

OIL & GAS DIVISION

ASX Code: LNC
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OIL & GAS DIVISION UPDATE

**LINC ENERGY'S FIRST UMIAT (ALASKAN) DRILLING (WELL #18)
EXTRACTS CORE SAMPLES**

- Linc Energy has reached 1000 feet in depth at Well #18 and has already successfully extracted core samples from the Lower Grandstand sequence
- Experiencing 100 percent core returns (recovery)
- Plan to extract a total of five 60 foot core samples from Well #18
- Early results from the core samples extracted are very encouraging

Linc Energy (ASX: LNC) (OTCQX: LNCGY) is pleased to announce a successful start to its winter drilling program at Umiat, Alaska. Within the first days of drilling, Linc Energy has reached 1000 feet in depth and is successfully coring through the Lower Grandstand sequence (see photos attached).

The retrieval of the Lower Grandstand core samples marks the first data capture of the winter drilling program at Umiat. The first of the core samples was taken in the intervals between 720ft and 781ft.

Linc Energy has drilled to 1000ft at Well #18, with a target depth of 1400ft and plans to extract a total of five 60ft core samples. The rig is capable of faster drilling, but as Linc Energy is refining the drilling techniques for Umiat as part of this program, particularly in the permafrost zones, the team has deliberately taken a slow and steady approach.

Operating in the permafrost, the core samples are coming out frozen and special handling procedures are in place to capture, bag and maintain the frozen state of the core whilst it is in transit to the laboratory for evaluation.

President of Linc Energy's Oil & Gas Division, Scott Broussard, said, "We are pleased with the drilling progress and the cores we are seeing in the Lower Grandstand. This is a very promising start to our winter program."

Umiat is located on the Alaskan North Slope, approximately 100 miles west of the Trans-Alaskan pipeline pump station 2.

It has been estimated by Ryder Scott to contain over 1.2 billion barrels of oil in place, with 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 anticipates peak production during full field development could be approximately fifty thousand barrels per day.

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A total of 12 “legacy wells” have been drilled within the field between 1944 and 1979. Historical well testing at Umiat has determined that the oil is light, sweet crude with a 37 API gravity and a pour point of less than -5 degrees Fahrenheit. Early testing of vertical wells achieved flow rates up to 400 barrels of oil per day.

The objectives of this year’s Umiat drilling program, as stated in previous releases, remain on track to be achieved.

Peter Bond, CEO and Managing Director of Linc Energy, said, “It’s wonderful to see early positive and very encouraging results from these cores. The team is doing a great job getting on with the drill program.”

Following the drilling program, demobilisation from the Umiat location is expected to commence early May 2013. The rig will be cold-stacked at Umiat through the summer months to save time and money on next year’s program.

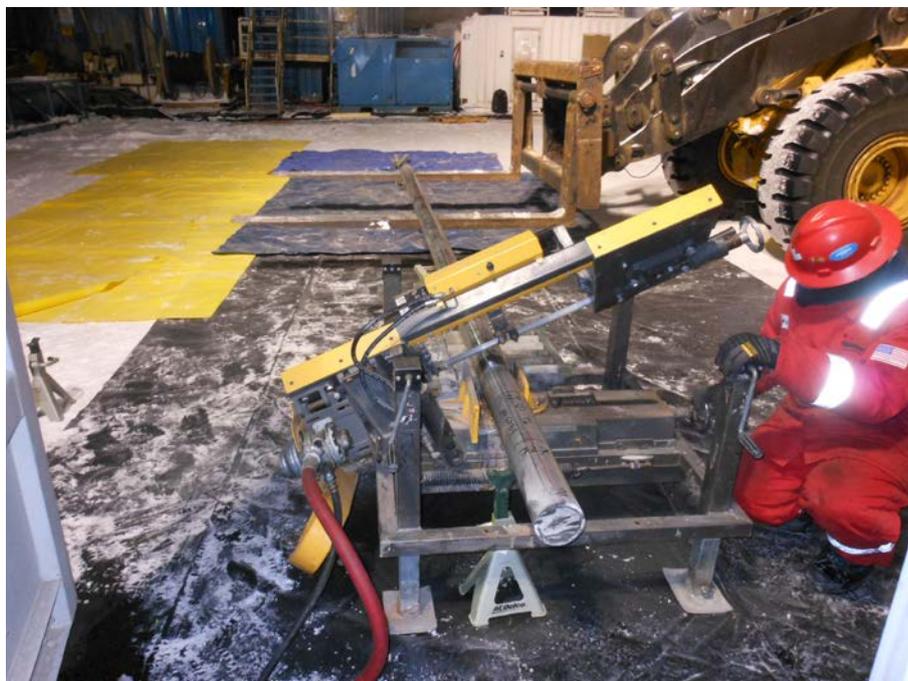
*The oil resource estimates in this announcement were compiled by Scott J. Wilson of Ryder Scott Company LP who is qualified in accordance with ASX listing rule 5.11 and who has consented to the form and content in which this statement appears.

Media contact:

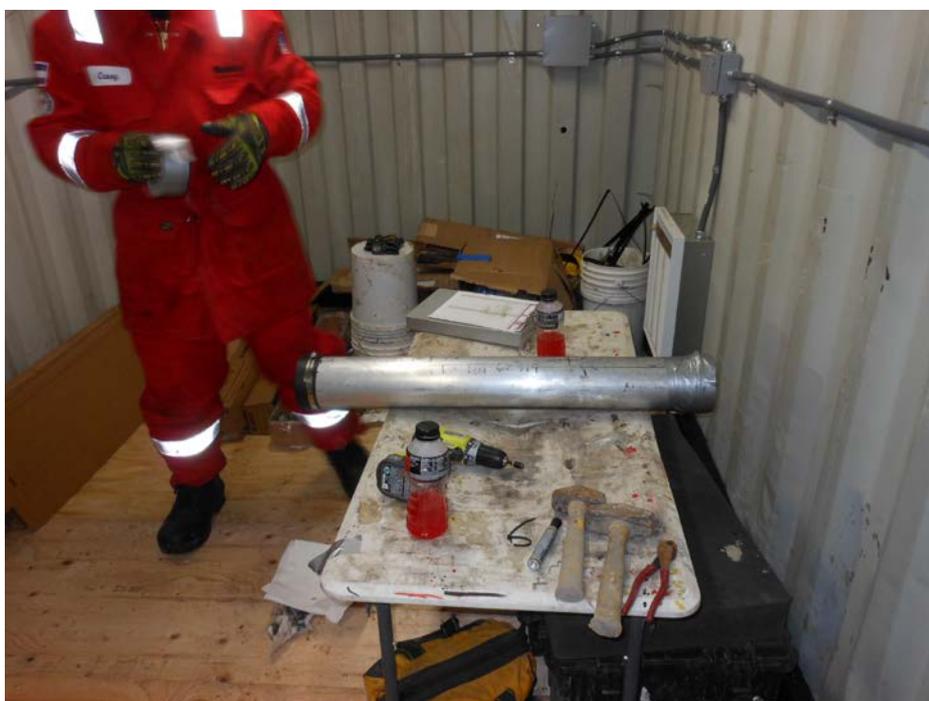
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Cutting Core at Umiat



Recovered cut core sample #1

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Core sample run #2 at Umiat

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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.

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