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ASX Announcement

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Linc Energy to Fly a Jet Across Australia fuelled by the synthetic JET A1 produced by its UCG to GTL Process

- **Linc Energy's Jet A 1 Synthetic fuel meets IATA (International) Fuel specifications and can be used in various countries including USA.**
- **Linc Energy to make world-first flight by flying a CJ2 Citation jet across Australia on jet fuel produced via the Company's UCG to GTL process.**

Linc Energy Ltd (ASX:LNC) (OTCQX:LNCGY) is pleased to announce the "Jet A1 Dash", a world-first flight using synthetic jet fuel created by using the company's world-leading combination of Underground Coal Gasification (UCG) and Gas to Liquids (GTL) technology at its Chinchilla Demonstration Facility in Queensland.

The three-day event, commencing on 7 May 2012, will cross Australia from west to east and follows Linc Energy's recent announcement that it has agreed on commercial terms to establish UCG in China with Joint Venture partner GCL Projects Limited, a subsidiary of Golden Concord Group Limited, to produce synthetic diesel and jet fuel in China, commercialising Linc Energy's unique UCG to GTL process.

Mr Peter Bond, Chief Executive Officer, said, "It is exciting that the announcement has coincided with the Jet A1 Dash because the event is designed to showcase the proven nature of UCG to GTL and the fuel it produces."

The aircraft for the event - a Citation CJ2 - will be flying 4,272 kilometres from Perth to Chinchilla in Queensland, which is the site of Linc Energy's UCG to GTL facility which produced the synthetic fuel for this historic flight. The jet will stop off for various stakeholder functions along the way in Perth, Adelaide, Melbourne, Canberra, Sydney and then finally Chinchilla in Queensland.

Linc Energy's jet fuel has the potential to be a part of the solution to the energy security challenge facing Australia and the world, particularly as the fuel will be domestically produced and consumed. It has the additional benefit of being produced from the billions of tonnes of 'stranded coal resources' all over the world, creating the opportunity for billions of barrels of clean synthetic diesel and jet fuel that can feed the energy economy for generations.

"It is a new frontier - creating fuel for the aviation industry using UCG to GTL, the Jet A1 Dash across the country is just a great way to prove that once again Linc Energy has achieved another key milestone," Mr Bond said.

"The event demonstrates that jet fuel can be made in Australia from coal resources using processes such as Linc Energy's UCG to GTL technology. This was always on our list to achieve and now Linc Energy has achieved it. The Jet A1 Dash across the country is a great way to demonstrate the performance of the fuel. The Diesel Dash (where Linc Energy drove

a Volkswagen diesel Polo motor vehicle, 6,000 kilometres across Australia in 2011, powered by diesel also produced at Linc Energy's Chinchilla UCG to GTL demonstration facility), was so effective, why not now do it in a jet? There's nothing like being in the front seat of a jet sitting at 40,000 feet to show you have total faith in the product," Mr Bond said.

"If Australia could produce more of its own jet fuel and diesel product, it would assist in addressing concerns about rising oil prices and the balance of payment deficits, which are putting huge pressures on the aviation business and the economy at large."

"We should be creating alternatives. We should be saying, that we as a nation want and need an additional 20 per cent of our jet fuel, or our diesel, to be produced here in this country using Australian employees and engineers," he said.

According to the Australian Government's Bureau of Resources and Energy Economics data, in 2011 Australia's net import of crude oil and refined material for the production of transport fuel was approximately 470,000 barrels per day. At a crude oil price of US\$100 per barrel, the net cost to Australia exceeds US\$47 million per day, or US\$17 billion per annum.

Mr Bond said the Jet A1 Dash would showcase the environmental and economic benefits of using Linc Energy's combined UCG to GTL technologies.

"Linc Energy has the ability to access coal at over three hundred plus metres (1000 feet) deep, turn that coal into gas in situ and then turn that gas into a clean synthetic fuel and do it in a cost effective manner," he said.

"The exciting part of this event is that we have used our resources, our people and our technology to produce synthetic jet fuel here in Queensland, Australia."

The Jet A1 Dash fuel powering the Linc Energy flight has been manufactured to the standard approved by the International Air Transport Association (IATA.) The fuel was blended with standard jet fuel, in accordance with the specification (ASTM D7566) which requires a 50:50 blend. After the fuel was produced in Australia, further specialist refining was undertaken in the US.

"With the great success of our commercial UCG Gasifier 5 (G5) over the past few months and the significant inroads Linc Energy has gained with GTL producing diesel and now jet fuel, the next step for Linc Energy is to commercialise what we've accomplished. And the recently signed deal to commercialise UCG to GTL in China is a big step in that commercialisation process," Mr Bond said.

For more information please visit www.lincenergy.com or contact our office on +61 7 3229 0800.



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Linc Energy's GTL Facility



Linc Energy's GTL Facility at Dusk



Mr Peter Bond at Linc Energy's Chinchilla Demonstration Facility



Mr Peter Bond and the Citation CJ2

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).