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EXTENSION OF MAJOR OIL COMPANY MOU

Announcement

Linc Energy is pleased to announce that it has signed what is effectively an extension to the existing Memorandum of Understanding (MOU) between Linc Energy and a global oil company for a further twelve months covering the potential future off-take agreement for the supply of up to 70% of the syn-fuel produced from Linc Energy's proposed Chinchilla UCG to GTL (diesel) facility. Linc Energy is delighted to have extended this MOU.

General

Linc Energy 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).

Today's announcement follows Linc Energy's recent announcements of its international MOU's with Shiv-Vani, one of India's largest oil and gas drilling and exploration companies, and Marubeni Corporation, one of Japan's largest trading houses.

On 22 May 2007 Queensland's Coordinator-General declared Linc Energy's project at Chinchilla to be a "Significant Project" for the state.

For further information, please contact Mr Peter Bond, on (07) 3229 0800.

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

Karl Schlobohm
Company Secretary

29 June 2007