

OIL & GAS DIVISION

ASX Code: LNC
OTCQX Code: LNCGY

24 September 2013

LINC ENERGY GULF COAST OIL ASSETS - RESERVE VALUATIONS INCREASE

- Reserve valuation estimate update by independent consultants, Haas Petroleum Engineering Services, Inc., (“Haas”) for 100% of Linc Energy’s net reserves in the Gulf Coast region, USA.
- Haas estimates Proved (“1P”) reserves of 12.326 million barrels of oil (“MMbo”) and 3.025 BCFG of natural gas, with a 1P NPV_{10%} of US\$600.7 million.*

Linc Energy (ASX: LNC) (OTCQX: LNCGY) is pleased to announce the update of the independent reserve estimate report prepared by Haas for 100% of the Company’s interest in the Gulf Coast oil fields located in Texas and Louisiana, USA.

Haas estimates Proved (“1P”) reserves of 12.326 million barrels of oil (“MMbo”) and 3.025 billion cubic feet of natural gas (BCFG), with a 1P NPV_{10%} of US\$600.7 million. This equates to 12.83 million barrels of oil equivalent (6 mcf (6000 cubic feet of gas) equates to 1 boe).

All reserve estimates have been prepared using standard engineering practices generally accepted by the petroleum industry and confirm to guidelines developed and adopted by the United States Securities and Exchange Commission. The reserves estimate was conducted by independent consultants, Haas, in accordance with the definitions and guidelines set out in the 2007 Petroleum Resource Management System approved by the Society of Petroleum Engineers.

The executive summary of the reserve estimate report prepared by Haas is attached to this announcement.

Mr Peter Bond, Chief Executive Officer of Linc Energy, said, “This is a great report. We have achieved an increase in valuation for our Gulf Coast oil assets with further potential upside in these numbers given that a lot of our recent drilling has not been assessed in this final valuation report. Considering how much Linc Energy has been increasing oil production from these assets, the increased reserve valuations are an excellent outcome. Linc Energy is, of course, still focusing on increasing oil production and continues to push to bring on a number of opportunities in the Texas Gulf Coast region.”

*The reserve estimates used in this statement were compiled by Rodger L. Walker, Associate Director of Engineering, Haas Petroleum Engineering Services, Inc., who is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which the reserve estimates appear.



Company Profile

Linc Energy is focused on both conventional and unconventional oil and gas production. The Company owns a diverse and world-class commodity portfolio that includes oil, gas, shale and coal.

Conventional oil and gas is focused onshore USA (Alaska, Texas, Louisiana and Wyoming) with current production expected to grow significantly from the Company's existing reserves.

Unconventional oil and gas is focused on our world leading capability in Underground Coal Gasification, the process of converting coal into a valuable synthetic gas in situ. Linc Energy has constructed and commissioned the world's only UCG to GTL demonstration facility. The Company also owns and operates the world's only commercial UCG operation in Uzbekistan, which supplies syngas to a nearby power station.

Linc Energy is listed on the ASX (Australia) and the OTCQX (USA).

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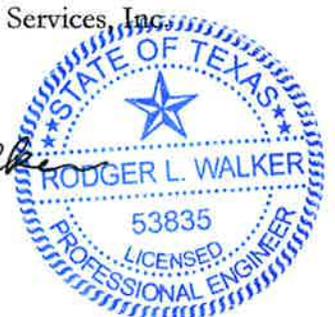
APPRAISAL OF
CERTAIN OIL AND GAS INTERESTS
OWNED BY
LINC GULF COAST PETROLEUM, INC.
LOCATED IN
LOUISIANA AND TEXAS
AS OF
SEPTEMBER 1, 2013

PREPARED FOR
LINC GULF COAST PETROLEUM, INC.

Haas Petroleum Engineering Services, Inc.
F-0002950

Rodger L Walker

Rodger L. Walker, P.E.
September 18, 2013





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September 18, 2013

Mr. Scott Broussard
Linc Gulf Coast Petroleum, Inc.
1000 Louisiana Street, Suite 1500
Houston, TX 77002

Dear Mr. Broussard:

As requested, Haas Petroleum Engineering Services, Inc. (hereinafter referred to as "HPESI") has prepared an estimate of certain hydrocarbon Reserves owned by Linc Gulf Coast Petroleum, Inc. (hereinafter referred to as "Client"). The properties evaluated in this report are located in Louisiana and Texas. Production data was generally available through 08/31/2013. As of September 1, 2013, Client's net Reserves, future net income ("FNI"), and net present worth discounted at 10 percent per annum ("NPV") have been estimated to be as follows:

TABLE 1

Reserve Class/Cat	Net Reserves - As of 9/1/2013			NPV
	Oil & Condensate (bbl)	Natural Gas (Mcf)	FNI (\$)	Disc. @10% (\$)
Proved Producing	2,830,590	224,780	214,599,460	151,449,590
Proved Shut-in	-	-	(1,048,500)	(949,180)
Proved Non-Producing	4,760,480	1,053,280	388,339,090	237,357,020
Proved Undeveloped	4,734,780	1,746,500	352,393,650	212,838,760
Total Proved	12,325,850	3,024,560	954,283,700	600,696,190

* Totals in Table 1 may not exactly match values in the attached cash flow summaries and tabular summaries due to computer rounding.

FNI is after deducting estimated operating and future development costs, severance and ad valorem taxes, but before Federal income taxes. Total net Proved Reserves are defined as those natural gas and hydrocarbon liquid Reserves to Client's interests after deducting all royalties, overriding royalties, and reversionary interests owned by outside parties that become effective upon payout of specified monetary balances. All Reserves estimates have been prepared using standard engineering practices generally accepted by the petroleum industry and conform to guidelines developed and adopted by the United States Securities and Exchange Commission ("SEC"). All hydrocarbon liquid Reserves are expressed in United States barrels ("bbl") of 42 gallons. Natural gas Reserves are expressed in thousand standard cubic feet ("Mcf") at the contractual pressure and temperature bases and include shrinkage adjustment related to field and plant losses.

RESERVES ESTIMATE METHODOLOGY

The Reserves estimates contained in this report have been prepared using standard engineering practices generally accepted by the petroleum industry. Decline curve analysis was used to estimate the remaining Reserves of pressure depletion reservoirs with enough historical production data to establish decline trends. Reservoirs under non-pressure depletion drive mechanisms and non-producing Reserves were estimated by volumetric analysis, research of analogous reservoirs, or a combination of both. The

maximum remaining Reserves life assigned to wells included in this report is 40 years. This report does not include any gas sales imbalances.

RESERVES CLASSIFICATION

The Reserves estimates contained in this report conform to guidelines specified by the SEC. For more information regarding Reserves classification definitions see Appendix A. A complete discussion of the Reserves classification definitions can be found on the United States Government Printing Office website (www.gpoaccess.gov).

The SEC requires a development plan be in place for these assets. This reserve report defines a budget for that development plan, but HPESI makes no representation about the company's ability to fund this development.

COMMODITY PRICES

Pursuant to SEC guidelines, the cash flow projections in this report utilize the unweighted 12 month arithmetic average of the first-day-of month benchmark prices for October 2012 through September 2013. The benchmark price for natural gas is taken to be the price received at Henry Hub and the benchmark price for hydrocarbon liquids is taken to be the price received for West Texas Intermediate ("WTI") crude oil at the Cushing, OK sales point.

This unweighted arithmetic average cash market price for natural gas delivered at Henry Hub during this time period is \$3.60 per MMBTU. The Henry Hub price was held constant throughout the life of the wells and is adjusted for BTU content, basis differentials, and marketing costs, resulting in a weighted average net price of \$3.73 per Mcf.

This unweighted arithmetic average cash market price for WTI crude oil sold at Cushing, OK during this time period is \$95.04 per bbl. For crude oil, the WTI crude oil price was held constant throughout the life of the wells and is adjusted, as stipulated in Client's current crude contract terms, for basis differentials, resulting in a weighted average net price of \$106.25 per bbl.

HPESI utilized the contract terms as of 04/01/2013 provided by Client which provided a by-field adjustment to the Louisiana Light Sweet ("LLS") market price. As the premium for LLS has ranged from -4.67% to 25.13% in the 12-month average HPESI used the 12-month basis differential from LLS to WTI which resulted in 15.2% premium from WTI to LLS.

Revenue accounting data for the period of 07/01/2012 to 06/30/2013 was used in this evaluation.

OPERATING EXPENSES & CAPITAL COSTS

In most cases, the lease operating costs used in this evaluation represent the average of recent historical monthly operating costs. In cases where historical costs were not available or deemed to be unreliable, operating costs were estimated based on knowledge of analogous wells producing under similar conditions. The lease operating expenses in this report represent field level operating costs and include COPAS charges.

Where available, capital costs were estimated using recent historical information reported for analogous expenditures. Where recent historical information was not available, Authority for Expenditure ("AFE") documents was used to estimate capital costs. AFE documents provided by the operator have been checked for reasonableness. For the purpose of this report, salvage value for each well was assumed to be equal to the abandonment costs, except for Atkinson Island and Cedar Point Fields. Investment costs for the Proved Developed cases are related to certain facility abandonments.

Operating cost data for the period of 12/01/2012 to 06/30/2013 was used in this evaluation. Operating expenses and capital costs were not escalated in this evaluation.

DISCLAIMERS

The Proved Reserves presented in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered; and, if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the product prices and the costs incurred in recovering these Reserves may vary from the price and cost assumptions in this report. In any case, quantities of Reserves may increase or decrease as a result of future operations.

Reserves estimates for individual properties included in this report are only valid when considered within the context of the overall report and should not be considered independently. The future net income and net present value estimates contained in this report do not represent an estimate of fair market value.

All information pertaining to the operating expenses, prices, and the interests of Client in the properties appraised has been accepted as represented. It was not considered necessary to make a field examination of the appraised properties. Data used in performing this appraisal were obtained from Client, public sources, and our own files. Supporting work papers pertinent to the appraisal are retained in our files and are available to you or designated parties at your convenience.

It was beyond the scope of this HPESI report to evaluate the potential environmental liability costs from the operation and abandonment of these properties. In addition, no evaluation was made to determine the degree of operator compliance with current environmental rules, regulations, and reporting requirements. Therefore, no estimate of the potential economic liability, if any, from environmental concerns is included in the forecasts presented herein.

HPESI is independent with respect to Client as provided in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

GENERAL INFORMATION

Certain well data after September 1, 2013 was included in this evaluation for several wells.

Attached are summary tables of economic analysis of predicted future performance. Other tables identify the properties appraised with summary Reserves and the economic factors applicable to each. A list of tables is included.

We appreciate this opportunity to have been of service and hope that this report will fulfill your requirements.

Respectfully submitted,

Haas Petroleum Engineering Services, Inc.
F-002950



Rodger L. Walker, P.E.

