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ASX ANNOUNCEMENT

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LINC ENERGY SIGNS COMMERCIAL TERMS DEED WITH GCL TO COMMERCIALISE UCG (GAS) TO GTL (FUEL) IN CHINA

- **Commercial Terms agreed with a subsidiary of Golden Concord Holdings Limited for a Joint Venture into China**
- **GCL to take a AUD120 million private placement in Linc Energy for approximately 5% of the issued share capital (at approximately AUD4.50 per share) giving Linc Energy an implied valuation of approximately AUD2.3 billion**
- **GCL to provide USD15 million in working capital to the Joint Venture**
- **GCL to complete the Linc Energy share placement in two tranches of AUD60 million each**
- **The parties to form a joint venture with the aim to commence construction in China on its first multi-gasifier UCG operation within 6 months of completion of binding legal agreements**

Linc Energy Ltd (ASX:LNC) (OTCQX:LNCGY) is pleased to announce that key commercial terms have been agreed with GCL Projects Limited ("GCL"), a subsidiary of Golden Concord Holdings Limited ("GCL-Poly") to form a joint venture to commercialise UCG (Underground Coal Gasification) to GTL (Gas to Liquids) in the People's Republic of China ("China") with the first multi-gasifier project to commence construction within 6 months of completion of the suite of formal binding legal agreements. GCL-Poly has interests in Power generation, Coal and Poly-silicon production and one of its subsidiaries, GCL-Poly Energy Holdings Ltd, is a Hong Kong Stock Exchange listed company with a market cap of HKD33 billion with 17,000 employees.

Key Terms

Linc Energy and GCL have agreed to cooperate via an incorporated joint venture in the utilisation of Linc Energy's world leading UCG to GTL process which Linc Energy has developed over the past five years at its Chinchilla site in Queensland, Australia.

Linc Energy will hold 33% of the joint venture and GCL will hold 67%. GCL will provide USD15 million in working capital to the joint venture in three equal instalments over the first three years of the joint venture.

GCL also has an obligation to principally arrange CAPEX funding of the commercial projects the joint venture undertakes in China via debt and other structures. Linc Energy will have

minimal balance sheet exposure whilst maintaining ownership of 33% of the commercial projects.

Linc Energy will grant an exclusive licence to the joint venture for the use of its UCG and GTL intellectual property ("IP") in China. Linc Energy will continue to hold and control the core IP and know-how with IP developed by the joint venture to be jointly owned by the joint venture with Linc Energy having exclusive use of the jointly owned IP outside of China.

GCL will provide the joint venture with USD5 million of working capital to commence site selection and engineering. Linc Energy will be completing the site selection and the majority of the engineering, commencing with a commercial UCG gas facility consisting of initially four (4) commercial size UCG gasifiers working in parallel (with GCL having an option to expand this to six (6) gasifiers).

GCL has also agreed to subscribe AUD120 million for an approximately 5% interest in the issued capital of Linc Energy. GCL has agreed to subscribe to a first tranche AUD60 million placement on execution of the joint venture contract suite for 2.5% of Linc Energy's issued stock at an issue price of approximately AUD4.50 per share. GCL will subscribe for a further tranche AUD60 million placement upon the successful completion and commissioning of UCG operations at the first site in China. The subscription price per share for the second placement will be the higher of the subscription price per share of the first placement or 130% of the 30 day VWAP immediately preceding the second placement.

Mr Peter Bond, Linc Energy's Chief Executive Officer, said, "I am very pleased that we have reached agreement on the commercial terms with GCL. We have been working tirelessly on our options into China over many months, having long identified China as a key market for Linc Energy's UCG expertise and our GTL operational excellence and know how. China's insatiable appetite for liquid fuels and gas presents Linc Energy and GCL with a unique opportunity to capitalise on this world changing market."

"It is also great to see GCL wishing to take an ownership stake in Linc Energy, and importantly this relationship significantly revalues Linc Energy's key UCG to GTL technology base. Linc Energy is committed to commercialising UCG to GTL on a significant scale, and this most recent deal with GCL in China is the first stepping stone of many commercial opportunities I believe you will see Linc Energy produce over the months ahead."

"Linc Energy chose GCL as its partner in China for a variety of reasons, starting with my relationship and respect for the Chairman of GCL Poly, Mr Gongshan Zhu, but also particularly because of GCL's entrepreneurial nature, its strong financial position, its proven ability to execute large projects in a fast and cost effective manner and its history of protecting its own world leading intellectual property. GCL is a solar energy developer, and the largest poly silicon manufacturer in the world. Linc Energy's partnership with GCL in China will be extremely beneficial for both companies but importantly, it is beneficial to China as a whole," Mr Bond said.

The completion of the proposed joint venture arrangements and GCL's participation in a private placement of Linc Energy stock is dependent upon FIRB (Foreign Investment Review Board) approval in Australia and the finalisation of customary legal documentation of a transaction of this size and nature.

For more information please visit www.lincenergy.com or contact our office on +61 7 3229 0800.



Peter Bond

Chief Executive Officer & Managing Director

Company Profile

Linc Energy is a globally focused, diversified energy company with a strong portfolio of coal, oil and gas deposits. It is Linc Energy's purpose to unlock the value of its resources to produce energy to fuel the future.

A publicly listed company, Linc Energy is the global leader in Underground Coal Gasification (UCG), which delivers a synthesis gas feedstock to supply commercially viable energy solutions – such as electricity, transport fuels and oil production – through gas turbine combined cycle power generation, Gas to Liquids (GTL) Fischer-Tropsch processing and Enhanced Oil Recovery.

Linc Energy has constructed and commissioned the world's only UCG to GTL demonstration facility located in Queensland, Australia. This facility produces the world's only UCG to GTL synthetic diesel fuel. Linc Energy also owns the world's only commercial UCG operation, Yerostigaz, located in Uzbekistan. Yerostigaz has produced commercial UCG synthesis for power generation for 50 years.

Linc Energy is on a rapid global expansion path to commercialise its portfolio of resources, with established offices across three continents in the United States, the United Kingdom and Australia.

Linc Energy is listed on the Australian Securities Exchange (LNC) and can also be traded in the United States via the OTCQX (LNCGY).

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