



24 October 2008

Dear Shareholder

Please find enclosed your Notice of Meeting for the Annual General Meeting to be held at The Grand Ballroom, Brisbane Marriott Hotel at 515 Queen Street, Brisbane on Thursday 27 November 2008 at 3:00pm.

The Directors consider that the transactions presented for Shareholder approval are in the best interests of Shareholders. Accordingly, all of the Directors entitled to make a recommendation in respect of a particular resolution recommend that you vote in favour of that resolution.

The Explanatory Memorandum contains important information about the resolution. Please ensure that you have read it carefully before deciding how to vote on the resolutions.

If you are unable to attend the Annual General Meeting, you are encouraged to complete the enclosed proxy form. The proxy form should be completed and returned in accordance with the instructions on the enclosed proxy form so that it is received by 3:00pm on Tuesday 25 November 2008.

I look forward to your attendance at the Annual General Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read "C. Ricato", written in a cursive style.

Craig Ricato  
Company Secretary

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS 2008

Notice is hereby given that the Annual General Meeting of shareholders of Linc Energy Ltd will be held:

**Date:** Thursday 27 November 2008

**Time:** 3:00pm

**Venue:** Grand Ballroom  
Brisbane Marriott Hotel  
515 Queen Street  
Brisbane QLD 4000

### ORDINARY BUSINESS

#### 1. Consideration of Reports

To receive the Financial Report, the Directors Report, and the Independent Audit Report of Linc Energy Ltd for the financial year ended 30 June 2008.

#### 2. Election of Director - Mr Brian Johnson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That Mr Brian Johnson, who retired by way of rotation in accordance with Rule 16.1 of the Company’s Constitution, and being eligible, offers himself for election, is hereby reappointed a Director of the Company.”*

#### 3. Approval of Share Issues

##### a. Share issues to landowners

To consider and if thought fit pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders ratify the allotment and issue of 51,412 fully paid ordinary shares on the terms set out in the Explanatory memorandum.”*

##### Voting Exclusion

The Company will disregard any votes cast on this resolution by Maurice Colin Polzin & Heather Anne Polzin, Ellis John Trebilco & Anne Margaret Trebilco, Joan Brownhalls, Keith Leonard Daniels & Beryl Margaret Daniels (jointly the **Participants**) and any associate of any Participant. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

##### b. Shares issued for capital raising purposes

To consider and if thought fit pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders ratify the allotment and issue of 27,027,027 fully paid ordinary shares (**Placement Shares**) via a placement to institutional investors and clients of BBY Limited (being investors who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act 2001) (**Investors**) on the terms set out in the Explanatory Memorandum.”*

#### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by any Investors who were issued with Placement Shares and any associate or an Investor who was issued with Placement Shares. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **4. Appointment of Auditor**

To consider and if thought fit pass the following resolution as an ordinary resolution:

*“That KPMG, being qualified to act as auditor of Linc Energy Ltd and having consented to act as auditor of Linc Energy Ltd be appointed as auditor of Linc Energy Ltd and that the Directors be authorised to agree the remuneration of the auditor”.*

#### **5. Remuneration Report**

To consider and, if thought fit, to pass the following Advisory Resolution:

*“That pursuant to and in accordance with Section 250R (2) of the Corporations Act the Directors’ Remuneration Report, as contained within the Directors’ Report and remuneration policies disclosed therein be adopted.”*

Dated: 24 October 2008

By Order of the Board.



Craig Ricato  
Company Secretary

**Linc Energy Ltd**

**ABN 60 076 157 045**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General meeting (**Notice**) of the Company.

The Directors (**Directors**) of Linc Energy Ltd (**Company**) recommend shareholders read the Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters in the accompanying Notice:

**1. Consideration of Reports**

The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2008 will be presented for consideration.

**2. Re-election of Mr Brian Johnson as a Director retiring by rotation**

Article 16.1 of the Company's Constitution provides that at each Annual General Meeting one-third of the Directors (except for the Managing Director), or, if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

Accordingly, pursuant to Article 16.1 of the Company's Constitution, Mr Brian Johnson being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Johnson is a civil engineer with extensive experience in the construction and mining industries in Australia, South East Asia and North America. He has held a number of Directorships in listing public companies. As a substantial shareholder and Chief Executive, Mr Johnson was instrumental in establishing both Portman Limited and Mount Gibson Iron Limited in the iron ore industry in Western Australia.

Mr Johnson also personally partnered Mr Lang Hancock in the development and operation of the McCamey's Monster iron ore mine in the Pilbara region and the Woodie Woodie manganese mines in the same area. Mr Johnson has considerable experience in dealing with Asian steel mills and major trading houses through his previous involvement in the production of iron ore, manganese, and coking coal from the Tahmoor mine in New South Wales, and South Blackwater in Queensland when he was Chairman of the operating company.

His particular skills lie in successfully guiding start-up companies from their conceptual stage, through Stock Exchange listing to profitable operations, and substantially increasing their market capitalisation. Mr Johnson is currently Chairman of EnviroGold Limited and private equity group, TransPacific Capital Pty Ltd, and a director of Resource Equities Limited.

**Recommendation:** The Directors (with Mr Brian Johnson abstaining) unanimously recommend that shareholders vote in favour of this resolution.

### 3. Approval for previous share issues

ASX Listing Rule 7.4 allows the Company to ratify an issue of shares made without prior shareholder approval under ASX Listing Rule 7.1 if:

- a. The issue of shares did not breach ASX Listing Rule 7.1; and
- b. Shareholders subsequently approve the issue of those shares by the Company.

In general terms, Listing Rule 7.1 allows the Company to ratify and issue up to 15% of its issued capital in any 12 month period without the need for shareholder approval, subject to certain exceptions. This issue of the shares the subject of this resolution was not in breach of Listing Rule 7.1.

An issue of shares made without specific approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the original issue did not breach Listing Rule 7.1 and is subsequently approved by ordinary resolution of shareholders pursuant to the provisions of Listing Rule 7.4.

Since 29 April 2008, the date of the Company's last General Meeting, the Company has issued shares in an amount equivalent to approximately 7% of its issued capital. Accordingly, the Company is seeking shareholder approval, pursuant to ASX Listing Rule 7.4, for the issue of these shares, so that future flexibility is retained. Details of the issue are as follows:

#### a. Approval of issue of shares to landowners

Resolution 3(a) seeks the ratification of shareholders of the issue of 51,412 shares to various landowner groups throughout the year. The shares were issued pursuant to compensation and Land Use and Access Agreements to enable the Company to access property over which it held tenure for the purpose of the exploration and development of its projects.

Pursuant to the provisions of Listing Rule 7.5, the following information is supplied to shareholders:

<b>Number of Securities Allotted:</b>	51,412
<b>Price at which the Securities were issued:</b>	<ul style="list-style-type: none"><li>• 5,200 shares – \$0.675</li><li>• 11,111 shares – \$0.18</li><li>• 3,007 shares – \$0.665</li><li>• 2,454 shares – \$0.815</li><li>• 2,837 shares – \$0.705</li><li>• 2,381 shares – \$0.84</li><li>• 5,970 shares – \$0.67</li><li>• 8,434 shares – \$0.61</li><li>• 2,597 shares – \$0.77</li><li>• 4,412 shares – \$2.719</li><li>• 735 shares – \$2.72</li><li>• 651 shares – \$3.07</li><li>• 943 shares – \$2.12</li><li>• 680 shares – \$2.94</li></ul>
<b>Terms of the Securities:</b>	Fully Paid Ordinary Shares
<b>Name of the allottees:</b>	<ul style="list-style-type: none"><li>• Ellis John &amp; Anne Margaret Treblico – 5,200</li><li>• Joan Brownhalls – 11,111</li></ul>

	<ul style="list-style-type: none"> <li>• Joan Brownhalls – 3,007</li> <li>• Joan Brownhalls – 2,454</li> <li>• Joan Brownhalls – 2,837</li> <li>• Joan Brownhalls – 2,381</li> <li>• Keith Leonard Daniels – 2,985 and Beryl Margaret Daniels – 2,985: TOTAL - 5,970 shares</li> <li>• Keith Leonard Daniels – 4,217 and Beryl Margaret Daniels – 4,217: TOTAL - 8,434 shares</li> <li>• Maurice &amp; Heather Polzin – 2,597</li> <li>• David James &amp; Jennifer Elizabeth Winfield – 2,206 and James Clarence &amp; Judith Ann Winfield – 2,206: TOTAL - 4,412 shares</li> <li>• Nicole Rachele – 735</li> <li>• Thomas &amp; Michelle O'Connor – 651</li> <li>• Thomas &amp; Michelle O'Connor – 943</li> <li>• Richard Hudson – 340 and Joseph Paul Hudson – 340: TOTAL - 680 shares</li> </ul>
<b>Use of the funds raised:</b>	No capital was raised by the issue of shares. The shares were issued as consideration pursuant to Land Use and Access Agreements
<b>Date of Allotment:</b>	<ul style="list-style-type: none"> <li>• 20 December 2007 - 5,200 shares</li> <li>• 17 January 2008 – 21,790 shares</li> <li>• 05 February 2008 - 14,404 shares</li> <li>• 02 June 2008 – 7,009 shares</li> <li>• 26 June 2008 – 3,009 shares</li> </ul>

**b. Ratification of issue of shares for capital raising purposes**

Resolution 3(b) seeks the ratification of shareholders for the previous issue of 27,027,027 shares which was completed in June 2008 and announced to the ASX on 25<sup>th</sup> June 2008.

Pursuant to the provisions of Listing Rule 7.5, the following information is supplied to shareholders:

<b>Number of Securities Allotted:</b>	27,027,027
<b>Price at which the Securities were issued:</b>	\$3.70
<b>Terms of the Securities:</b>	Fully Paid Ordinary Shares

<p><b>Name of the allottees:</b></p>	<p>The following clients of BBY Limited being investors who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act 2001:</p> <ul style="list-style-type: none"> <li>• Jennison Associates LLC – 9,250,000</li> <li>• Tradewinds Investment Management, LP – 1,750,000</li> <li>• Impala Asset Management – 540,000</li> <li>• Allen &amp; Co – 830,000</li> <li>• Scoggin, LLC – 850,000</li> <li>• Scoggin, LLC – 650,000</li> <li>• Rockhampton Management (Singapore) Pte Ltd – 4,325,000</li> <li>• Rockhampton Management (Singapore) Pte Ltd – 180,000</li> <li>• Trafalgar Capital – 850,000</li> <li>• Coupland Cardiff – 5,275,000</li> <li>• Transcontinental Asset Management – 70,000</li> <li>• SG Hiscock – 470,000</li> <li>• Ceres Capital – 100,000</li> <li>• Wilson Asset Management – 350,000</li> <li>• Deutsche Bank – 800,000</li> <li>• Droga Capital – 175,000</li> <li>• Thorney Investments – 100,000</li> <li>• GreenTech Research LLC – 25,000</li> <li>• Helix (Fortis client) – 25,000</li> <li>• LTS – Fortis Client – 13,000</li> <li>• Alison McKenzie – 7,000</li> <li>• Mersound – Fortis client – 150,000</li> <li>• Bell Potter Securities Limited – 75,000</li> <li>• Copper Pty Ltd – 20,000</li> <li>• Ladybird Pty Ltd – 10,000</li> <li>• Margaret Kirby – 5,00</li> <li>• Michel Zwat – 5,000</li> <li>• Partage Pty Ltd – 20,000</li> <li>• Gabee Pty Ltd – 2,500</li> <li>• van de Velde Consulting – 77,000</li> <li>• Ken Evans Super Fund A/C – 7,000</li> <li>• FB Wolff – 5,000</li> <li>• Diane Wolff – 5,000</li> <li>• Steve Boland – 2,500</li> <li>• Nova Linden-Smith – 2,500</li> <li>• Tereasa Trevor – 270</li> <li>• Ben Nairn – 4,750</li> <li>• David Smith - 507</li> </ul> <p><b>TOTAL: 27,027,027 shares</b></p>
<p><b>Use of the funds raised:</b></p>	<p>Capital raised for use primarily in the acquisition of SAPEX Limited as well as to provide additional working capital for use in the company's operations.</p>
<p><b>Date of Allotment:</b></p>	<p>26<sup>th</sup> June 2008</p>

#### **4. Resignation and appointment of Auditor**

With the aim of adopting good governance principles of auditor rotation, the Company's Audit and Risk Management Committee has worked with the Company's management to conduct an audit tender process. The results of the audit tender process and the recommendation of the Board have led to the nomination of KPMG as the Company's proposed new auditor.

Subject to shareholder approval, the appointment of KPMG will be effective from the date of the Annual General Meeting. KPMG will be responsible for the audit of the Company for the 2008/2009 financial year. If KPMG is appointed as auditor, arrangements are in place between the Company, PricewaterhouseCoopers and KPMG to enable a smooth transition between the audit firms.

PricewaterhouseCoopers has tendered its resignation as auditor to the Company after having been granted the consent of ASIC to resign as auditor of the Company effective from the date of the Annual General Meeting.

In accordance with section 328B of the Corporations Act, a shareholder has, by notice in writing to the Company, nominated KPMG to be the Company's auditor. The notice of the nomination of KPMG is attached at Annexure 1 to this Explanatory Memorandum.

Representatives from PricewaterhouseCoopers and KPMG will be available at the Annual General Meeting to respond to any shareholder questions.

**Recommendation:** The Board unanimously recommends that shareholders vote in favour of the resolution to appoint KPMG as the Company's auditor.

#### **5. Adoption of Remuneration Report**

Pursuant to Section 250R (2) of the Corporations Act, a resolution adopting the Directors' Remuneration Report contained within the Directors' Report must be put to the vote.

Shareholders are advised that pursuant to Section 250R (3) of the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

The Directors' Remuneration Report is set out within the Directors' Report. The Report:

- Explains the Board's policy for determining the nature and amount of remuneration of executive and non-executive Directors and senior executives of the Company;
- Sets out remuneration details for each Director and the five most highly remunerated senior executives of the Company;
- Details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company; and
- Provides an explanation of the option-based compensation payments for each Director and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Directors' Remuneration Report at the meeting.

**Recommendation:** The Board unanimously recommends that shareholders vote in favour of adopting the Directors' Remuneration Report.

## **Voting**

### **Point at Which Voting Rights are Determined**

The regulations of the Corporations Act permit the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company's Directors have passed a resolution to the effect that all shares of the Company that are quoted on the ASX at 7:00pm on 25 November 2008 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

### **Voting by Proxy**

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy is entitled to cast half of the number of votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

### **Corporate Representative**

In order to vote on behalf of a company that is a shareholder in the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the General Meeting or be presented at the meeting before registering on the Attendee Register for the General Meeting.

**If you have not elected to receive a hard copy of our annual report, you are still able to view and download a copy by visiting our website [www.lincenergy.com.au](http://www.lincenergy.com.au)**

## Attachment 1

16 October 2008

The Secretary  
Linc Energy Ltd  
Level 7, 10 Eagle Street  
BRISBANE QLD 4000

Dear Sir,

I am a shareholder of Linc Energy Ltd.

Pursuant to s328B of the Corporations Act, I hereby nominate KPMG to be appointed as auditor of Linc Energy Ltd at the Company's Annual General Meeting to be held on 27 November 2008.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J Peters', is written over a light grey rectangular background.

**J Peters**