

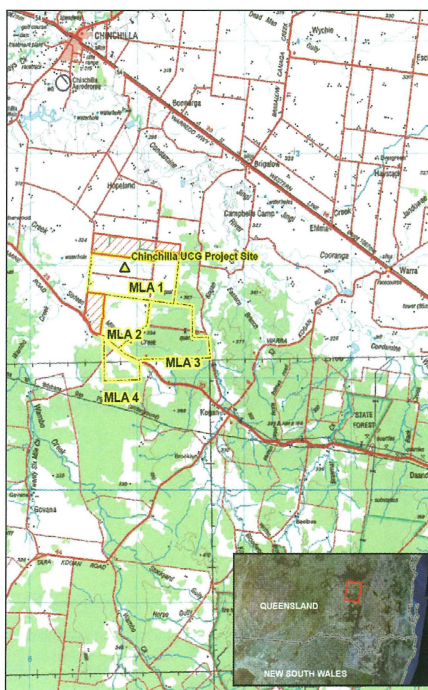
## Clean Coal Project Declared 'Significant'

Brisbane-based clean coal technology leader and energy company, Linc Energy Ltd has been advised that the Queensland Coordinator-General has declared Linc Energy's Underground Coal Gasification (UCG) project near Chinchilla, incorporating the company's UCG gas to liquids proposal as well as its UCG gas turbine power generation, to be a "Significant project for which an Environmental Impact Statement (EIS) is required".

Linc Energy's UCG process is based on technology, which has been used in Russia for nearly 50 years and Linc Energy has confirmed it is in discussions with a number of overseas parties about possible commercial opportunities.

Peter Bond, Linc Energy Managing Director, said "Linc Energy is delighted that the project has been declared to be a 'Significant Project'. This will provide Linc Energy with a coordinated approach to the comprehensive EIS process that Linc Energy will now undertake. "We look forward to working with the government through this process."

Linc Energy believes that by utilising this process it will enable them to, "transform vast stranded coal resources into synthesis gas while still in situ." Linc Energy claims there is minimal impact upon the surrounding environment, from using the UCG process, whilst unlocking considerable amounts of energy. Linc Energy believes that the process has such potential that it is "capable of powering Australia and world economies."



*The Chinchilla demonstration plant location*

Anna Bligh, The Queensland Deputy Premier and Minister for Infrastructure, said "underground coal gasification technology offers the potential to utilise parts of Queensland's vast coal resources that are currently uneconomic to recover.

"If the gas-to-liquids (GTL) demonstration plant and feasibility study are successful, Linc Energy

proposes to develop a plant with a production capacity of at least 20,000 barrels per day of ultra-clean diesel and other transport fuels. This would reduce Australia's dependence on imported oil and diversify the use of Queensland's coal resources."

**“underground coal gasification technology offers the potential to utilise parts of Queensland's vast coal resources that are currently uneconomic to recover.”**

"In addition, Linc Energy's proposed 200 MW gas fired power station using fuel from the UCG process would produce lower greenhouse gas emissions than conventional coal fired power station", Bligh said.

Linc Energy also recently announced another milestone in its Underground Coal Gasification (UCG) clean coal technology project in Chinchilla with interim drilling results revealing an expanded coal area. Linc Energy's UCG to GTL (Diesel) demonstration plant at Chinchilla is scheduled to open in the third quarter of this year, which will be the only UCG to GTL facility in the world ■