



Level 7, 10 Eagle St.,
(GPO Box 1315),
Brisbane, QLD 4001

Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ABN: 60 076 157 045
ACN: 076 157 045

ASX ANNOUNCEMENT

NOTICE OF GENERAL MEETING OF SHAREHOLDERS 2007

Notice is hereby given that a General Meeting of shareholders of Linc Energy Ltd (Company) will be held in the Boardroom, Linc Energy Ltd, Level 7, 10 Eagle Street, Brisbane, Queensland on Tuesday, 20th March 2007 at 10.00am.

Ordinary Business:

To consider and if thought fit, to pass the following resolutions as ordinary resolutions:

1. Grant of Performance Options to Mr Kenneth Eidler Dark (Director)

That for the purposes of Rule 10.14 of the Listing Rules and Chapter 2E of the Corporations Act and all other purposes, shareholders approve the issue to Mr Kenneth Eidler Dark 3,000,000 options to subscribe for fully paid ordinary shares in the Company pursuant to the Company's Employee Option Plan and on the terms set out in the attached Explanatory Notes.

2. Grant of Performance Options to Mr Brian Godfrey Johnson (Director)

That for the purposes of Rule 10.14 of the Listing Rules and Chapter 2E of the Corporations Act and all other purposes, shareholders approve the issue to Brian Godfrey Johnson 5,000,000 options to subscribe for fully paid ordinary shares in the Company pursuant to the Company's Employee Option Plan and on the terms set out in the attached Explanatory Notes.

By Order of the Board

Karl Mathew Shlobohm

Company Secretary



Level 7, 10 Eagle St.,
(GPO Box 1315),
Brisbane, QLD 4001

Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ABN: 60 076 157 045
ACN: 076 157 045

Appointment of proxies

- A form of proxy is enclosed for Shareholders unable to attend the meeting and who wish to vote. A Shareholder of the Company entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies, neither of whom need be Shareholders, to attend and vote instead of the Shareholder. If a member wishes to appoint two proxies it must be entitled to cast two or more votes.
- A Shareholder entitled to attend and vote may appoint not more than two proxies to attend the meeting and vote in his or her stead. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the total of that Shareholder's voting rights or a number of votes, subject to which, each proxy shall be entitled to vote on a poll in respect of such specified portion. If this proxy form does not specify the proportion or the number of votes then each proxy may exercise half of the votes.
- A proxy need not be a Shareholder of the Company. If you specify the manner in which the proxy is to vote, the proxy must vote as specified.
- Proxies by a Company should be executed as set out in italics above or where your Constitution requires under the Company's Common Seal and signed by 2 directors or a director and secretary of the Company. Alternatively, a Company may appoint a representative pursuant to section 250D(1) of the Corporations Act 2001. A Company should sign either the proxy or the appointment of representative under its common seal in accordance with S127(2) Corporations Act 2001 in order to be effective unless its own Constitution otherwise provides in which case the proxy form or the S250(1) appointment should be signed in accordance with S127(1) Corporations Act 2001.
- This proxy form and any power of attorney (or certified copy) or other authority, must be completed and lodged at the Company's Registered Office at Level 7, AMP Place, 10 Eagle Street, Brisbane, Queensland, 4000, Australia, or by facsimile no. (617) 32296800 not less than forty-eight (48) hours before the time appointed for the holding of the General Meeting. In other words, your proxy must be received at the Company's registered office by mail or facsimile before AEST 10am Sunday 18 March 2007.

Voting Exclusion Statement

The company will disregard any votes cast on either of the resolutions by:

- Mr Kenneth Eidler Dark (Director);
- Mr Brian Godfrey Johnson (Director);
- Mr Peter Adam Bond (Director); and
- any associate of Messrs Dark, Bond and Johnson.

Although not participating in the issue of Options the subject of the resolutions, Mr Bond is included in this Statement in accordance with the requirements of Listing Rule 10.15.5.

The Company will not disregard a vote if:

- it is cast by a person as 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.

Explanatory Notes

The resolutions seek shareholder approval for the grant of 3,000,000 options by the Company to Mr Dark and the grant of 5,000,000 options by the Company to Mr Johnson. Mr Dark and Mr Johnson will be referred to as the 'Recipient Directors' throughout these explanatory notes.

The grant of the options to the Recipient Directors is intended to act as a strong incentive to align the interests of the Directors' with the Company's strategic plan focusing on seeking improved performance, the growth of the Company and better returns for shareholders. The aggregate of 8,000,000 options on issue are to be issued in three equal tranches and in the manner provided for in Schedule 1.

Key details of the options to be granted to the Recipient Directors are set out below:

Recipient Director	Number	Offer Price	Exercise Price	Vesting date	Expiry Date
Mr Dark	1,000,000	No consideration is payable by the Recipient Directors for the grant of the Options.	25 cents	31 December 2007	31 December 2009
Mr Dark	1,000,000		25 cents	31 December 2008	31 December 2010
Mr Dark	1,000,000		25 cents	31 December 2009	31 December 2011
Mr Johnson	1,666,666		25 cents	31 December 2007	31 December 2009
Mr Johnson	1,666,666		25 cents	31 December 2008	31 December 2010
Mr Johnson	1,666,668		25 cents	31 December 2009	31 December 2011

A summary of the terms and conditions of the options is set out in Schedule 1 to the Explanatory Notes.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of a financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Recipient Directors are related party by virtue of the fact that they are directors of the Company and the grant of options by the Company constitutes the giving of a financial benefit.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the proposed grant of options by the Company to the Recipient Directors:

- (c) The Recipient Directors are related party of the Company to whom the proposed resolutions would permit the financial benefits to be given.
- (d) The nature of the financial benefit to be given to Mr Dark is the grant of 3,000,000 options.
- (e) The nature of the financial benefit to be given to Mr Johnson is the grant of 5,000,000 options.
- (f) As at the date of these Explanatory Notes, the issued capital of the Company is 320,997,383 shares. The table below sets out the



Level 7, 10 Eagle St.,
(GPO Box 1315),
Brisbane, QLD 4001

Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ABN: 60 076 157 045
ACN: 076 157 045

issued capital of the Company should the Recipient Directors exercise all of their options and no other securities are issued by the Company in the meantime.

Description	Shares
Existing Shares on issue	320,997,383
Options proposed to be issued to Recipient Directors	8,000,000
Maximum number of shares on issue following exercise of all options by Recipient Directors	328,997,383

On 18 January 2007 9,600,000 options were issued to employees of the Company in accordance with the Company's Share Option Plan (January Options). The information set out in the above table is based on the assumption none of the January Options will be exercised prior to the granting of the options the subject of the resolutions.

If shareholders approve the grant of options to the Recipient Directors, the exercise of the options by the Recipient Directors will result in a dilution of all other shareholders' holdings in the Company of approximately 2%.

Assuming the resolutions approved by shareholders, the Recipient Directors will be entitled to the following securities in the Company, subject to the terms and satisfaction of the conditions relating to the exercise of the options and subsequent exercise of the options by the Recipient Directors:

Recipient Director	No. of Shares issued following exercise of all options	Shares currently held by Recipient Directors	Total Shares held after exercise of all options
Mr Dark	3,000,000	120,000	3,120,000
Mr Johnson	5,000,000	2,000,000	7,000,000

(g)

Details of the current annual remuneration of the Recipient Directors are as follows:

Recipient Director	Salary/ Fees
Mr Dark	\$40,000 per annum
Mr Johnson	\$50,000 per annum

(h)

The Recipient Directors do not wish to make a recommendation in relation to the resolutions as each has a financial interest in the outcome of the resolutions.

(i) The highest trading price of the shares of the Company in the last 12 months was 30 cents. The lowest trading price in the last 12 months was 15 cents. The most recent closing price as at the date of these Explanatory Notes was 25 cents per share.

(j) The options will be granted to the Recipient Directors for no consideration and therefore no funds will be raised by the grant of the options to the Recipient Directors. Any funds raised from time to time due to the exercise of any options will be used as the Board sees fit.

(k) Other than the information set out in these Explanatory Notes the Company believes there is no other information that would be reasonably required by shareholders in order to decide whether it is in the best interests of the Company to pass the resolutions.

Details Concerning Valuation of Executive options

The options to be granted to the Recipient Directors will not be quoted on the ASX and as such have no actual market value.

An indicative valuation for the options to be granted to the Recipient Directors is as follows:

Recipient Director	Tranche	Value per option	Number of options	Total Value
Mr Dark	1	\$0.105	1,000,000	\$105,852
	2	\$0.104	1,000,000	\$104,052
	3	\$0.101	1,000,000	\$101,775
Total			3,000,000	\$311,679
Mr Johnson	1	\$0.106	1,666,666	\$176,420
	2	\$0.104	1,666,666	\$173,420
	3	\$0.101	1,666,668	\$169,625
Total			5,000,000	\$519,465

The valuation was made using the Black - Scholes Valuation Model on the basis of the following assumptions regarding the various inputs that comprise the valuation model:

- The shares of the Company are quoted and remain quoted on the ASX for the life of the options.
- As at the date of these Explanatory Notes, the Company has not forecast any future dividend payments. For the purposes of this valuation it has been assumed that the Company's projected annual dividend yield is nil.
- A volatility factor of 60% was assumed based on the volatility of the company's share price since admission to the Official List of the Australian Stock Exchange in 10 May 2006.
- A risk free rate of 5.94% which is the 5 year Commonwealth Treasury Bond as at 31 January 2007.

ASX Listing Rules

ASX Listing Rule 10.11 prohibits the issue of securities to a director of a company unless the approval of the shareholders of the company is obtained or unless one of the exceptions referred to in Rule 10.12 applies. Given the 8,000,000 options are being issued pursuant to the terms of the Company's Employee Option Plan (Plan), Exception 4 of Listing Rule 10.12 applies to this issue of options. Pursuant to Listing Rule 10.14 the issue of options to Directors under an employee incentive scheme must be approved by the holders or the Company's ordinary securities. The notice of meeting to obtain the approval must comply with the notice requirements prescribed by Listing Rule 10.15A.

In accordance with Listing Rule 10.15A, the following information is provided to shareholders in relation to the resolutions:

- The Company will grant up to 8,000,000 options to the Recipient Directors. If all options are exercised by the Recipient Directors, the Recipient Directors will be entitled to 8,000,000 shares.
- The options are granted to each of the Recipient Directors for no consideration and, therefore, no funds will be raised by the grant of the options to the Recipient Directors. Any funds raised from time to time due to the exercise of any options will be used as the Board sees fit.
- For details of the exercise prices and expiry dates of the options please refer to the above tables.
- Details of any options issued under the Plan will be published in each annual report of the entity relating to a period in which options have been issued, and the approval for the issue of options was obtained under Listing Rule 10.14.
- Any additional persons who become entitled to participate in the Plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under Listing Rule 10.14.
- The options will be granted to the Recipient Directors on a date which is not more than three years after the date of the General Meeting the subject of these Explanatory Notes.
- For details of the indicative valuations of the options, please refer above.
- The terms and conditions of the options to be issued to the Recipient Directors are set out in Schedule 1 to these Explanatory Notes.
- The persons referred to in Listing Rule 10.14 that are entitled to participate under the Plan are as follows:
 - Kenneth Eidler Dark;
 - Peter Adam Bond; and

- Brian Godfrey Johnson.

SCHEDULE 1 - Terms and Conditions of options

1. The 8,000,000 options on issue will be issued to the Recipient Directors in the following manner:

Options on Issue to Mr Dark

Tranche	Number of Options on Issue (3,000,000)	Vesting Date	Expiry Date
First Tranche	1,000,000	31 December 2007	31 December 2009
Second Tranche	1,000,000	31 December 2008	31 December 2010
Third Tranche	1,000,000	31 December 2009	31 December 2011

Options on Issue to Mr Johnson

Tranche	Number of Options on Issue (5,000,000)	Vesting Date	Expiry Date
First Tranche	1,666,666	31 December 2007	31 December 2009
Second Tranche	1,666,666	31 December 2008	31 December 2010
Third Tranche	1,666,668	31 December 2009	31 December 2011

2. Options will be issued free.
3. The options may be exercised at any time after their respective vesting dates and before their respective expiry dates (see table in Term 1 above).
4. The options may be exercised wholly or in part by notice in writing to the Company received at any time during the exercise period together with a cheque for the exercise price and the option certificate (if any) and otherwise in accordance with the terms of the Company's Employee Option Plan.
5. The exercise price of options will be twenty-five (25) cents each.



Level 7, 10 Eagle St.,
(GPO Box 1315),
Brisbane, QLD 4001

Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ABN: 60 076 157 045
ACN: 076 157 045

6. If, prior to the expiry date of the options, a person ceases to be a director, officer, employee or senior consultant to the Company for any reason other than retirement at age 60 or more (or such earlier date as the Board may permit), permanent disability, redundancy or death, the options held by that person (or nominee) must be exercised within one month thereafter or they will automatically lapse.
7. If a person dies, the options held by that person will be exercisable by that person's legal representative. Options cannot be transferred other than to the legal personal representative of a deceased optionholder.
8. The Company will not apply for official quotation of any options.
9. Shares issued as a result of the exercise of options will rank equally with the Company's issued shares at the time.
10. Optionholders may only participate in new issues of securities by first exercising their options. If there is a bonus issue to the holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue.
11. Optionholders have no entitlement or right to any variation in the option exercise price or to the number of underlying securities over which the option can be exercised.
12. If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules.