

# **LINC ENERGY LTD**

## **FOURTH QUARTER REPORT**

*April to June 2006*

### **Exploration Activities**

The Company did not undertake any new or further exploration activities during the quarter.

The Company plans to commence initial exploration work during the next quarter on a number of its existing EPC/MDL holdings, in particular EPC 635 the Chinchilla site. The Company's holdings are as outlined in the table below.

Tenure	Status	Sub-Status	Granted	Expires	Principal Holder	Linc Interest	Sub-Blocks	Basin
<b>MDL 309</b>	GRAN	-	25 Nov 99	<b>30 Nov 08</b>	Linc Energy Ltd	<b>100%</b>	154Ha	<b>Surat</b>
EPC 635	<b>GRAN</b>	-	<b>24 Dec 98</b>	24 Dec 06	<b>Linc Energy Ltd</b>	100%	<b>32</b>	Surat
<b>EPC 704</b>	GRAN	-	17 Sep 01	<b>16 Sep 07</b>	Linc Energy Ltd	<b>100%</b>	111	<b>Surat</b>
EPC 897	GRAN	-	5 Aug 05	4 Aug 10	Linc Energy Ltd	100%	54	Surat
EPC 898	GRAN	-	5 Aug 05	4 Aug 10	Linc Energy Ltd	100%	85	Surat
EPC 899	GRAN	-	5 Aug 05	4 Aug 10	Linc Energy Ltd	100%	87	Surat
EPC 938	GRAN	-	15 May 06	14 May 11	Linc Energy Ltd	100%	80	Surat
EPC 902	GRAN	-	3 Dec 04	2 Dec 09	Linc Energy Ltd	100%	111	Surat
EPC 854	GRAN	-	30 Aug 04	29 Aug 07	Linc Energy Ltd	100%	166	Galilee
MDL 361	APPL	-	-	-	Linc Energy Ltd	100%	2712Ha	Pentland
EPC 908	GRAN	-	9 Feb 05	8 Feb 10	Linc Energy Ltd	100%	300	Biloela
EPC 909	GRAN	-	28 Apr 05	27 Apr 10	Linc Energy Ltd	100%	289	Biloela
EPC 910	GRAN	-	9 Feb 05	8 Feb 10	Linc Energy Ltd	100%	160	Ipswich
EPC 980	GRAN	-	4 Nov 05	3 Nov 10	Linc Energy Ltd	100%	59	Bowen
EPC 526	GRAN	RENL	27 Apr 93	26 Apr 06	Linc Energy Ltd	99%	25	Pentland

*Note : Bold type indicated priority project area. RENL : renewal application already lodged.*

Mitchell Drilling Contractors Pty Ltd have been appointed by Linc Energy to conduct an exploration drilling programme on EPC 635 located approximately 15km SE of Chinchilla, within the Darling Downs region of SE Queensland. This programme will involve the completion of a minimum 21 open holes followed by 11 cored holes, all ranging in depth from 140 - 150m and intercepting the Macalister Seam.

### **Corporate Activities**

The Company successfully listed on the ASX on 10<sup>th</sup> May 2006 after raising AUD22m under its IPO at 25 cents per share.

The Company now has 320,997,383 fully paid shares on issue.

Shortly after its debut on the ASX the Company contracted to acquire the freehold interest in the "Capowie" property on which its Underground Coal Gasification (UCG) demonstration site is situated. The Company also successfully negotiated to acquire the freehold interest in the adjoining "Ulinda Park" property. This gives the company freehold ownership of almost 3,000 acres across its main MDL and EPC holding.

As part of its strategy to build a world-class international management team, the Company appointed Mr Keith Allaun as its General Manager of Human Resources on 16<sup>th</sup> May 2006. Mr Allaun has drawn up key position statements in conjunction with the Company's Managing Director, Mr Peter Bond, and an extensive executive search process has commenced, the position of General Manager Government Affairs having been filled by Mr Justyn Peters.

The Company also commenced negotiations and secured agreements with a number of key industry players for the design and development of its GTL demonstration plant, including:

- Megchem, South Africa
- Shedden Udhe, Melbourne
- Wits University, South Africa
- Syntroleum, USA

From a financial perspective the Company ended the quarter with over AUD17m in cash reserves.

For further information about the Company and its activities and project plans, refer to [www.lincenergy.com.au](http://www.lincenergy.com.au) or contact the Managing Director Mr Peter Bond on (07) 3229 0800.