



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

RESPONSE TO ENQUIRY

29 May 2007

Mr Patrick O'Connor

Australian Stock Exchange

Level 5 Riverside Centre

123 Eagle Street

BRISBANE QLD 4000

Fax : (07) 3832 4114

Email : patrick.oconnor@asx.com.au

Dear Patrick

In response to your query of 29 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 recent announcement by the Queensland Co-ordinator General on 22nd May 2007 that our Underground Coal Gasification (UCG)- Coal to Liquids (CTL) project has been declared a significant project for Queensland and also the growing awareness in the market place of our company's potential.
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