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ASX ANNOUNCEMENT

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LINC ENERGY GAINS QUEENSLAND GOVERNMENT'S *SIGNIFICANT PROJECT* STATUS

Linc Energy was yesterday advised that Queensland's Coordinator-General had declared Linc Energy's Underground Coal Gasification (UCG) project near Chinchilla, incorporating the Company's UCG gas to liquids proposal as well as its UCG gas turbine power generation, to be a "Significant Project".

Linc Energy is delighted to have gained Significant Project status as it greatly enhances and potentially accelerates its Chinchilla UCG Coal to Liquids Environmental Impact Study (EIS) and approvals process.

The Deputy Premier and Minister for Infrastructure, Hon Anna Bligh said "underground coal gasification technology offers the potential to utilise parts of Queensland's vast coal resources that are currently uneconomic to recover".

"In addition, Linc Energy's proposed 200 megawatt gas fired power station using fuel from the UCG process would produce lower greenhouse gas emissions than conventional coal fired power station", said Ms Bligh.

Linc Energy is a Queensland company that is progressing towards becoming one of the world's leading producers of ultra clean synthetic diesel and jet fuels from stranded coal resources.

Linc Energy's Managing Director, Mr Peter Bond said "gaining significant project status is a substantial boost for Linc Energy's EIS and approvals process, which is one of the company's key milestones over the coming months".

Linc Energy is achieving this outcome via utilising underground coal gasification to transform vast stranded coal resources into synthesis gas while still in situ. There is minimal impact upon the surrounding environment, whilst unlocking considerable amounts of energy which is capable of powering Australia and world economies.