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ASX ANNOUNCEMENT

RESPONSE TO ENQUIRY

15 May 2007

Ms Narissa Taylor

Australian Stock Exchange

Level 5 Riverside Centre

123 Eagle Street

BRISBANE QLD 4000

Fax : (07) 3832 4114

Email : narissa.taylor@asx.com.au

Dear Ms Taylor

In response to your query of 15 May 2007 in relation to recent price and volume increases of our shares, we advise the following:

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

2. Not applicable.

3. A possible explanation could be the publication by Dow Jones Newswires in London on 25 April 2007 of an interview with Pierre Ranwell, Business Development Manager of Anglo American's coal unit, wherein it was revealed "Anglo American is planning to expand its energy operations through its activities in clean coal, possibly through acquisitions or a joint venture.

Options for the mining giant's expansion in energy could include buying into companies already prominent in clean-coal technology, such as Linc Energy Ltd (LNC.AU) or Rentech (RTK) or establishing joint ventures."

"The company is expanding energy exposure through coal-to-liquids for an energy-focused division within Anglo Coal", Ranwell reportedly told Dow Jones.

The acknowledgement of Linc Energy's progress in clean coal technology and coal to liquids (CTL) technology by a group such as Anglo American could be the reason for increased interest in the Company.

No contact has been made by Anglo American at this time.

4. Confirmed. The Company considers that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

If any further information is required, please contact our office.

Yours faithfully

Karl Schlobohm

Company Secretary

Linc Energy Ltd