the transaction expected in approximately 60 days.

Immediately after settlement Linc Energy will commence the permit and approval process required in order to undertake a UCG pilot programme to produce syngas, which it has committed to completing within 24 months of the acquisition.

Mr Peter Bond, Linc Energy's Chief Executive Officer said, "The completion of the purchase of these coal areas from GasTech is an important step forward in Linc Energy's international expansion programme. Linc will now have access to several billion tonnes of coal in the state of Wyoming, one of America's key energy producing areas, which will allow the Company to move quickly to commercialisation of UCG to produce GTL fuels like ultra clean diesel and Jet A1. As such, I believe that the tenements being acquired are well placed and exceptional coal assets which will provide the Company with an excellent stepping stone into the USA clean fuels market."

Following completion of this transaction, Linc Energy will be establishing an office in Wyoming to ensure completion of its UCG pilot programme and to support its planned commercialisation of UCG to Gas to Liquid (GTL) in the USA.

For further information please contact Mr Peter Bond.



Peter Bond
Chief Executive Officer.

Information for Media:

Mr Peter Bond
Chief Executive Officer
Phone: +61 7 3229 0800
E-mail: pab@lincenergy.com.au

ASX Contact:

Mr Craig Ricato
Company Secretary
Phone: +61 7 3229 0800
E-mail: cr@lincenergy.com.au

Information for investors:

Ms Janelle van de Velde
Manager Investor Relations &
Corporate Communications
Phone: +61 7 3229 0800
E-mail: jcv@lincenergy.com.au

Company Profile

Linc Energy is an innovative, forward thinking energy company and Australia's leader in clean coal technology. The company's vision is to become a dominant player in the supply of more environmentally friendly power, diesel and jet fuel.

Linc Energy aims to achieve this vision by bringing together, for the first time anywhere in the world, two proven production processes known as Underground Coal Gasification (UCG) clean coal technology and Gas to Liquids (GTL).

These processes will economically convert vast ~~un~~ stranded coal deposits into ultra clean liquid fuels.

Linc Energy will also use the Syngas produced from UCG clean coal technology as feedstock for gas turbines to generate much needed environmentally friendly electricity.

The company has a unique leading edge capacity to provide a viable, more sustainable and smart alternative source of liquid fuels and power generation well into the foreseeable future.

Linc Energy represents a new future for liquid fuels production and power generation.