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LINC ENERGY ANNOUNCES INTERNATIONAL M.O.U. WITH LEADING JAPANESE TRADING HOUSE, MARUBENI CORPORATION

Brisbane-based clean coal technology leader and energy company, Linc Energy Ltd (ASX: LNC) has today announced that it has signed an important International Memorandum of Understanding (MOU) with one of Japan's largest trading houses, Marubeni Corporation.

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 and jet fuels, by bringing together two proven production processes of Underground Coal Gasification (UCG) clean coal technology and Coal to Liquids (CTL). As part of this agreement Marubeni Corporation is considering making an investment in Linc Energy of which final terms of the investment have yet to be finalised.

The purpose of the MOU is to establish a framework for mutual cooperation between Linc Energy Ltd and Marubeni Corporation in responding to business opportunities with regards to UCG, CTL and Integrated Gasification Combined Cycle (IGCC) power generation.

Marubeni Corporation is one of Japan's largest Trading Companies with an asset base of greater than \$US40 billion and annual revenue in excess of \$US76 billion. Marubeni Corporation has 121 overseas offices and is based in 72 countries, with interests in coal, iron-ore, oil and power etc.

"We are very excited about the opportunities of working with such a large and internationally well regarded company in Marubeni Corporation. Marubeni has extensive and broad reaching commercial relationships throughout the Asian region and the potential for the two companies to work together is enormous."

"I would like to take this opportunity to thank Marubeni for their vision in recognising the commercial and environmental benefits of UCG and the significant opportunities that it offers in terms of clean power generation and clean diesel production on a world wide basis. We at Linc Energy look forward to working closely with Marubeni in the future." Linc Energy's Managing Director, Mr Peter Bond, said today.

Linc Energy is completing its Chinchilla (Queensland) demonstration facility in the third quarter of 2007, where Linc Energy will be utilising its UCG gas in a world-first demonstration, to convert UCG gas into cost effective ultra-clean Diesel.

"This UCG to CTL demonstration plant is one of the key drivers that will take Linc Energy to the next level of acceptance of becoming a major energy supplier to the world, and is already one of the reasons large companies such as Marubeni are standing up and taking notice of Linc Energy." Mr Bond said.

"This Marubeni MOU follows recent announcements of the MOU with Shiv-Vani (India), and that of the Queensland Government having declared Linc Energy's Chinchilla clean coal project as a State "Significant Project."

A handwritten signature in black ink, appearing to read "Karl Schlobohm", with a long, sweeping underline.

Karl Schlobohm
Company Secretary
12 June 2007

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