



31 October 2007

LINC ENERGY PLACEMENT RAISES \$28.3 MILLION

Linc Energy Limited (LNC) announced today that it has raised \$28.3 million via a placement of 37,260,000 fully paid ordinary shares to institutional and sophisticated investors at \$0.76 per share. The placement was managed by BBY Limited.

Linc Energy Chief Executive Officer, Mr Peter Bond said "We are very pleased with the extra ordinarily strong national and international interest in Linc Energy. This interest was confirmed by the oversubscribed demand from sophisticated institutional and international investors. We believe the result demonstrates investor confidence in the successful roll-out of our strategic plan and the market interest in clean coal technology, in particular Linc Energy's Underground Coal Gasification (UCG)."

"We welcome the new offshore institutional investors to our register, particularly those from the United States and the UK. They complement the increase in institutional investors within Australia and represent further worldwide support for Linc Energy's business strategy. The interest in Linc Energy by these major institutional investors clearly demonstrates the confidence the market has in both (UCG) and in Linc Energy to deliver on the potential of the Coal to Liquids (Diesel) business plan."

The funds raised will be used primarily for:-

- the Bankable Feasibility Engineering Study for the commercial Coal to Liquids facility at Chinchilla;
- the purchase and installation of a nitrogen rejection plant to improve the UCG gas quality;
- the completion of 5mW gas fired turbine power generator;
- the expansion of the engineering team;
- increased drilling of coal tenements; and
- general working capital.

From a business development and long term point of view, Linc Energy will be able to commence the development of our other national projects such as the Memorandum of Understanding (MOU) with SAPEX and our other international projects such as the Red River Delta Project with Marubeni Corporation and VINACOMIN.

Linc Energy has completed the \$A28.3 million placement in addition to the recent placement with Marubeni Coal, yielding a total amount of \$A34 million raised for Linc Energy, which will allow the Company to progress our current business plan to develop our Underground Coal Gasification projects more aggressively.

Should you require any further information, please do not hesitate to contact Peter Bond on (07) 3229 0800.

A handwritten signature in black ink, appearing to read "Karl Schlobohm".

Karl Schlobohm
Company Secretary
Linc Energy Limited