

3 October 2013

**LINC ENERGY STRENGTHENS COAL PORTFOLIO WITH BLAIR ATHOL MINE ACQUISITION**

Linc Energy Ltd (ASX: LNC) (OTCQX: LNCGY) is pleased to announce that its wholly-owned subsidiary New Emerald Coal Ltd, has entered into a Sale and Purchase Agreement (SPA) to acquire the Blair Athol Mine tenure from the Blair Athol Coal Joint Venture (BACJV)\*.

There is no upfront cost for the acquisition by New Emerald Coal which includes the mining tenure, on-site assets and infrastructure. Under the SPA, BACJV will make a contribution to New Emerald Coal towards the current anticipated statutory site rehabilitation obligations, commencing in 2016 and ending in 2019.

There is provision for commercial agreements to be put in place that give New Emerald Coal access to train-loading capacity, workforce accommodation and port and rail capacity to Abbot Point. Completion of the acquisition is conditional upon finalisation of these arrangements together with the satisfaction of relevant approvals and other customary conditions.

The Blair Athol Mine ceased operations in November 2012. New Emerald Coal expects the acquisition to become unconditional within six months and mining to recommence shortly after. New Emerald Coal will reopen the mine with a view to produce up to 3 million tonnes of thermal coal per year.

Michael Mapp, Linc Energy President - Coal, said the purchase would deliver production capacity to New Emerald Coal and add value as Linc Energy strengthens its coal asset portfolio.

"The Blair Athol Mine offers a unique opportunity to New Emerald Coal by adding an established asset with minimal efforts and costs to restart the mine," Mr Mapp said.

"New Emerald Coal will re-open the mine once the tenure has been transferred, creating over 100 jobs at the mine site near Clermont in Central Queensland.

"Linc Energy has a proud history of investing in the local communities in which we operate, and New Emerald Coal will work to fill these jobs locally wherever possible," he said.

Mr Mapp said the addition of an asset such as Blair Athol Mine further enhanced the value of New Emerald Coal, whose assets include the exciting Teresa Coal Project in the Bowen Basin and other early stage coal exploration and development tenure in Queensland.

"We will continue to develop our assets to recognised milestones. This enhances the value of New Emerald Coal and will deliver maximum value to Linc Energy shareholders as we continue towards the planned divestment of this non-core division," he said.

\* The BACJV is a joint venture between Rio Tinto Coal Australia, Leichardt Coal, J-Power, and JCD Australia,



## **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's subsidiary, New Emerald Coal has assets across seven areas in Queensland, comprising the Blair Athol mine, Teresa Coal Project in the Bowen Basin and other early stage coal exploration and development tenure.

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