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ASX ANNOUNCEMENT

LINC ENERGY ANNOUNCES INTERNATIONAL M.O.U WITH LEADING INDIAN OIL AND GAS EXPLORATION COMPANY

31 May 2007

Brisbane-based clean coal technology leader and energy company, Linc Energy Ltd (ASX: LNC) has today announced that it has signed an international Memorandum of Understanding (MOU) with one of India's largest oil and gas drilling and exploration companies.

Linc Energy Ltd has entered into a significant MOU with Shiv-Vani, based in New Delhi, but also working in the Middle East and the United States.

The MOU will provide for the establishment of potential joint ventures between Linc Energy Ltd and Shiv-Vani in the field of UCG (underground coal gasification) with the aim of utilising the UCG gas production for power production, and in the medium term, coal to liquids diesel fuel production.

The agreement is a coup for Linc Energy, which plans to turn stranded coal deposits in various locations around the world starting in Chinchilla (Queensland) into clean power and ultra clean diesel by bringing together two proven production processes of UCG clean coal technology and Gas to Liquids (GTL).

"We are very excited about the opportunities in India and the Sub Continent that this MOU has the potential to create," Linc Energy's Managing Director, Mt Peter Bond, said today.

"India is one of the new economic powerhouses in the world and we see great application for our clean coal technology and for the generation of electricity linked to our UCG process."

Shiv-Vani is India's largest non-government oil, gas, drilling and exploration company and one of the fastest growing companies in India. Linc Energy's Managing Director, Mr Peter Bond, said it is their growth, knowledge of the industry and vision that initially attracted Linc Energy to commence negotiations with them.

Mr Roy Chowdhury, General Manager (Exploration) of Shiv-Vani stated, "I have found that Linc Energy Ltd of Brisbane, Australia are excellent communicators, helpful and sensitive to the needs of customers – a bouquet of quality that I aspire to give to Shiv-Vani as a service provider," Mr Chowdhury said.

The immediate focus of the MOU is to ensure the joint venture, between Shiv-Vani and Linc Energy Ltd, gain and develop coal blocks (resources) that the Indian Government is releasing for the specific purpose of UCG development. In coming years India, via its keen eye for developing energy projects to meet its growing needs like UCG, will be one of the largest producers and consumers of cost effective UCG gas operations in the world.

At the conclusion of negotiations Padam Singhee, Director of Shiv-Vani stated:

"The signing of an MOU is an important step for us both, but it is the successful partnership through the generation of energy and wealth that is paramount," Mr Singhee Said.

A sentiment wholeheartedly echoed by Linc Energy Ltd.

In addition to the Shiv-Vani MOU, Linc Energy is currently undertaking pre-feasibility studies and negotiations on possible UCG fields in a number of other energy-hungry locations around the world, in conjunction with a number of potential Joint Venture partners.

Linc Energy's UCG to GTL (Diesel) demonstration plant at Chinchilla is scheduled to open in the third quarter of 2007, which will be the only UCG to CTL (Liquid fuels) facility in the world.

"The world-first demonstration plant is arguably one of the key drivers that will take Linc Energy, as a potential major energy supplier to the world, to the next level of acceptance." Mr Bond said.

The Shiv-Vani MOU follows a recent announcement the Queensland Government has declared Linc Energy's Chinchilla clean coal project a "Significant Project".

Yours faithfully

Karl Schlobohm
Company Secretary
Linc Energy Ltd