

27 August 2012

RESERVE ESTIMATE HIGHLIGHTS 2P RESERVES OF 154.5 MMBOE AT UMIAT OIL FIELD PROJECT IN ALASKA

- Reserve estimate by independent consultants, Ryder Scott Company, L.P., (“Ryder Scott”) for 100% Linc Energy’s interest in the Umiat oil field project in Alaska, USA.
- Ryder Scott estimate Proved & Probable (“2P”) reserves of 154.5 million barrels of oil equivalent (“MMboe”), with a 2P NPV_{10%} of US\$1.496 billion, and Proved, Probable & Possible (“3P”) reserves of 194 MMboe, with a 3P NPV_{10%} of US\$1.828 billion.*

Linc Energy Ltd is pleased to announce the completion of an independent reserve estimate report for 100% of the Company’s interest in the Umiat oil field project (“Umiat project”) located in Alaska, USA.

The 2P reserves estimate for the Umiat project is 154.5 MMboe and the 3P reserves estimate is 194 MMboe.

These reserve estimates have net present values using a discount rate of 10% per annum compounded monthly (“NPV_{10%}”) of US\$1.496 billion (for 2P reserves) and US\$1.828 billion (for 3P reserves).

Linc Energy’s Umiat oil field consists of 19,358 gross acres over three leases and is located in the western foothills/foldbelt province of the North Slope Foothills of Alaska.

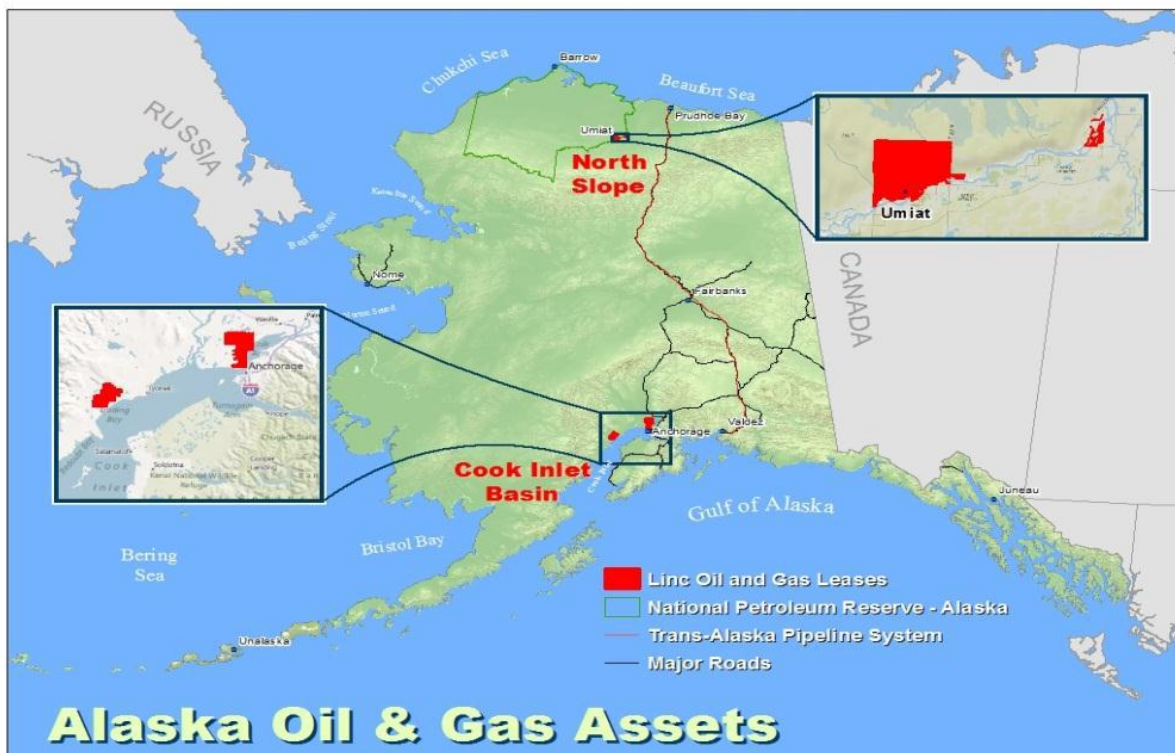
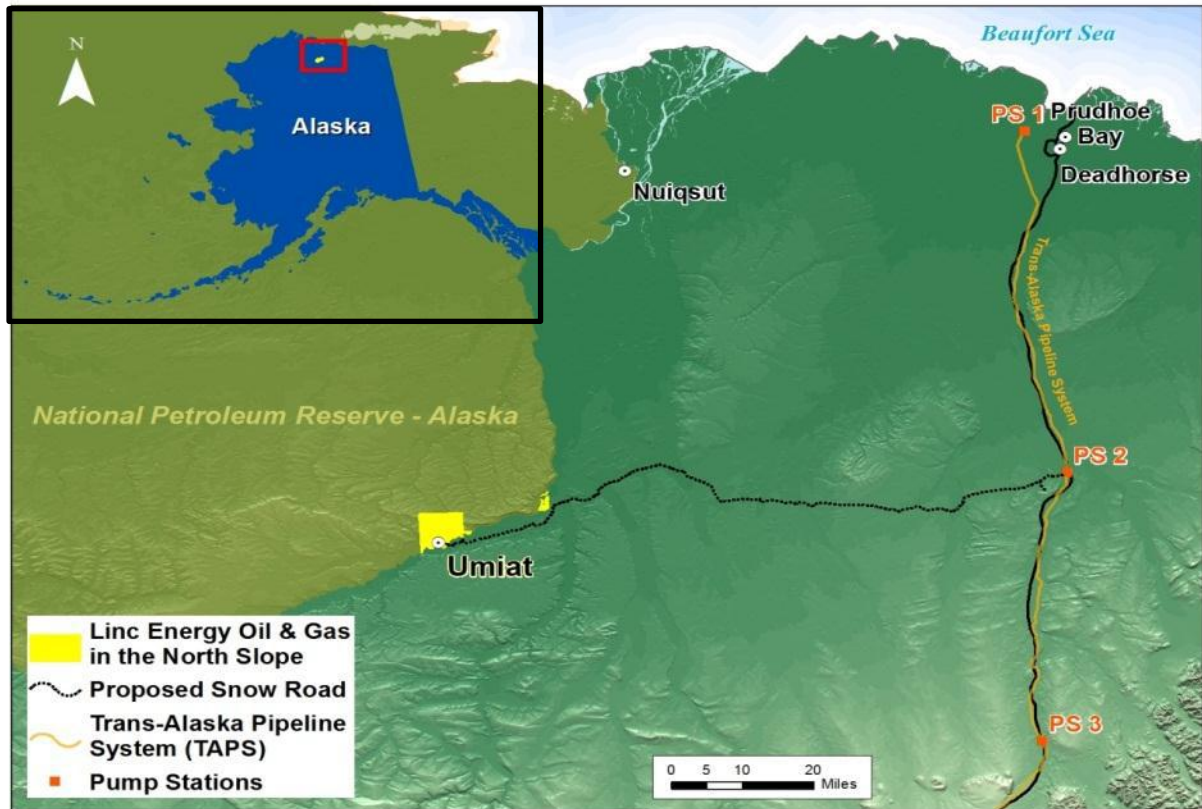
The reserves estimate was conducted by independent consultants, Ryder Scott Company, L.P. in accordance with the definitions and guidelines set out in the 2007 Petroleum Resource Management System approved by the Society of Petroleum Engineers.

Linc Energy is well advanced with its plans to drill the Umiat location within this 2012 Winter drilling season.

The reserve estimate report prepared by Ryder Scott is attached to this announcement.

Peter Bond
Managing Director & Chief Executive Officer

*The reserve estimates used in this statement were compiled by the Ryder Scott Company, L.P. by Scott J. Wilson (Senior Vice President of Ryder Scott Company LP) who is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which the reserve estimates appear.



Company Profile

Linc Energy is a globally focused, diversified energy company with a strong portfolio of coal, oil and gas deposits. It is Linc Energy's purpose to unlock the value of its resources to produce energy to fuel the future.

A publicly listed company, Linc Energy is the global leader in Underground Coal Gasification (UCG), which delivers a synthesis gas feedstock to supply commercially viable energy solutions – such as electricity, transport fuels and oil production – through gas turbine combined cycle power generation, Gas to Liquids (GTL) Fischer-Tropsch processing and Enhanced Oil Recovery.

Linc Energy has constructed and commissioned the world's only UCG to GTL demonstration facility located in Queensland, Australia. This facility produces the world's only UCG to GTL synthetic diesel fuel. Linc Energy also owns the world's only commercial UCG operation, Yerostigaz, located in Uzbekistan. Yerostigaz has produced commercial UCG synthesis for power generation for 50 years.

Linc Energy is on a rapid global expansion path to commercialise its portfolio of resources, with established offices across three continents in the United States, the United Kingdom and Australia.

Linc Energy is listed on the Australian Securities Exchange (LNC) and can also be traded in the United States via the OTCQX (LNCGY).

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August 24, 2012

Linc Energy
1000 Louisiana Street, Suite 1500
Houston, TX 77002

Gentlemen:

At your request, we have prepared an estimate of the probable and possible reserves, future production, and income attributable to certain leasehold and royalty interests of Linc Energy as of July 1, 2012. The subject properties are located in the state of Alaska. The reserves and income data included herein were estimated based on the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (SPE-PRMS). The income data were estimated using future price and cost parameters as noted herein and held constant throughout the life of the properties (SPE-PRMS constant case). The results of our third party study, completed in the first half of 2012, are presented herein. The properties reviewed by Ryder Scott represent 100 percent of the total net probable and possible liquid hydrocarbon reserves and 100 percent of the total net probable and possible gas reserves of Linc Energy in Alaska.

The estimated reserves and future income amounts presented in this report, as of July 1, 2012 are related to hydrocarbon prices based on unescalated price parameters. As a result of both economic and political forces, there is significant uncertainty regarding the forecasting of future hydrocarbon prices. The recoverable reserves and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

UNESCALATED PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
Linc Energy
As of July 1, 2012

	Total Probable	Total Possible
<u>Net Remaining Reserves</u>		
Oil/Condensate – Barrels	154,562,781	39,494,320
<u>Income Data (M\$)</u>		
Future Gross Revenue	\$15,817,468	\$3,911,216
Deductions	<u>9,420,484</u>	<u>2,094,809</u>
Future Net Income (FNI)	\$6,396,984	\$1,816,407
Discounted FNI @ 10%	\$1,496,029	\$332,131

Liquid hydrocarbons are expressed in standard 42 gallon barrels. Furthermore, summaries may vary slightly from the more detailed cash flow projections of the same properties, due to rounding. Rounding differences are not material.

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package Aries™ System Petroleum Economic Evaluation Software, a copyrighted program of Halliburton. The program was used at the request of Linc Energy. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations vary due to rounding and may not exactly match the sum of the properties being summarized.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, recompletion costs and development costs. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Liquid hydrocarbon reserves account for 100 percent of the total future gross revenue from probable and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income (M\$) As of July 1, 2012	
	Total Probable	Total Possible
5	\$2,949,595	\$726,218
15	\$787,435	\$166,686
20	\$408,956	\$89,281
25	\$195,301	\$50,141

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The probable and possible reserves included herein conform to definitions of probable and possible reserves sponsored and approved by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE) as set forth in the 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System (SPE-PRMS). An abridged version of the SPE/WPC/AAPG/SPEE proved, probable and possible reserves from the SPE-PRMS entitled "Petroleum Reserves Definitions" is included as an attachment to this report.

While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may also increase or decrease from existing levels, such changes were omitted from consideration in making this evaluation.

No Proved reserves are included in this report but the term is referenced here for comparison to Probable and Possible reserves. Probable reserves are those additional reserves that are less likely to be recovered than proved reserves. For probable reserves, it is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. Possible reserves are those additional reserves which are less likely to be recovered than probable reserves. For possible reserves, the actual remaining quantities recovered have a low probability of exceeding the sum of the estimated proved plus probable plus possible reserves. The reserves included

herein were estimated using deterministic methods and presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. For probable reserves, there should be at least a 50% probability (P50) that the actual quantities assigned will equal or exceed the proved plus probable reserves estimates. For possible reserves, there should be at least a 10% probability (P10) that the actual quantities assigned will equal or exceed the estimate of the proved plus probable plus possible reserves estimates. Caution should be exercised in reporting the sum of probable plus possible reserves and/or income to others while quoting this report due to the varying degrees of risk. The estimated quantities of reserves and/or income should be reported under the discrete categories of probable and possible. Caution should be exercised so as not to mislead the user of this report and to clarify the risk associated with the nature of these types of estimates.

The reserves and income quantities attributable to the different reserve classifications that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable. Moreover, estimates of reserves may increase or decrease as a result of future operations, effects of regulation by governmental agencies or geopolitical risks. As a result, the estimates of oil and gas reserves have an intrinsic uncertainty. The reserves included in this report are therefore estimates only and should not be construed as being exact quantities. They may or may not be actually recovered, and if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts.

The reserves reported herein are limited to the period prior to expiration of current lease contracts providing the legal right to produce or a revenue interest in such production unless there is a reasonable expectation that an extension, a renewal or a new contract will be granted. A reasonable expectation is noted as representing a high degree of confidence that an extension, a renewal or new contract will be granted. The prices and economic return received for these net volumes can vary significantly based on the terms of these contracts. Therefore, when applicable, Ryder Scott reviewed the fiscal terms of such contracts including the Alaska State "ACES" tax structure. This structure and its impacts were calculated by Linc and were not independently verified. The ACES structure has been in place less than 5 years and is always subject to revision and amendment.

Ryder Scott has not conducted an exhaustive audit or verification of such contractual information. Neither our review of such contractual information or our acceptance of Linc Energy's representations regarding such contractual information should be construed as a legal opinion on this matter.

Ryder Scott did not evaluate country and geopolitical risks in the countries where Linc Energy operates or has interests. Linc Energy's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include matters relating to land tenure, drilling, production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax, and foreign trade and investment and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which Linc Energy owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liability to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

In general, the reserves included herein were estimated by projections of performance based on recent studies of horizontal well performance in analogous reservoirs which, in turn, used Bureau of Mines well tests and core studies as calibrating parameters. Recovery volumes were constrained by expected

recovery factors applied to geologically estimated Original Oil In Place volumes. As detailed in prior report prepared for Renaissance Alaska, the overall leasehold contains approximately 1,000 MMBO Original Oil In Place (OOIP), with the Grandstand sands having approximately 650 MMBO OOIP and a 3P gross recovery estimate of approximately 250 MMBO.

The reserves included in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered, and if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Moreover, estimates of reserves may increase or decrease as a result of future operations.

The reserves for the properties included herein were estimated by analogies and simulation methods, constrained by volumetric estimates. Multiple simulation studies were performed in the last 5 years on this reservoir and those results were incorporated into, and provided the basis for the forecasts included here. Reserves attributable to probable and possible undeveloped reserves included herein were estimated by simulation type wells in each layer, and scheduled over a multi-year development plan with the hope of draining the entire geologically mapped structure. The Lower Grandstand zone was determined to be classified probable because of the greater net pay, warmer reservoir conditions and better test results. The Upper Grandstand was classified as Possible due to the lower level of certainty associated with those volumes.

To estimate economically recoverable oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on the cost and price assumptions as noted herein, and forecasts of future production rates. Under the SPE-PRMS Section 2.2.2 and Table 3, reserves must be demonstrated to be commercially recoverable under defined economic conditions, operating methods and governmental regulations from a given date forward. We have applied the same criteria for economic commerciality to the probable and possible reserves included in this report. Linc Energy has informed us that they have furnished us all of the accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future production and income, we have relied upon data furnished by Linc Energy with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, recompletion and development costs, abandonment costs after salvage, product prices, geological structural and isochore maps, well logs, core analyses, and pressure measurements. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data supplied by Linc Energy.

Future Production Rates

Our forecasts of future production rates are based on historical performance from wells now on production. Test data and other related information were used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. If no production decline trend has been established, future production rates were held constant, or adjusted for the effects of curtailment where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied to depletion of the reserves. If a decline trend has been established, this trend was used as the basis for estimating future production rates. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Linc Energy.

The future production rates from wells now on production may be more or less than estimated because of changes in market demand or allowables set by regulatory bodies. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates.

Hydrocarbon Prices

Linc Energy furnished us with current product prices and these prices were used throughout the evaluation. Product prices which were actually used for each property reflect adjustment for gravity, quality, local conditions, and/or distance from market.

Costs

Operating costs for the leases and wells in this report were supplied by Linc Energy and include only those costs directly applicable to the leases or wells. The operating costs include a portion of general and administrative costs allocated directly to the leases and wells. When applicable for operated properties, the operating costs include an appropriate level of corporate general administrative and overhead costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by Linc Energy and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. Linc Energy's estimates of zero abandonment costs after salvage value for onshore properties were used in this report. Ryder Scott has not performed a detailed study of the abandonment costs or the salvage value and makes no warranty for Linc Energy's estimate.

Because of the direct relationship between volumes of probable and possible undeveloped reserves and development plans, we include in the probable and possible undeveloped category only reserves assigned to undeveloped locations that Linc Energy plans to drill. Linc Energy has assured us of their intent and ability to proceed with the development activities included in this report, and that they are not aware of any legal, regulatory or political obstacles that would significantly alter their plans.

Current costs were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world for over seventy years. Ryder Scott is employee owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have over eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any publicly traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization.

We are independent petroleum engineers with respect to Linc Energy. Neither we nor any of our employees have any interest in the subject properties, and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The professional qualifications of the undersigned, the technical person primarily responsible for reviewing and approving the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

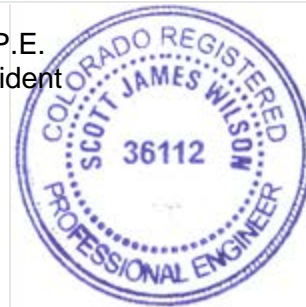
This report was prepared for the exclusive use and sole benefit of Linc Energy and may not be put to other use without our prior written consent for such use. The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580



Scott J. Wilson, P.E.
Senior Vice President



Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Scott James Wilson was the primary technical person responsible for the estimate of the reserves, future production, and income presented herein.

Mr. Wilson, an employee of Ryder Scott Company L.P. (Ryder Scott) since 2000, is a Senior Vice President responsible for coordinating and supervising staff and consulting engineers of the company in ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Wilson served in a number of engineering positions with Atlantic Richfield Company. For more information regarding Mr. Wilson's geographic and job specific experience, please refer to the Ryder Scott Company website at <http://www.ryderscott.com/Experience/Employees.php>.

Mr. Wilson earned a Bachelor of Science degree in Petroleum Engineering from the Colorado School of Mines in 1983 and an MBA in Finance from the University of Colorado in 1985, graduating from both with High Honors. He is a registered Professional Engineer by exam in the States of Alaska, Colorado, Texas, and Wyoming. He is also an active member of the Society of Petroleum Engineers; serving as co-Chairman of the SPE Reserves and Economics Technology Interest Group, and Gas Technology Editor for SPE's Journal of Petroleum Technology. He is a member and past chairman of the Denver section of the Society of Petroleum Evaluation Engineers. Mr. Wilson has published several technical papers, one book chapter, and has authored three US patents (two full and one provisional).

In addition to gaining experience and competency through prior work experience, the Wyoming Board of Professional Engineers requires a minimum of fifteen hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Wilson fulfills. As part of his continuing education, Mr. Wilson attends internally presented training as well as public forums relating to the definitions and disclosure guidelines contained in the United States Securities and Exchange Commission Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, and Final Rule released January 14, 2009 in the Federal Register. Mr. Wilson attends additional hours of formalized external training covering such topics as the SPE/WPC/AAPG/SPEE Petroleum Resources Management System, reservoir engineering and petroleum economics evaluation methods, procedures and software and ethics for consultants.

Based on his educational background, professional training and more than 25 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Wilson has attained the professional qualifications as a Reserves Estimator and Reserves Auditor set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:

PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)

Sponsored and Approved by:

SOCIETY OF PETROLEUM ENGINEERS (SPE),

WORLD PETROLEUM COUNCIL (WPC)

AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)

SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)

PREAMBLE

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward under defined conditions. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Estimation of reserves is done under conditions of uncertainty. The method of estimation is called deterministic if a single best estimate of reserves is made based on known geological, engineering, and economic data. The method of estimation is called probabilistic when the known geological, engineering, and economic data are used to generate a range of estimates and their associated probabilities. Identifying reserves as proved, probable, and possible has been the most frequent classification method and gives an indication of the probability of recovery. Because of the differences in uncertainty, caution should be exercised when aggregating reserves of different classifications.

Reserves estimates will generally be revised as additional geologic or engineering data becomes available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations under the SPE-PRMS. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale. The SPE-PRMS acknowledges

unconventional petroleum accumulations as reserves regardless of their in-place characteristics, the extraction method applied, or the degree of processing required.

Reserves do not include quantities of petroleum being held in inventory and may be reduced for usage, processing losses and/or non-hydrocarbons that must be removed prior to sale.

SPE-PRMS RESERVES DEFINITIONS

In March 2007, the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) jointly approved the "Petroleum Resources Management System" ("SPE-PRMS"). The SPE-PRMS consolidates, builds on, and replaces guidance previously contained in the 2000 "Petroleum Resources Classification and Definitions" and the 2001 "Guidelines for the Evaluation of Petroleum Reserves and Resources" publications.

The intent of the SPE, WPC, AAPG and SPEE in approving additional classifications beyond proved reserves is to facilitate consistency among professionals using such terms. In presenting these definitions, none of these organizations are recommending public disclosure of reserves classified as unproved. Public disclosure of the quantities classified as unproved reserves is left to the discretion of the countries or companies involved and should not be construed as replacing guidelines for public disclosures under the guidelines established by regulatory and/or other governmental agencies.

Reference should be made to the full SPE-PRMS for the complete definitions and guidelines as the following definitions, descriptions and explanations rely wholly or in part on excerpts from the SPE-PRMS document (direct passages excerpted from the SPE-PRMS document are denoted in italics herein).

RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 1.1 and Table 1 define reserves as follows:

Reserves. *Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status.*

ADDITIONAL TERMS USED IN RESERVES EVALUATIONS (SPE-PRMS DEFINITIONS)

The SPE-PRMS Sections 2.3, 2.3.4, 2.4 and Appendix A define the following terms as follows:

Improved recovery. *Improved Recovery is the extraction of additional petroleum, beyond Primary Recovery, from naturally occurring reservoirs by supplementing the natural forces in the reservoir. It includes waterflooding and gas injection for pressure maintenance, secondary processes, tertiary processes and any other means of supplementing natural reservoir recovery processes. Improved recovery also includes thermal and chemical processes to improve the in-situ mobility of viscous forms of petroleum. (Also called Enhanced Recovery.)*

Improved recovery projects must meet the same Reserves commerciality criteria as primary recovery projects. There should be an expectation that the project will be economic and that the entity has committed to implement the project in a reasonable time frame (generally within 5 years; further delays should be clearly justified). If there is significant project risk, forecast incremental recoveries may be similarly categorized but should be classified as Contingent Resources.

The judgment on commerciality is based on pilot testing within the subject reservoir or by comparison to a reservoir with analogous rock and fluid properties and where a similar established improved recovery project has been successfully applied.

Incremental recoveries through improved recovery methods that have yet to be established through routine, commercially successful applications are included as Reserves only after a favorable production response from the subject reservoir from either (a) a representative pilot or (b) an installed program, where the response provides support for the analysis on which the project is based.

Similar to improved recovery projects applied to conventional reservoirs, successful pilots or operating projects in the subject reservoir or successful projects in analogous reservoirs may be required to establish a distribution of recovery efficiencies for non-conventional accumulations. Such pilot projects may evaluate both the extraction efficiency and the efficiency of unconventional processing facilities to derive sales products prior to custody transfer.

These incremental recoveries in commercial projects are categorized into Proved, Probable, and Possible Reserves based on certainty derived from engineering analysis and analogous applications in similar reservoirs.

Commercial. *When a project is commercial, this implies that the essential social, environmental and economic conditions are met, including political, legal, regulatory and contractual conditions. In addition, a project is commercial if the degree of commitment is such that the accumulation is expected to be developed and placed on production within a reasonable time frame. While 5 years is recommended as a benchmark, a longer time frame could be applied where for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.*

PROVED RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Table 3 define proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.*

The area of the reservoir considered as Proved includes:

- (1) the area delineated by drilling and defined by fluid contacts, if any, and*

(2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.

In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves (see "2001 Supplemental Guidelines", Chapter 8).

Reserves in undeveloped locations may be classified as Proved provided that:

- The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive.*
- Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with the drilled Proved locations.*

For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.

UNPROVED RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Appendix A define unproved oil and gas reserves as follows:

Unproved oil and gas reserves. *Unproved Reserves are based on geoscience and/or engineering data similar to that used in estimates of Proved Reserves, but technical or other uncertainties preclude such reserves being classified as Proved. Unproved Reserves may be further categorized as Probable Reserves or Possible Reserves. Based on additional data and updated interpretations that indicate increased certainty, portions of Possible and Probable Reserves may be re-categorized as Probable and Proved Reserves.*

PROBABLE RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Table 3 define probable oil and gas reserves as follows:

Probable oil and gas reserves. *Probable Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.*

Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

POSSIBLE RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Table 3 define possible oil and gas reserves as follows:

Possible oil and gas reserves. *Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.*

Possible Reserves may be assigned to areas of a reservoir adjacent to Probable Reserves where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.

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RESERVES STATUS DEFINITIONS and GUIDELINES

As Adapted From:
PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE),
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)

Reserves status categories define the development and producing status of wells and reservoirs. The SPE-PRMS Table 2 define the reserves status categories as follows:

DEVELOPED RESERVES (SPE-PRMS DEFINITIONS)

Developed Reserves are expected quantities to be recovered from existing wells and facilities.

Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

- (1) completion intervals which are open at the time of the estimate but which have not yet started producing;*
- (2) wells which were shut-in for market conditions or pipeline connections; or*
- (3) wells not capable of production for mechanical reasons.*

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SPE-PRMS DEFINITIONS)

Undeveloped Reserves are quantities expected to be recovered through future investments.

Undeveloped Reserves are expected to be recovered from:

- (1) new wells on undrilled acreage in known accumulations;*
- (2) deepening existing wells to a different (but known) reservoir;*
- (3) infill wells that will increase recovery; or*
- (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to*
 - (a) recompleting an existing well; or*
 - (b) installing production or transportation facilities for primary or improved recovery projects.*



LINC UMIAT
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO CERTAIN LEASEHOLD INTERESTS
UNESCALATED COSTS AND PRICES
AS OF JULY 1, 2012

TOTAL PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - M\$ COMPOUNDED MONTHLY
								5.00% 2949595.2
								10.00% 1496029.6
								15.00% 787435.1
								20.00% 408956.0
								25.00% 195301.8

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET PRODUCTION			AVERAGE PRICES	
		Oil/Cond. MBarrels	Plant Products MBarrels	Gas MMCF	Oil/Cond. MBarrels	Plant Products MBarrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
12-12	3.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-13	6.	0.000	0.020	0.000	0.000	0.020	0.000	0.00	0.00
12-14	6.	0.000	0.020	0.000	0.000	0.020	0.000	0.00	0.00
12-15	6.	0.000	0.020	0.000	0.000	0.020	0.000	0.00	0.00
12-16	5.	0.000	0.020	0.000	0.000	0.020	0.000	0.00	0.00
12-17	8.	1316.645	0.032	766.978	1053.316	0.032	613.582	97.25	0.00
12-18	28.	10142.623	0.032	8366.025	8114.099	0.032	6692.820	97.25	0.00
12-19	48.	17890.240	0.032	22206.891	14312.191	0.032	17765.510	97.25	0.00
12-20	58.	19759.572	0.022	40117.035	15807.653	0.022	32093.631	97.25	0.00
12-21	59.	17073.305	0.022	60339.070	13658.641	0.022	48271.254	97.25	0.00
12-22	58.	14278.771	0.022	83252.422	11423.016	0.022	66601.945	97.25	0.00
12-23	57.	12137.917	0.022	108358.055	9710.334	0.022	86686.453	97.25	0.00
12-24	56.	10458.632	0.012	134752.078	8366.906	0.012	107801.641	97.25	0.00
12-25	56.	9115.212	0.012	161632.281	7292.169	0.012	129305.812	97.25	0.00
12-26	55.	8022.404	0.000	188335.016	6417.923	0.000	150668.016	97.25	0.00
Sub-Total	0.	120195.320	0.288	808125.812	96156.242	0.288	646500.688	97.25	0.00
Remainder	0.	73008.188	0.000	7067656.500	58406.535	0.000	5654124.500	97.25	0.00
Total Future	0.	193203.500	0.288	7875782.500	154562.781	0.288	6300625.500	97.25	0.00
Cumulative Ultimate		0.000	0.	0.					
		193203.500	0.	7875782.					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - M\$					PRODUCTION TAXES		FGR AFTER PRODUCTION TAXES-M\$
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - M\$	Gas/P.P. - M\$	
12-12	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-13	0.000	156.980	0.000	0.000	156.980	0.000	0.000	156.980
12-14	0.000	649.620	0.000	0.000	649.620	0.000	0.000	649.620
12-15	0.000	5814.210	0.000	0.000	5814.210	0.000	0.000	5814.210
12-16	0.000	105808.031	0.000	0.000	105808.031	0.000	0.000	105808.031
12-17	102434.953	235743.188	0.000	0.000	338178.156	0.000	0.000	338178.156
12-18	789096.062	201261.953	0.000	0.000	990358.000	0.000	0.000	990358.000
12-19	1391860.500	100631.609	0.000	0.000	1492492.000	0.000	0.000	1492492.000
12-20	1537294.500	51438.379	0.000	0.000	1588732.750	0.000	0.000	1588732.750
12-21	1328303.000	32771.160	0.000	0.000	1361074.125	0.000	0.000	1361074.125
12-22	1110888.250	15959.190	0.000	0.000	1126847.375	0.000	0.000	1126847.375
12-23	944329.750	12000.000	0.000	0.000	956329.750	0.000	0.000	956329.750
12-24	813681.562	12000.000	0.000	0.000	825681.562	0.000	0.000	825681.562
12-25	709163.562	12000.000	0.000	0.000	721163.562	0.000	0.000	721163.562
12-26	624143.188	0.000	0.000	0.000	624143.188	0.000	0.000	624143.188
Sub-Total	9351196.000	786234.312	0.000	0.000	10137430.000	0.000	0.000	10137430.000
Remainder	5680037.500	0.000	0.000	0.000	5680037.500	0.000	0.000	5680037.500
Total Future	15031233.000	786234.312	0.000	0.000	15817468.000	0.000	0.000	15817468.000

Period	DEDUCTIONS - M\$					FUTURE NET INCOME BEFORE INCOME TAXES-M\$		
	Operating Costs	Ad Valorem Taxes	Development Costs	Other	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
12-12	0.000	0.000	679.620	0.000	679.620	-679.620	-679.620	-663.991
12-13	0.000	0.000	2136.630	0.000	2136.630	-1979.650	-2659.270	-1771.298
12-14	0.000	0.000	23076.010	0.000	23076.010	-22426.391	-25085.660	-18168.129
12-15	0.000	0.000	435714.438	0.000	435714.438	-429900.219	-454985.875	-315985.031
12-16	0.000	0.000	534447.250	0.000	534447.250	-428639.188	-883625.062	-286905.469
12-17	15799.738	2048.699	387987.125	0.000	405835.594	-67657.422	-951282.500	-42877.301
12-18	121711.492	171344.938	235284.203	0.000	528340.688	462017.344	-489265.156	252150.281
12-19	214682.844	457927.219	108694.867	0.000	781304.875	711187.125	221921.984	354358.875
12-20	237114.828	619471.625	34021.711	0.000	890608.188	698124.625	920046.562	317920.312
12-21	204879.594	555639.625	0.000	0.000	760519.375	600554.812	1520601.375	249463.125
12-22	171345.250	459256.250	0.000	0.000	630601.500	496245.875	2016847.250	187352.406
12-23	145654.984	385449.438	0.000	0.000	531104.375	425225.375	2442072.500	145910.938
12-24	125503.609	327586.281	0.000	0.000	453089.781	372591.750	2814664.250	116202.852
12-25	109382.562	281326.562	0.000	0.000	390709.125	330454.469	3145118.750	93674.953
12-26	96268.852	243726.875	0.000	0.000	339995.844	284147.312	3429266.000	73219.297
Sub-Total	1442343.750	3503777.500	1762041.875	0.000	6708164.000	3429266.000	3429266.000	1123881.875
Remainder	876098.188	1836219.750	0.000	0.000	2712319.500	2967718.500	6396983.500	372147.531
Total Future	2318442.000	5339997.000	1762041.875	0.000	9420484.000	6396984.500	6396983.500	1496029.500

LIFE OF EVALUATION IS: 37. YEARS

These data are part of a Ryder Scott report and are subject to the conditions in the text of the report.
 These data were generated using the ARIES Program.



LINC UMIAT
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO CERTAIN LEASEHOLD INTERESTS
UNESCALATED COSTS AND PRICES
AS OF JULY 1, 2012

TOTAL POSSIBLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED		
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - M\$	
								COMPOUNDED MONTHLY	
								5.00%	726217.6
								10.00%	332130.6
								15.00%	166686.2
								20.00%	89280.8
								25.00%	50140.9

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET PRODUCTION			AVERAGE PRICES	
		Oil/Cond. MBarrels	Plant Products MBarrels	Gas MMCF	Oil/Cond. MBarrels	Plant Products MBarrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
12-12	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-13	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-14	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-15	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-16	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-17	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-18	0.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-19	2.	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.00
12-20	4.	0.000	0.010	0.000	0.000	0.010	0.000	0.00	0.00
12-21	13.	1148.003	0.010	346.031	918.403	0.010	276.825	97.25	0.00
12-22	31.	3115.136	0.010	1177.640	2492.109	0.010	942.112	97.25	0.00
12-23	41.	3917.526	0.010	2058.416	3134.021	0.010	1646.733	97.25	0.00
12-24	40.	3540.730	0.010	2834.846	2832.584	0.010	2267.877	97.25	0.00
12-25	40.	3209.872	0.010	3768.527	2567.897	0.010	3014.823	97.25	0.00
12-26	40.	2924.634	0.010	4865.205	2339.707	0.010	3892.164	97.25	0.00
Sub-Total	0.	17855.902	0.070	15050.665	14284.720	0.070	12040.533	97.25	0.00
Remainder	0.	31512.006	0.040	612053.250	25209.600	0.040	489642.594	97.25	0.00
Total Future	0.	49367.906	0.110	627103.938	39494.320	0.110	501683.125	97.25	0.00
Cumulative Ultimate		0.000	0.	0.					
		49367.906	0.	627104.					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - M\$					PRODUCTION TAXES		FGR AFTER PRODUCTION TAXES-M\$
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - M\$	Gas/P.P. - M\$	
12-12	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-14	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-17	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-18	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-19	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-20	0.000	100.000	0.000	0.000	100.000	0.000	0.000	100.000
12-21	89314.641	3399.999	0.000	0.000	92714.641	0.000	0.000	92714.641
12-22	242357.609	16997.318	0.000	0.000	259354.922	0.000	0.000	259354.922
12-23	304783.594	30544.654	0.000	0.000	335328.219	0.000	0.000	335328.219
12-24	275468.812	18099.430	0.000	0.000	293568.219	0.000	0.000	293568.219
12-25	249728.016	1252.110	0.000	0.000	250980.125	0.000	0.000	250980.125
12-26	227536.516	0.000	0.000	0.000	227536.516	0.000	0.000	227536.516
Sub-Total	1389189.125	70393.516	0.000	0.000	1459582.625	0.000	0.000	1459582.625
Remainder	2451633.750	0.000	0.000	0.000	2451633.750	0.000	0.000	2451633.750
Total Future	3840822.750	70393.516	0.000	0.000	3911216.250	0.000	0.000	3911216.250

Period	DEDUCTIONS - M\$					FUTURE NET INCOME BEFORE INCOME TAXES-M\$		
	Operating Costs	Ad Valorem Taxes	Development Costs	Other	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
12-12	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-14	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-16	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-17	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-18	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12-19	0.000	-736.926	1000.000	0.000	263.074	-263.074	-263.074	-135.677
12-20	0.000	-26694.184	68866.883	0.000	42172.695	-42072.695	-42335.770	-18813.611
12-21	13776.038	-70485.859	147797.953	0.000	91088.133	1626.504	-40709.266	-512.960
12-22	37381.645	-29990.604	134302.719	0.000	141693.766	117661.180	76951.914	43455.594
12-23	47010.316	117349.594	0.000	0.000	164359.969	170968.250	247920.156	58597.152
12-24	42488.766	111476.406	0.000	0.000	153965.156	139603.078	387523.219	43507.051
12-25	38518.461	100078.039	0.000	0.000	138596.516	112383.625	499906.844	31842.893
12-26	35095.613	90255.102	0.000	0.000	125350.727	102185.781	602092.625	26319.562
Sub-Total	214270.844	291251.594	351967.562	0.000	857490.000	602092.625	602092.625	184260.016
Remainder	378144.000	859174.750	0.000	0.000	1237318.625	1214315.000	1816407.375	147870.531
Total Future	592414.875	1150426.375	351967.562	0.000	2094808.625	1816407.500	1816407.375	332130.562

LIFE OF EVALUATION IS: 38. YEARS

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