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LINC ENERGY MOBILISES RIG TO UMIAT

- **Rig and equipment has begun mobilisation to site**
- **Spudding of first well expected to commence in January 2013 and program remains on time and on budget**

Linc Energy (ASX: LNC) (OTCQX:LNCGY) is pleased to announce that it has commenced mobilising the Kuukpik #5 drill rig and associated equipment and supplies to the Umiat oil field on Alaska's North Slope in preparation for the winter drilling program. The Company is using both overland travel and C-130 Hercules aircraft to accomplish mobilisation. The drilling program is proceeding as planned and is on time and on budget.

The winter drilling program includes the drilling and testing of shallow vertical and horizontal delineation wells in the Lower Grandstand Formation, as well as drilling and testing of a deep exploration target. The information gained from this program will help to validate the geological model, define the extent of the reservoirs, determine oil and rock properties for input into a reservoir simulation model, determine comparative production rates for horizontal and vertical completions and gather information on deeper reservoirs.

Four wells are initially planned for Umiat this winter program:

- Umiat DS#1, a Class 2 (oilfield waste) disposal well will be the first well drilled in the 2012-13 program, and is scheduled to spud on or about 22 January 2013. The DS#1 allows for the local disposal of drilling fluids and waste;
- Umiat #16, which will be drilled vertically into the Lower Grandstand oil sands. Four 60-foot sections of core will be pulled from the Lower Grandstand, kept frozen and analyzed after extraction. Umiat #16 will be flow tested after completion;
- Umiat #16H, a horizontal well, will be drilled directionally into the same Lower Grandstand intervals being tested in the #16. A side-by-side test of the #16 and #16H is important for assessing the performance of the horizontal production well in contrast to the vertical producer; and
- Umiat #23 will target the deeper horizons below the Lower Grandstand formation where additional natural gas is expected. Natural gas will be required for the Umiat development, as injection of cold gas into the Upper and Lower Grandstand reservoirs will be required to maintain reservoir pressure for production. Well #23 will be plugged back to the Lower Grandstand oil sands and flow tested in that zone (time permitting).

Two additional holes have been permitted (Umiat #18 and Umiat #19), as alternative locations for placement of wells in this winter's program. One or both of these wells could be drilled if time allows.

Crude oil samples will be taken for assay and further analysis and all wells will be drilled using mineral oil-based muds.

Following the drilling program, demobilisation from the Umiat location will commence by late April 2013. It is anticipated that the rig will be cold-stacked at Umiat through the summer months to save time and money on next year's program.

