Unaudited Fourth Quarter and Full-Year June 2014 Financial Statements Announcement

LINC ENERGY

This presentation contains forward-looking statements that are subject to risk factors associated with the U.S. oil & gas, Australian unconventional oil & and gas and global coal business. Statements contained herein which are not historical facts may be considered forward-looking statements, and these statements are intended to be covered by the Safe Harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied and the forward-looking statements contained in this presentation may prove to be materially different from actual results obtained. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

The initial public offering of the Company was sponsored by DBS Bank Ltd., Credit Suisse (Singapore) Limited and J.P. Morgan (S.E.A) Limited.

Linc Energy (the Company) is focused on both conventional and unconventional oil and gas production. The Company owns a diverse 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 from the Company's existing reserves. Unconventional oil and gas is focused on the commercialisation of our proprietary technology in Underground Coal Gasification (UCG), the process of converting coal into a valuable synthetic gas in situ. Linc Energy has constructed and commissioned the world's only UCG to Gas to Liquid (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.

On 18 December 2013, the Company listed all of its existing shares and issued 51,850,000 new shares by way of initial public offering ("IPO") on the mainboard of the Singapore Exchange Securities trading Limited ("SGX-ST") and raised approximately SGD$62,220,000 (AUD$55.5 million) in gross proceeds.

We are pleased to present our unaudited full-year financial statements, which reflect our financial and operating results for the period ended 30 June 2014 (our "Results"). References made to the Company pertain to Linc Energy Ltd and references made to the Group pertain to the Company and its subsidiaries. The offering document registered by the Monetary Authority dated 11 December 2013 (the "Prospectus") sets out all material information regarding our Company including our commodity portfolio and businesses as at the latest Practicable Date and the date of the Prospectus. Our results should be reviewed in conjunction with the Prospectus.

FINANCIAL AND OPERATING HIGHLIGHTS

LINC ENERGY GROUP	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
FINANCIAL SUMMARY				
Revenue	33,752	33,043	148,390	124,370
Profit / (loss) before other financial instruments expenses and income tax expense	(74,805)	(56,065)	(191,291)	(102,334)
Profit / (loss) after other financial instruments expenses and income tax expense	(65,225)	(28,745)	(224,177)	(63,825)
Gross Capital Expenditure[1]	39,780	71,501	190,315	184,737
LINC ENERGY RESOURCES, INC OPERATIONS SUMMARY				
Sales volumes (BOE) [2]	**295,612**	**305,912**	**1,337,557**	**1,157,152**
- Oil (bbls)	288,495	305,429	1,255,270	1,154,226
- Natural Gas (MMBtu)	42,699	(1,417)	493,722	17,557
Average sales price (BOE)	**101.35**	**104.98**	**97.19**	**104.95**
- Oil (USD$/bbls)	102.83	104.98	102.15	105.18
- Natural Gas (USD$/MMBtu)	6.91	-	3.59	2.33

[1] Capital cash expenditure for the period
[2] Net production

EBITDAX Computation (USA Oil and Gas operations)

LINC ENERGY RESOURCES, INC Group	Fourth quarter 2014 30 June 2014 $'000 USD	Fourth quarter 2013 30 June 2013 $'000 USD	For the year ended (12 months) 30 June 2014 $'000 USD	For the year ended (12 months) 30 June 2013 $'000 USD
Revenue	29,960	32,065	130,000	121,440
Net Income	19,298	1,756	64,997	4,119
Add:				
Income taxes	-	(558)	(254)	(1,825)
Interest expense	9,241	9,199	36,431	26,702
Amortisation of debt issuance costs	518	858	1,923	3,334
Loss on extinguishment of debt	119	-	896	-
Loss on abandonment	(1,031)	-	(242)	-
Impairment expense	-	9,573	14,814	9,573
Bad debt expense	-	540	-	540
Dry hole expense	6	1,963	2,681	8,978
Loss on sale of Alaskan receivable	5,268	-	12,354	-
Unrealised gain/loss on derivative component	3,936	(3,503)	5,623	2,041
Accretion expense	668	287	2,040	1,064
Depreciation, depletion and amortisation	15,772	4,031	64,983	30,355
Prior period non-cash tax adjustment	1,940	-	1,940	-
Other extraordinary items	(1,549)	-	457	-
EBITDAX	**15,589**	**20,633**	**78,648**	**76,646**

EBITDAX is based on the Linc Energy Resources, Inc. business which presents financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). EBITDAX is a supplemental measure of our performance that is not required by, or presented in accordance with IFRS. EBITDAX is not a measurement of financial performance or liquidity under IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDAX is not a standardised measurement; hence, a direct comparison between companies using such measurement may not be possible.

Fourth Quarter and Full-Year 2014 Financial Update

- For the three months ended 30 June 2014, revenue and EBITDAX for the Oil and Gas operations has decreased to USD$30.0 million and USD$15.6 million, respectively compared to the quarter ended 30 June 2013 of USD$32.1 million and USD$20.6 million. For the full year ended 30 June 2014, revenue and EBITDAX have increased to USD$130.0 million and $USD78.6 million respectively compared to the prior year 2013 of USD$121.4 million and USD$76.6 million.
- On 27 August 2014 (subsequent to Quarter), the Company entered into a binding Put and Call Option Deed in relation to the Carmichael Royalty with the Adani Group. Under the Deed, the Company will assign, by way of exercising its Put Option, the rights to the future Carmichael Royalty stream in return for total consideration of AUD$155 million to be paid in two instalments. The first instalment of AUD$90million will be paid between fifty and sixty-five days from now (post exercise of either the Put of Call option). The second instalment of AUD$65million must be paid to the Company by no later than 12 months after the Call or Put option is exercised.
- As at 30 June 2014, our unutilised sources of liquidity amounted to AUD$60.5 million, which includes AUD$48.7 million of cash and cash equivalents and AUD$11.8 million (USD$11.1 million) in undrawn funds from the Key Bank facility.
- Subsequent to the quarter end, the Company successfully completed the issuance of a new USD$125 million First Lien Note facility which was used to repay the existing Key Bank Reserve-Based-Lending facility and provide funding for the FY15 drilling program and improve working capital position in its US oil and gas business.
- The net current liability position at 30 June 2014 is primarily reflective of the contractual terms of the Convertible Bond due 2018 (CB) which provides for an option in favour of CB holders which may require the Company to redeem some, all or none of the Notes on a single future date being 10 April 2015. It is currently unknown whether any of the CB holders would look to exercise their option on that date. Under accounting standards the Company is obliged to assume that all CB holders will exercise their option and so the full CB liability has been recorded as current at 30 June 2014.
- The Company has engaged with holders of the CB on the above matter in order to provide more certainty over the quantum which may or may not require to be redeemed on that future date.

Operational Update – Quarter Ended 30 June 2014

Oil & Gas

- Average production for the quarter ended 30 June 2014 was 4,177 BOEPD gross with Net Sales Volumes for the quarter of 3,322 BOEPD, comprised of 96% oil, which was slightly lower compared to the quarter ended 30 June 2013 (Gross Production – 4,617 BOPED and Net Sales Volumes - 3,440 BOEPD).
- The Company has continued to add to its Gulf Coast prospect inventory of approximately 60 new wells, and 70 recompletion targets and will target an investment program to sustainably grow production and cash flow, and which is intended to also increase its reserves base.
- The Company's UMIAT 23H horizontal well has attracted attention, with Linc Energy receiving expressions of interest regarding the future development of the oil field. Linc Energy is continuing to pursue its permitting and development plans and activities for the Umiat field, including engaging various agencies to potentially offset future funding requirements.
- The development planning phase is underway and includes detailed reservoir simulation studies which will inform field development strategies, including optimal solutions for roads, pipelines and bridges, as well as collection and analysis of environmental data, essential for the environmental impact assessment.
- Rigorous reservoir simulation modelling continues to consider the 23H test results for input into previous Ryder Scott estimates of Proved & Probable ("2P") reserves at 154.5 million barrels of oil equivalent ("MMboe"), with a 2P NPV10% of US $2.5 billion, and Proved, Probable & Possible ("3P") reserves of 194 MMboe, with a 3P NPV10% of US$2.8 billion. Umiat full commercial production has the potential to reach 50,000 barrels per day of sweet 38.5 API gravity oil to be pumped into the Trans-Alaskan Pipeline (TAPS).

Clean Energy

- The Company received approval to proceed with the permitted process for a trial gasifier program in Spytkowice, Poland and engagement with the Polish government and community stakeholders continues to be a key focus. The trial is a necessary step prior to development of a commercial Synthetic Natural Gas (SNG) project on the Polish site.

- In Poland, acquisition of the Kobiór and Kobiór-Polnóc coal exploration leases complement the existing PWD coal resource. The Company is expecting to commence exploratory drilling in the Kobiór license area in early 2015.
- Linc Energy and Exxaro continue to work together to identify the optimal solution for achieving the first commercial UCG project into the region. The Concept Study for the first project in South Africa has been completed.
- In Wyoming, the Company continues to work with the United States Environmental Protection Agency (EPA) to finalise all necessary permits and licenses. Approval will enable Linc Energy to conduct an Underground Coal Gasification (UCG) Production Test upon the Company's Wyoming coal lease.

Coal

- The Company continued its proposed divestment plans for its coal assets. The Company's wholly-owned subsidiary, New Emerald Coal Ltd, and its counterparties continued to progress the satisfaction of the conditions precedent for completion of the acquisition of the Blair Athol coal mine.

Operational Update – Full Year Ended 30 June 2014

Oil & Gas

- Average production for the year ended 30 June 2014 was 4,695 BOEPD gross with Net Sales Volumes for the year of 3,665 BOEPD net, comprised of 96% oil, which was higher compared to the year ended 30 June 2013 (Gross Production – 4,431 BOPED and Net Sales Volumes - 3,170 BOEPD).
- The Company completed its Umiat 23H horizontal well drilling program and announced results on 31 March, 2014.
  - Peak oil flow rate was 800 barrels per day, with sustained flow at 250 bopd of excellent 38.5 API gravity oil well.
  - The lateral yielded over (950 feet) 280 meters of net pay in the Lower Grandstand formation. This well lands on the worldwide map of extended reach wells in the ultra-extended reach drilling category.
  - The Company continued to evaluate the 23H results and progress the permit process for environmental aspects of the project including the road and pipeline routes necessary to take Umiat into full commercial production of a planned peak 50,000 barrels per day of sweet 38.5 API gravity oil to be pumped into the Trans-Alaskan Pipeline (TAPS).
- The Company continued to add to its prospect inventory of approximately 60 wells, including several potential deep wells to explore for Yegua, Cook Mountain and deeper subsalt opportunities upon its Gulf Coast oil fields.

Clean Energy

- The Company has continued the development of its proposed first commercial UCG project in Poland with significant activities occurring across a number of project facets. These activities include detailed dialogue with the Polish Government and regulators concerning the consenting and permissions for the first project, engagement with technology providers identified to supply the core technologies associated with downstream Synthetic Natural Gas (SNG) production, discussions with landowners and commencement of the environmental permitting for the project. Work has also taken place on a number of commercial matters including further dialogue in the development of a commercial gas offtake, together with grid connections and power offtakes (selling into the project).
- The Company progressed with the development of its core portfolio of international UCG projects over the past year. In South Africa, Linc Energy's Concept Study was completed with Exxaro; the study provides a conceptual design package for the scope of an integrated UCG to power project on one of Exxaro's coal resources and is now being considered by the management of both companies prior to proceeding with the next phase of the project's development. Progress was also made with Yakut Minerals, with ongoing work on the funded Screening Study for an integrated UCG to GTL project in the region of Chukotka.

Coal

- The Company continued its proposed divestment plans for its coal assets. During financial year 2014, this strategy progressed to the next stage with New Emerald Coal Ltd entering into a Sale and Purchase Agreement to acquire the Blair Athol Coal Joint Venture as a means of providing the option of strengthening the none-core asset sale value potential or as a potential cash flow generating asset.

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q4) AND FULL YEAR RESULTS

1 (a) (i) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Revenue	A1	33,752	33,043	148,390	124,370
Cost of sales	A2	(59,327)	(12,773)	(112,549)	(59,381)
Gross profit		**(25,575)**	**20,270**	**35,841**	**64,989**
Gain on purchase of oil and gas assets		-	-	-	628
Other income	A1	16	4	439	143
Expenses:					
Administration and corporate	A3	(22,452)	(24,931)	(82,738)	(73,383)
Site operating costs		(1,257)	(3,393)	(6,875)	(9,075)
Exploration and evaluation		1,924	(1,319)	(2,135)	(3,245)
Technology development	A4	(1,485)	(4,549)	(10,030)	(11,139)
Net foreign exchange gains / (losses)		320	7,645	(3,356)	8,973
Other expenses	A5	(3,645)	(29,579)	(39,376)	(33,322)
Discount on sale of receivable	A6	(5,670)	-	(13,982)	-
Results from operating activities		**(57,824)**	**(35,852)**	**(122,212)**	**(55,431)**
Finance income	A7	279	201	1,224	676
Finance expenses	A7	(17,260)	(20,414)	(70,303)	(47,579)
Net financing costs		**(16,981)**	**(20,213)**	**(69,079)**	**(46,903)**
Profit / (loss) before other financial instruments expenses and income tax expense		**(74,805)**	**(56,065)**	**(191,291)**	**(102,334)**
Other financial instruments expenses	A7	11,875	23,303	(29,474)	16,348
Profit / (loss) before income tax		**(62,930)**	**(32,762)**	**(220,765)**	**(85,986)**
Income tax benefit / (expense)		(2,295)	4,017	(3,412)	22,161
Profit / (loss) for the period		**(65,225)**	**(28,745)**	**(224,177)**	**(63,825)**
Other comprehensive income / (loss)					
Items that may be reclassified subsequently to profit or loss:					
Net change in the fair value of available-for-sale financial assets, net of transaction costs, impairment and tax	A7	(2,626)	7,526	(3,432)	6,596
Foreign currency translation differences for foreign operations		(3,551)	40,213	(6,507)	31,620
Total items that may be reclassified subsequently to profit or loss		**(6,177)**	**47,739**	**(9,939)**	**38,216**
Total other comprehensive income / (loss) for the period, net of tax		**(6,177)**	**47,739**	**(9,939)**	**38,216**
Total comprehensive income / (loss) for the period		**(71,402)**	**18,994**	**(234,116)**	**(25,609)**

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Profit / (loss) attributable to:				
Equity holders of Linc Energy Ltd	(65,229)	(28,714)	(223,319)	(63,805)
Non-controlling interest	4	(31)	(858)	(20)
Profit / (loss) for the period	**(65,225)**	**(28,745)**	**(224,177)**	**(63,825)**
Total comprehensive income / (loss) attributable to:				
Equity holders of Linc Energy Ltd	(71,219)	17,681	(232,931)	(26,683)
Non-controlling interest	(183)	1,313	(1,185)	1,074
Total comprehensive income / (loss) for the period	**(71,402)**	**18,994**	**(234,116)**	**(25,609)**
Earnings / (loss) per share attributable to the ordinary equity holders of Linc Energy Ltd:	**Cents AUD**	**Cents AUD**	**Cents AUD**	**Cents AUD**
Basic earnings / (loss) per share	(11.28)	(5.53)	(40.51)	(12.40)
Diluted earnings / (loss) per share	(11.28)	(5.53)	(40.51)	(12.40)

1 (a) (ii) Notes to the statement of comprehensive income:

A1 Revenue and other income

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Revenue from continuing operations				
Oil and gas sales revenue - USA	32,054	32,205	141,627	118,259
Clean Energy: Syngas sales revenue - Uzbekistan	636	473	2,637	2,267
Clean Energy: Consulting revenue[1]	1,062	365	4,126	3,844
Total revenue	**33,752**	**33,043**	**148,390**	**124,370**
Other income				
Sundry income	16	4	439	143
Total other income	**16**	**4**	**439**	**143**

[1] Clean Energy: Consulting revenue includes Exxaro IP Revenue of AUD$2,456,000. The remaining AUD$17,544,000 is recognised as deferred revenue in the statement of financial position and will be recognised in revenue on a monthly basis over the expected period that the services are provided.

A2 Cost of sales

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Oil and gas lease operating expenses	6,430	4,058	20,492	15,511
Other oil and gas production expenses	-	(1)	1	8
Royalties and production taxes	1,962	1,858	8,270	6,870
Work over expenses	1,716	1,766	7,679	5,824
Depletion and accretion expense of oil and gas assets[1]	48,726	4,658	74,034	29,253
UCG operating expenses	-	(20)	-	-
Production costs - Uzbekistan	493	454	2,074	1,855
Total cost of sales	59,327	12,773	112,549	59,381

[1] Depletion and accretion expenses for the quarter ended 30 June 2014 include a one off adjustment to capture the revised depletion amount for the full year ended 30 June 2014 based on the latest reserves report received on the 24 April 2014 from Haas Petroleum Engineering Services, Inc.

Of the AUD$48.7million reported above for depletion and accretion expenses, AUD$30.4 million relates to a retrospective depletion charge relating the prior 3 quarters (Q1, Q2 and Q3) of full year 2014 and thus on a comparative basis the depletion and accretion charge relating specifically to Q4 2014 is AUD$18.3 million.

A3 Administration and corporate expenses include:

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Employee benefits expenses	8,585	7,999	30,278	25,471
Share-based payments expense	1,228	7,188	9,203	13,363
Depreciation expense	1,486	1,548	4,668	4,246
Software amortisation expense	231	209	920	2,557
Net (gains) / loss on disposal of non-current assets	-	157	(9)	196

A4 Technology development expenses include:

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Amortisation of coal-to-liquids technology development	452	452	1,808	1,808

A5 Other expenses

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Impairment expense – oil and gas assets[1]	(155)	16,774	28,919	16,774
Impairment expense – available-for-sale assets	-	3,113	-	6,856
Impairment expense – Intangibles[2]	5,469	-	5,469	-
Gladstone Port Corporation – port capacity[3]	(1,669)	9,692	4,988	9,692
Total other expenses	**3,645**	**29,579**	**39,376**	**33,322**

[1]On the 24 April 2014, Haas Petroleum Engineering Services, Inc. issued a reserves report effective 1 March 2014 estimating Proved (1P) reserves of 11.1 million barrels of oil (MMbo) and 3.1 billion cubic feet of natural gas (BCFG) (equating to 11.6 million barrels of oil equivalent) with a 1P NPV10% of USD$489,000,000. The decrease relative to the previous report was due primarily to a decrease in PDP reserves due to the decline in activity for the quarter. An impairment test was conducted on the oil and gas assets held as at 31 March 2014 and certain assets were identified as being impaired due to their net book values being higher than the discounted reserves valuation. Consequently oil and gas assets were reduced by AUD$29.1 million (USD$26.5 million) and an impairment expense recognised in profit and loss.

[2] Linc Energy purchased 122,174 acres of oil and gas leases in Cook Inlet from GeoPetro for $1,109,909. These tenements were broken into two blocks: Trading Bay block and Point MacKenzie block. When Linc purchased the acreage, the leases were already well into their primary term. During 2012, Linc drilled the exploratory Lea #1 well which was unsuccessful and subsequently during the current financial year, the Company also relinquished the lease. These factors have driven the decision to impair the full value of the Lea #1 well and the lease in the accounts which total $5.5 million.

[3] The Company and Gladstone Port Corporation (GPC) are currently negotiating for the transfer of the Port contract. A letter was received from GPC for the contract period end 30 June 2014 confirming that GPC has on sold 2.0Mt of the Company's liability for the period (from a total of 3Mt) as well as further mitigated any liability until 30 November 2014.

A6 Discount on sale of receivable

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Alaskan tax rebate	5,670	-	13,982	-

During the first half of the financial year, the company sold its rights to certain oil and gas production tax credits pursuant to Alaska Statute 43.55.023 amounting to AUD$32,597,000 (USD$29,537,000). The net proceeds from this transaction were AUD$26,729,000 (USD$24,656,000). This resulted in a discount on the sale of the receivable of AUD$5,868,000 (USD$4,880,000).

During the second half of the financial year, the company sold its future rights to certain oil and gas production tax credits pursuant to Alaska Statute 43.55.023 amounting to a total of AUD$38,772,000 (USD$35,650,000). The net proceeds from this transaction were AUD$30,658,000 (USD$28,178,000). This resulted in a discount on the sale of the receivable of AUD$8,114,000 (USD$7,473,000).

A7 Finance income, finance expenses and other financial instruments expenses

Finance income recognised in profit and loss:

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Interest income on cash and cash equivalents	279	189	1,205	632
Interest income on loans	-	12	19	44
Total finance income	**279**	**201**	**1,224**	**676**

Finance expenses recognised in profit and loss:

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Interest and borrowings costs paid or payable	(17,260)	(20,414)	(70,303)	(47,579)
Total finance expenses	**(17,260)**	**(20,414)**	**(70,303)**	**(47,579)**
Net finance costs	**(16,981)**	**(20,213)**	**(69,079)**	**(46,903)**

Other financial instruments expenses in profit and loss[1]:

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Net (gain) / loss on foreign currency options	-	958	(958)	958
Net (gain) / loss on commodity swaps	(6,249)	2,626	(13,822)	(4,329)
Net change in unrealised foreign exchange loss on convertible notes	2,990	(20,092)	5,013	(20,092)
Net change in fair value of embedded derivatives from convertible notes at fair value through profit or loss	15,134	39,811	(19,707)	39,811
Total other financial instruments expenses	**11,875**	**23,303**	**(29,474)**	**16,348**

[1] In accordance with IAS 39 Financial Instruments, financial instruments are required to be re-valued to fair value at the end of each reporting period and all movements are recognised within other financial instruments expenses in profit and loss. All movements are non-cash and do not form part of the statement of cash flows.

Recognised in other comprehensive income:

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Net change in the fair value of available-for-sale financial assets, net of transaction costs, impairment and tax	(2,626)	7,526	(3,432)	6,596

1(b) (i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year

		Group		Company	
		As at 30 June 2014 $'000 AUD	**As at 30 June 2013 $'000 AUD**	**As at 30 June 2014 $'000 AUD**	**As at 30 June 2013 $'000 AUD**
ASSETS					
Current assets					
Cash and cash equivalents		48,716	124,007	41,632	118,294
Trade and other receivables		20,721	50,526	2,688	1,334
Inventories		2,857	2,935	-	-
Assets available-for-sale	1(a)	9,258	-	9,258	-
Other financial assets		-	958	-	958
Total current assets		**81,552**	**178,426**	**53,578**	**120,586**
Non-current assets					
Trade and other receivables		13,847	28,100	5,396	16,498
Intangibles		268,677	271,294	39,428	41,137
Property, plant and equipment		15,728	17,806	7,909	8,949
Oil and gas assets		566,275	555,538	-	-
Available for sale investments		2,058	16,220	2,058	16,220
Net deferred tax assets		-	1,077	23,437	21,408
Other financial assets		-	30	-	-
Investment in subsidiaries		-	-	427,001	364,572
Receivables from subsidiaries		-	-	68,922	60,688
Total non-current assets		**866,585**	**890,065**	**574,151**	**529,472**
Total assets		**948,137**	**1,068,491**	**627,729**	**650,058**
LIABILITIES					
Current liabilities					
Trade and other payables		62,131	94,097	7,536	18,683
Borrowings	1(b) ii	197,695	1,632	197,507	1,464
Provisions		8,193	8,574	1,717	2,033
Deferred revenue		4,211	-	4,211	-
Other financial liability		5,766	2,691	-	-
Total current liabilities		**277,996**	**106,994**	**210,971**	**22,180**
Non-current liabilities					
Trade and other payables		1,124	1,281	-	-
Borrowings	1(b) ii	337,026	477,423	4	169,717
Net deferred tax liability		-	894	-	-
Provisions		43,518	37,052	5,393	3,572
Deferred revenue		13,333	-	13,333	-
Other financial liability		2,785	-	-	-
Total non-current liabilities		**397,786**	**516,650**	**18,730**	**173,289**
Total liabilities		**675,782**	**623,644**	**229,701**	**195,469**
Net assets		**272,355**	**444,847**	**398,028**	**454,589**

	Group		Company	
	As at 30 June 2014 $'000 AUD	As at 30 June 2013 $'000 AUD	As at 30 June 2014 $'000 AUD	As at 30 June 2013 $'000 AUD
EQUITY				
Share capital	396,794	325,388	396,794	325,388
Reserves	51,065	70,459	26,803	40,017
Retained earnings / (Accumulated losses)	(185,221)	38,098	(25,569)	89,184
Total equity attributable to equity holders of the company	**262,638**	**433,945**	**398,028**	**454,589**
Non-controlling interest	9,717	10,902	-	-
Total equity	**272,355**	**444,847**	**398,028**	**454,589**

1 (a) Assets available for sale

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Listed equity security	9,258	-	9,258	-

Linc Energy Ltd is currently seeking advice surrounding the block sale of one of its listed investments, which is expected to occur within the next twelve months, prior to 30 June 2015.

1 (b) (ii) Amount of Group's borrowings and debt securities

	Group		Company	
	30 June 2014 $000 AUD	**30 June 2013 $000 AUD**	**30 June 2014 $000 AUD**	**30 June 2013 $000 AUD**
Current (Repayable in one year or less, or on demand)				
Secured				
Finance lease liabilities	551	537	363	369
Total secured current borrowings	**551**	**537**	**363**	**369**
Unsecured				
Convertible notes				
Convertible note component	162,108	-	162,108	-
Embedded derivative component	35,036	-	35,036	-
Underwriter option	-	1,095	-	1,095
Total unsecured current borrowings	**197,144**	**1,095**	**197,144**	**1,095**
Total current borrowings	**197,695**	**1,632**	**197,507**	**1,464**
Non-Current (Repayable after one year)				
Secured				
Asset based lending facility	-	37,645	-	-
Reserve based lending facility	73,105	-	-	-
Senior secured notes	263,160	268,917	-	-
Finance lease liabilities	113	734	4	368
Total secured non-current borrowings	**336,378**	**307,296**	**4**	**368**
Unsecured				
Convertible notes				
Convertible note component	-	155,115	-	155,115
Embedded derivative component	-	14,234	-	14,234
Equipment funding loan	648	778	-	-
Total unsecured non-current borrowings	**648**	**170,127**	**-**	**169,349**
Total non-current borrowings	**337,026**	**477,423**	**4**	**169,717**
Total borrowings	**534,721**	**479,055**	**197,511**	**171,181**

Details of Borrowings and Debt Securities:

Finance Leases

The Group has a number of motor vehicles and plant and equipment secured under finance lease.

Asset Based Lending Facility

On 24 October 2013, Linc Energy Resources, Inc. (LER), paid the outstanding balance of AUD$36,243,000 (USD$35,000,000) on the Asset Based Credit Facility to Wells Fargo Bank, NA. This Credit Facility was cancelled after full repayment from the proceeds on the Reserve Based Lending facility (see below).

Reserve Based Lending Facility

On 24 October 2013, LER entered into a reserve-based lending facility (the RBL Facility) with Key Bank, NA.

Initial drawings under the RBL Facility were used to repay the Asset Based Lending facility (see above).

On 31 January 2014, LER entered into the First Amendment to the Credit Agreement and increased the borrowing base of the facility to USD$80,000,000.

During the period net drawings were AUD$72,329,000 (USD$68,857,000).

Subsequent to the year-end date the Company fully repaid and cancelled the RBL facility from the proceeds of a new First Lien Notes facility (see below).

Senior Secured Notes

On 12 October 2012, Linc USA GP and Linc Energy Finance (USA), Inc. wholly owned subsidiaries of Linc Energy Ltd, issued AUD$258,209,000 (USD$265,000,000) of 12.5% Senior Secured Notes (the Notes) due 31 October 2017. The Notes were issued at 96.402% of their face amount, resulting in net proceeds of AUD$248,918,000 (USD$255,500,000) before discounts and fees.

The interest on the Notes is payable on 30 April and 31 October of each year, and began on 30 April 2013. The Notes contain covenants, representations and warranties including limitations on distributions to the Group's non US entities. The Notes are redeemable by the Group at any time on or after 30 April 2015, at the redemption prices set forth in the Notes indenture.

Subsequent to the Company's reporting date, on 13 August 2014, Linc USA GP and Linc Energy Finance (USA), Inc., issued USD$125,000,000 of 9.625% First Lien Senior Secured Notes due 31 October 2017 (the First Lien Senior Notes). The First Lien Notes have been used to repay the RBL facility (see above) and will facilitate the full year drilling and recompletion program for FY15. The First Lien Notes are a separate instrument from the existing Senior Secured Notes on terms which are different but structured on a similar basis (refer Subsequent Events section for detail of First Lien Note terms).

Convertible Notes

On 10 April 2013, Linc Energy Ltd raised AUD$190,142,000 (USD$200,000,000) through the issue of Unsecured Convertible Notes (the Notes) due 10 April 2018.

The Notes are convertible into ordinary shares of Linc Energy Ltd at the election of note holders at any time on or after 21 May 2013 and ten days prior to 10 April 2018 and are non-callable by Linc Energy for a period of two years. The conversion right of a note holder may be settled in shares or in cash, at our option. The Company may make an election to settle in cash by making payment to the relevant note holders of the cash amount in lieu of delivering or issuing specific amount of shares to such note holders.

The note holders may redeem all or some of their notes on 10 April 2015 at their principal amount, together with interest accrued. The Company may redeem in whole but not in part the notes on any date on or after 10 April 2015 at their principal amount together with accrued but unpaid interest subject to the ordinary shares trading at a specific level above the conversion price for a specified period of days.

The Notes bear cash interest at 7% per annum, payable semi-annually in arrears on 10 April and 10 October of each year and began on 10 October 2013.

The convertible note trust deed was amended upon listing on the Singapore stock exchange. Upon amendment on 18 December 2013, the convertible note and embedded derivative financial instruments were required to be revalued to fair value based on an updated conversion price of S$2.13 with any gain or loss on modification recognised through profit and loss as it was deemed a substantial modification.

The Company has also granted Credit Suisse (Hong Kong) Limited an upsize option to purchase up to an additional AUD$54,747,000 (USD$50,000,000) in principal amount of the Notes, on or before 10 May 2014. The option was valued at inception using a Monte-Carlo valuation tool at a fair value of AUD$6,655,000 (USD$7,000,000). The option was subsequently re-valued each reporting period to fair value with any change recognised as part of other financial instruments expenses in profit and loss.

The option was not exercised by Credit Suisse during the period and therefore the option has been revalued to nil at 30 June 2014.

Convertible Note – Summary of Movements	**30 June 2014 $000 AUD**	**30 June 2013 $000 AUD**
Opening balance	**155,115**	-
Proceeds from note issue	**-**	190,142
Notes issue fees	**-**	(12,136)
Recognise embedded derivative	**-**	(48,486)
Unwind of notes	**10,259**	1,856
Amortisation of fees	**750**	3,646
Gain / loss on modification	**997**	-
Difference relating to exchange rate fluctuations	**(5,013)**	20,093
Carrying amount	**162,108**	155,115

Embedded Derivative Liability – Summary of Movement	**Notes derivative 30 June 2014 $000 AUD**	**Underwriter option derivative 30 June 2014 $000 AUD**	**Notes derivative 30 June 2013 $000 AUD**	**Underwriter option derivative 30 June 2013 $000 AUD**
Opening Balance	14,234	1,095	-	-
Embedded derivative recognised on inception	-	-	48,486	6,655
Gain / loss on modification recognised in fair value through profit and loss	27,900	2,286	-	-
Fair value through profit and loss adjustment (excluding tax)	(7,098)	(3,381)	(34,252)	(5,560)
Closing fair value balance	35,036	-	14,234	1,095

In accordance with IFRS 39 Financial Instruments, financial instruments are required to be re-valued to fair value at the end of each reporting period and all movements are recognised within other financial instrument expenses in profit and loss. All movements are non-cash and do not form part of the statement of cash flows.

1 (c) (i) A statement of cash flows (for the Group), together with a comparative statement of the corresponding period of the immediately preceding financial year

	Fourth quarter 2014 30 June 2014 $'000 AUD	Fourth quarter 2013 30 June 2013 $'000 AUD	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD
Cash flows from operating activities				
Receipts from customers and other debtors (inclusive of goods and services tax)	**32,176**	34,379	164,836	121,998
Payments to suppliers and employees (inclusive of goods and services tax)	**(31,465)**	(21,957)	(135,727)	(102,612)
Payments for commodity swaps	**(1,352)**	(889)	(7,076)	(2,341)
Interest and borrowing costs paid	**(26,086)**	(18,270)	(54,610)	(27,421)
Net income taxes (paid) / received	**-**	175	-	987
Net cash inflow / (outflow) from operating activities	**(26,727)**	(6,562)	**(32,577)**	(9,389)
Cash flows from investing activities				
Payments for property, plant and equipment	(5)	(317)	(317)	(1,818)
Proceeds from disposal of property, plant and equipment	-	10	37	183
Payments for software	(20)	(124)	(229)	(1,475)
Payments for exploration and evaluation intangible	(1,954)	(2,634)	(5,420)	(22,328)
Payments for exploration and development of oil and gas assets	(37,885)	(68,426)	(184,349)	(156,139)
Payment for acquisition of oil and gas assets	-	-	-	(2,977)
Receipts from Alaskan tax rebate funding	19,034	-	57,387	-
Receipts from Alaskan tax credits	-	-	-	3,738
Loan to directors	-	-	-	(260)
Proceeds from director's loans	-	-	498	12
Net cash transferred (to) / from term deposits held as security for guarantees and bonds or held as investments	12,266	(9,761)	13,378	(12,156)
Interest received	249	132	1,212	603
Net cash inflow / (outflow) from investing activities	**(8,315)**	**(81,120)**	**(117,803)**	**(192,617)**
Cash flows from financing activities				
Proceeds from IPO	-	-	55,499	-
Capitalised payments from IPO	(556)	-	(5,622)	-
Proceeds from the exercise of share options	10,978	117	11,302	3,234
Proceeds from notes issues	-	190,142	-	439,060
Net proceeds / (repayments) on Reserve-Based Lending facility	16,939	-	72,328	-
Proceeds from borrowings		38,397	-	103,397
Repayment of borrowings	-	(63,378)	(36,243)	(257,047)
Repayment of finance lease liabilities	(69)	(118)	(749)	(713)
Payments associated with financing activities	(983)	(5,187)	(5,492)	(18,390)
Payment for Fortress warrant	-	-	(9,791)	-
Net cash inflow / (outflow) from financing activities	**26,309**	**159,973**	**81,232**	**269,541**
Net increase / (decrease) in cash and cash equivalents	**(8,733)**	**72,291**	**(69,148)**	**67,535**
Cash and cash equivalents at the beginning of the period	61,164	19,044	124,007	25,680
Effect of exchange rate fluctuations	(3,714)	32,672	(6,143)	30,792
Cash and cash equivalents at the end of the period	**48,716**	**124,007**	**48,716**	**124,007**

1 (d) (i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	Attributable to equity holders of the company								
$'000 (AUD)	Share capital	Foreign currency translation reserve	Available-for -sale reserve	Other reserves	Share based payments reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 July 2012	310,606	(119)	(2,169)	5,309	28,516	101,903	444,046	9,828	453,874
Total comprehensive income for the period									
Profit / (loss) for the period	-	-	-	-	-	(63,805)	(63,805)	(20)	(63,825)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	30,526	-	-	-	-	30,526	1,094	31,620
Net change in fair value of assets held for sale, net of tax	-	-	-	-	-	-	-	-	-
Impairment of available-for-sale-assets, net of tax			4,799				4,799		4,799
Net change in fair value of available-for-sale financial assets, net of tax	-	-	1,797	-	-	-	1,797	-	1,797
Total other comprehensive income	-	30,526	6,596	-	-	-	37,122	1,094	38,216
Total comprehensive income for the period	-	30,526	6,596	-	-	(63,805)	(26,683)	1,074	(25,609)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Share-based payment expense	-	-	-	-	13,363	-	13,363	-	13,363
Shares issued and transfer from share based payment reserve on vesting of performance rights	9,556	-	-	-	(9,556)	-	-	-	-
Shares issued and transfer from share based payment reserve on exercise of options	5,226	-	-	-	(1,992)	-	3,234	-	3,234
Cash settled share-based payments transferred from share-based payment reserve on vesting of performance rights	-	-	-	-	(15)	-	(15)	-	(15)
Total contributions by and distribution to owners	14,782	-	-	-	1,800	-	16,582	-	16,582
Total transactions with owners	**14,782**	**-**	**-**	**-**	**1,800**	**-**	**16,582**	**-**	**16,582**
Balance as at 30 June 2013	**325,388**	**30,407**	**4,427**	**5,309**	**30,316**	**38,098**	**433,945**	**10,902**	**444,847**

The Group	Attributable to equity holders of the company								
$'000 (AUD)	Share capital	Foreign currency translation reserve	Available-for -sale reserve	Other reserves	Share based payments reserve	Retained earnings / (Accumulated losses)	Total	Non-controlling interest	Total equity
Balance as at 1 July 2013	325,388	30,407	4,427	5,309	30,316	38,098	433,945	10,902	444,847
Total comprehensive income for the period									
Profit / (loss) for the period	-	-	-	-	-	(223,319)	(223,319)	(858)	(224,177)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	(6,180)	-	-	-	-	(6,180)	(327)	(6,507)
Net change in fair value of assets held for sale, net of tax	-	-	(3,590)	-	-	-	(3,590)	-	(3,590)
Impairment of available-for-sale-assets, net of tax	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets, net of tax	-	-	158	-	-	-	158	-	158
Total other comprehensive income	-	**(6,180)**	**(3,432)**	**-**	**-**	**-**	**(9,612)**	**(327)**	**(9,939)**
Total comprehensive income for the period	-	**(6,180)**	**(3,432)**	**-**	**-**	**(223,319)**	**(232,931)**	**(1,185)**	**(234,116)**
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Share-based payment expense	-	-	-	-	7,797	-	7,797	-	7,797
Shares issued and transfer from share based payment reserve on vesting of performance rights	8,339	-	-	-	(8,339)	-	-	-	-
Shares issued and transfer from share based payment reserve on exercise of options	552	-	-	-	(229)	-	323	-	323
Shares issued from initial public offering	55,499	-	-	-	-	-	55,499	-	55,499
Initial public offering capitalised costs, net of tax	(3,962)	-	-	-	-	-	(3,962)	-	(3,962)
Shares issued on exercise of call option	10,978	-	-	-	-	-	10,978	-	10,978
Cash settled share-based payments transferred from share-based payment reserve on vesting of performance rights	-	-	-	-	(78)	-	(78)	-	(78)
Cash Settled share-based payments transferred from share-based payments reserve on vesting of warrants	-	-	-	-	(8,933)	-	(8,933)	-	(8,933)
Total contributions by and distribution to owners	**71,406**	**-**	**-**	**-**	**(9,782)**	**-**	**61,624**	**-**	**61,624**
Total transactions with owners	**71,406**	**-**	**-**	**-**	**(9,782)**	**-**	**61,624**	**-**	**61,624**
Balance as at 30 June 2014	**396,794**	**24,227**	**995**	**5,309**	**20,534**	**(185,221)**	**262,638**	**9,717**	**272,355**

The Company

$'000 (AUD)	Share capital	Available-for -sale reserve	Other reserves	Share based payments reserve	Retained earnings	Total
Balance as at 1 July 2012	310,606	(2,169)	5,274	28,516	121,685	463,912
Total comprehensive income for the period						
Profit / (loss) for the period	-	-	-	-	(32,501)	(32,501)
Other comprehensive income						
Impairment of available-for-sale-assets, net of tax	-	4,799	-	-	-	4,799
Net change in fair value of assets held for sale, net of tax	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets, net of tax	-	1,797	-	-	-	1,797
Total other comprehensive income	**-**	**6,596**	**-**	**-**	**-**	**6,596**
Total comprehensive income for the period	**-**	**6,596**	**-**	**-**	**(32,501)**	**(25,905)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payment expense	-	-	-	13,363	-	13,363
Shares issued and transfer from share based payment reserve on vesting of performance rights	9,556	-	-	(9,556)	-	-
Shares issued and transfer from share based payment reserve on exercise of options	5,226	-	-	(1,992)	-	3,234
Cash settled share-based payments transferred from share-based payment reserve on vesting of performance rights	-	-	-	(15)	-	(15)
Total contributions by and distribution to owners	**14,782**	**-**	**-**	**1,800**	**-**	**16,582**
Total transactions with owners	**14,782**	**-**	**-**	**1,800**	**-**	**16,582**
Balance as at 30 June 2013	**325,388**	**4,427**	**5,274**	**30,316**	**89,184**	**454,589**

The Company

$'000 (AUD)	**Share capital**	**Available-for -sale reserve**	**Other reserves**	**Share based payments reserve**	**Retained earnings / (Accumulated losses)**	**Total**
Balance as at 1 July 2013	325,388	4,427	5,274	30,316	89,184	454,589
Total comprehensive income for the period						
Profit / (loss) for the period	-	-	-	-	(114,753)	(114,753)
Other comprehensive income						
Impairment of available-for-sale-assets, net of tax	-	-	-	-	-	-
Net change in fair value of assets held for sale, net of tax	-	(3,590)	-	-	-	(3,590)
Net change in fair value of available-for-sale financial assets, net of tax	-	158	-	-	-	158
Total other comprehensive income	**-**	**(3,432)**	**-**	**-**	**-**	**(3,432)**
Total comprehensive income for the period	**-**	**(3,432)**	**-**	**-**	**(114,753)**	**(118,185)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payment expense	-	-	-	7,797	-	7,797
Shares issued and transfer from share based payment reserve on vesting of performance rights	8,339	-	-	(8,339)	-	-
Shares issued and transfer from share based payment reserve on exercise of options	552	-	-	(229)	-	323
Shares issued from initial public offering	55,499	-	-	-	-	55,499
Initial public offering capitalised costs, net of tax	(3,962)	-	-	-	-	(3,962)
Shares issued on exercise of call option	10,978	-	-	-	-	10,978
Cash settled share-based payments transferred from share-based payment reserve on vesting of performance rights	-	-	-	(78)	-	(78)
Cash Settled share-based payments transferred from share-based payments reserve on vesting of warrants	-	-	-	(8,933)	-	(8,933)
Total contributions by and distribution to owners	**71,406**	**-**	**-**	**(9,782)**	**-**	**61,624**
Total transactions with owners	**71,406**	**-**	**-**	**(9,782)**	**-**	**61,624**
Balance as at 30 June 2014	**396,794**	**995**	**5,274**	**20,534**	**(25,569)**	**398,028**

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	30 June 2014 Number	30 June 2013 Number	30 June 2014 $'000 AUD	30 June 2013 $'000 AUD
Share capital				
Ordinary shares – fully paid	**587,918,909**	519,468,416	**396,794**	325,388
Movements:				
Opening balance	**519,468,416**	509,952,685	**325,388**	310,606
Shares issued from IPO and overallotment	**51,850,000**	-	**55,499**	-
Costs of IPO, net of tax	**-**	-	**(3,962)**	-
Shares issued from Call Option	**10,750,000**	-	**10,978**	-
Shares issued on exercise of options	**351,198**	3,266,797	**552**	5,226
Shares issued on vesting of performance rights	**5,499,295**	6,248,934	**8,339**	9,556
Closing balance	**587,918,909**	519,468,416	**396,794**	325,388

The Company did not have any treasury shares as at 30 June 2013 and 30 June 2014.

Number of shares that may be issued on conversion of outstanding employee options, performance rights and convertible notes:

	30 June 2014 Number	30 June 2013 Number
Unexercised employee options[1]	**281,332**	2,179,524
Unvested performance rights[2]	**9,823,344**	13,439,969
Convertible notes[3]	**118,253,521**	82,723,529
Total unissued shares	**128,358,197**	98,343,022

1 The Linc Energy Employee Option Plan was approved by Shareholders at the 2005 Annual General Meeting. This plan was replaced by the Performance Rights Plan with effect from the 2009 Annual General Meeting.

2 The establishment of the Linc Energy Employee Performance Rights Plan was approved by Shareholders at the 2009 Annual General Meeting. Under the Plan, the Board may from time to time invite a full time employee or executive director of the Company or any wholly owned subsidiary or controlled entity of the Company whom the Board decides in its absolute discretion is eligible to be invited to receive a grant of Rights in the Plan, to participate in the Plan and grant the eligible employee a right to acquire fully paid ordinary shares in the Company on conversion of the right as part of the eligible employee's remuneration.

Rights typically vest in either three or four equal tranches over a period of three and half to four and half years with the first tranche vesting twelve months from the successful completion of an employee's six month probation period. The number of Rights granted to an employee is determined at the discretion of the Board and is generally based on a formula taking into account an employee's base salary and the Company's share price at the time of grant. Rights are granted to employees at no cost but may include non-market-based performance conditions. Rights automatically convert to shares on the vesting dates provided all vesting conditions have been met. Rights granted under the plan carry no dividend or voting rights until they convert to ordinary shares.

3 On 10 April 2013, Linc Energy Ltd raised AUD$190,142,000 (USD$200,000,000) through the issue of Unsecured Convertible Notes due 10 April 2018. The Notes are convertible into ordinary shares of Linc Energy Ltd at the election of note holders at any time on or after 21 May 2013 and ten days prior to 10 April 2018 and are non-callable by Linc Energy for a period of two years. The conversion right of a note holder

may be settled in shares or in cash, at our option. The Company may make an election to settle in cash by making payment to the relevant note holders of the cash amount in lieu of delivering or issuing specific amount of shares to such note holders.

The note holders may redeem all or some of their notes on 10 April 2015 at their principal amount, together with interest accrued. The Company may redeem in whole but not in part the notes on any date on or after 10 April 2015 at their principal amount together with accrued but unpaid interest subject to the ordinary shares trading at a specific level above the conversion price for a specified period of days.

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 June 2014 Number	30 June 2013 Number
Share capital		
Ordinary shares – fully paid	**587,918,909**	519,468,416

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The above financial statements have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 30 June 2013, except for those disclosed in Note 5 below.

5. If there are any changes in in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

- IFRS 10 Consolidated Financial Statements (2011)
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 19 Employee Benefits (2011)

The adoption of these standards did not have any material effect on the financial position or financial performance of the Group for the current financial period.

The Group has amended the presentation of finance expenses in the statement of comprehensive income by separating gains / (losses) on revaluation of other financial instruments into other financial instruments expenses. The change in presentation of this disclosure is more relevant for the users of financial statements than that at 30 June 2013, as the true finance expenses were being distorted by non-cash financial instruments expenses. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively.

The Group has also amended the presentation of net foreign exchange gains / (losses) in the statement of comprehensive income by separating this component from administration and corporate expenses. The change in presentation of this disclosure is more relevant for users of the financial statements that that at 30 June 2013, as the quantum of this item was distorting administration and corporate expenses. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively.

6. Earnings / (loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deduction of any provision for preference dividends.

	30 June 2014 Fourth quarter	30 June 2013 Fourth quarter	30 June 2014 Year-to-date (12 months)	30 June 2013 Year-to-date (12 months)
Profit / (loss) attributable to the ordinary equity holders of the Company:				
Basic earnings / (loss) per ordinary share (AUD cents per share)	(11.28)	(5.53)	(40.51)	(12.40)
- weighted average number of shares	578,292,372	519,113,574	551,333,261	514,712,468
Fully diluted earnings / (loss) per ordinary share (AUD cents per share)	(11.28)	(5.53)	(40.51)	(12.40)
- adjusted weighted average number of shares	578,292,372	519,113,574	551,333,261	514,712,468

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of (a) current financial period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 30 June 2014	As at 30 June 2013	As at 30 June 2014	As at 30 June 2013
Net assets ($AUD)	272,355,000	444,847,000	398,028,000	454,589,000
Number of ordinary shares (number)	587,918,909	519,468,416	587,918,909	519,468,416
Net asset value per ordinary share ($AUD/share)	0.4633	0.8564	0.6770	0.8751

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income

Revenue for the fourth quarter ended 30 June 2014 (Q4 2014) increased by AUD$0.7 million over that of the fourth quarter ended 30 June 2013 (Q4 2013) due to:

- decreased US oil and gas net sales volumes of 118 BOEPD and decrease in realised price per barrel of USD$0.45 (decrease of AUD$0.2 million);
- increased syngas sales revenue in Uzbekistan (increase of AUD$0.2 million); and
- increased revenue from Clean Energy consulting (increase of AUD$0.7 million).

However on a year to date basis, revenue for the twelve months ended 30 June 2014 has increased by AUD$24.0 million predominately due to increased US oil and gas net sales volumes of 495 BOEPD.

Cost of sales has increased for the quarter ended 30 June 2014 compared to the comparative quarter in 2013 by AUD$46.5 million mainly due to a one off adjustment to depletion as a result of the updated reserves report issued 1 March 2014 by Haas Petroleum Engineering Services, Inc for the Oil and Gas Gulf Coast assets. On a full year basis, this explanation is consistent with depletion accounting for AUD$44.8 million of the total AUD$53.2 million unfavourable variance. The remaining cost increase is associated with lease operating expenses, work over expenses and production taxes driven by an increase in production against the prior year.

Administration and corporate expenses have decreased by AUD$2.5 million for the quarter due to reduction in share based payment expenses. Administration and corporate expenses for the full year 2014 have increased by AUD$9.4 million compared to the full year 2013 due to additional outsourced services for refinancing activities.

Site operating costs have decreased by AUD$2.1 million for the quarter ended 30 June 2014 and AUD$2.2 million for the full year ended due to reduced level of operation and staff numbers at the Chinchilla demonstration facility.

Technology development expenses decreased by AUD$3.1 million due to reduced work being carried out for UCG commercial opportunities. On a full year basis, the reduction against the prior year comparative is AUD$1.1 million.

Net foreign exchange gains have decreased by AUD$7.3 million for the quarter and by AUD$12.3 million for the full year due to movements in exchange rates predominately between USD/AUD rates. This item includes unrealised foreign exchange on intercompany loans of subsidiaries denominated in a different functional currency, unrealised foreign exchange on foreign cash held in Australian bank accounts and realised foreign exchange on cash payments made to international suppliers.

Other expenses have decreased for the quarter by AUD$25.9 million due decrease in impairment on Gulf Coast Oil and Gas assets (AUD$16.9 million) however this was offset by increases in impairment for USA intangibles (AUD$5.5 million), mitigation of port capacity for the Coal division for the period (AUD$11.4 million) and no impairment on the available-for-sale assets required (AUD$3.1 million). For the full year ended 30 June 2014, other expenses have increased against the 2013 full year by AUD$6.1 million which, in addition to Q4 2014 quarterly movements, is driven by an impairment entry of AUD$29 million was taken up in Q3 2014 for Gulf Coast assets based on updated reserves report issued 1 March 2014.

Finance expenses have decreased by AUD$3.2 million due to exchange rate differences on $US denominated interest payments on the HY note as well as borrowing charges incurred in the comparative period for the establishment of the USD$200 million convertible note facility (established in April 2013). Given the HY note and convertible note facility were both established part way through the 2013 financial year, finance expenses for the year ended 30 June 2014 are above the prior year (AUD$22.7 million).

Other financial instruments expenses have increased by AUD$11.4 million for the quarter and AUD$45.8 million for the full year due to IAS39 Financial Instruments requiring the embedded derivative components of the

USD$200 million convertible note facility to be revalued to fair value at each reporting date with gains and losses being recognised in profit and loss.

During the quarter, the embedded derivatives on the convertible note have decreased in fair value with a credit of AUD$15.1 million being recognised in profit and loss. Also, a foreign exchange gain of AUD$3.0 million has been recognised in profit and loss due to favourable movements in the USD/AUD exchange rates (weakening of $USD vs $AUD) upon restatement of the convertible note liability balance.

Statement of Financial Position

Current assets of the Group have decreased by AUD$96.9 million during the twelve month period from 30 June 2013 as a result of:

- Cash and cash equivalents reduced by AUD$75.3 million (refer to statement of cash flows for a breakdown of movements);
- Trade and other receivables have also decreased by AUD$29.8 million mainly due to the Alaskan tax rebate funding receivable of AUD$32.6 million being held at 30 June 2013 compared a nil balance for the current financial years program as at 30 June 2014;
- Available-for-sale assets increased by AUD$9.3 million after a reclassification from non-current assets due to the Company proposing the sale of certain listed investments within its portfolio; and
- Other assets being reduced to nil due to the Group no longer holding foreign currency options.

Non-current assets of the Group have decreased by AUD$23.5 million due to a decrease of AUD$14.3 million in term deposits held by banking institutions as security against guarantees. These funds are no longer restricted and are included in the Company's 'cash and cash equivalents' balance at 30 June 2014.

Oil and gas assets for the period have increased by AUD$10.7 million which includes capital additions of AUD$126.7 million being recognised for exploration in Umiat and the drilling of development wells in the Gulf Coast. Unfavourable movements in impairment (AUD$28.9 million), depletion (AUD$74.0 million) and foreign exchange rate movements (AUD$11.9 million) have reduced the value of the oil and gas assets as at 30 June 2014.

Intangibles have increased slightly by AUD$2.7 million for exploration works being performed in Poland, USA and Australia.

Available-for-sale assets have decreased by AUD$14.2 million due to decreases in the share prices of our listed equity investments ($4.9 million) as well as reclassification of one of the Company's listed investments to current assets ($9.3 million).

Current liabilities of the Group have increased by AUD$171.0 million predominately due to a reclassification of the convertible note from non-current liabilities to current liabilities totalling AUD$197.1 million. This movement is driven by the early redemption date offered to note holders falling within 12 months of the reporting date (10 April 2015). This is offset by a reduction in trade and other payables of AUD$32.0 million due to lower balances outstanding to Umiat creditors. There is also AUD$4.2 million being recognised for the current portion of Exxaro IP deferred revenue. It should be noted that the Group has received AUD$20.0 million for this arrangement with AUD$2.5 million currently being recognised as revenue in profit and loss. The balance is sitting as current and non-current deferred revenue and will be recognised in profit and loss over the expected life of the project.

At 30 June 2014 the Group had a net current liability position of AUD$196.4 million due to the reclassification of the Convertible Note from non-current to current liabilities. Although the Company is in the process of exploring various options with the Note holders to rectify the position, the redemption option date of 10 April 2015 sits within 12 months of the reporting date and thus in accordance with Australian Accounting Standards the note must be classified as a current liability.

Non-current liabilities have decreased by AUD$118.9 million predominately due reclassification of the convertible note (AUD$140.2 million) however offset by recognition of deferred income from Exxaro IP revenue (AUD$13.3million). Additionally provisions have increased by AUD$6.5 million due to increase in rehabilitation obligations for the Oil & Gas business (AUD$4.6 million), increase in decommissioning and site restoration costs at the Chinchilla demonstration facility (AUD$1.3 million) and increase in employee entitlements for the Group (AUD$0.6 million)

Statement of cash flows

The cash and cash equivalents of the Group at 30 June 2014 was AUD$48.7 million. A summary of movements for the quarter and full year ended 30 June 2014 are below.

Quarter ended 30 June 2014

Net cash outflows from operating activities of AUD$26.7 million were comprised of:

- Receipts from customers of AUD$32.2 million of which AUD$31.4 million was from US oil and gas sales and AUD$0.8 million from syngas sales and clean energy consulting.
- Payments to suppliers and employees of AUD$31.5 million comprising AUD$10.0 million in US and Uzbekistan production costs and AUD$21.5 million in working capital.
- Payments for US oil commodity swaps of AUD$1.4 million.
- Interest and borrowing costs paid of AUD$26.1 million.

Net cash outflows from investing activities of AUD$8.3 million were predominately comprised of:

- Payments for exploration and development of oil and gas assets of AUD$37.9 million of which AUD$21.3 million was spent on Umiat and AUD$16.6 million on drilling of wells in the Gulf Coast.
- Receipt of AUD$19.0 million in Alaskan tax rebate funding.
- Payments for exploration intangibles of AUD$2.0 million predominately comprised of AUD$1.4million for exploration activities in Australia.
- Return of bonds and bank guarantee funds held totalling AUD$12.3 million.

Net cash inflows from financing activities of AUD$26.3 million were predominately comprised of:

- Payments of AUD$0.6 million for costs associated with the IPO.
- Net proceeds of AUD$16.9 million from drawings on Key Bank Reserve Based Lending facility.
- Proceeds from the exercise of share call options by Genting totalling AUD$11.0 million.

Full Year ended 30 June 2014

Net cash outflows from operating activities of AUD$32.5 million were comprised of:

- Receipts from customers of AUD$164.8 million of which AUD$140.7 million was from US oil and gas sales and AUD$3.1 million from syngas sales and clean energy consulting.
- Payments to suppliers and employees of AUD$135.7 million comprising AUD$33.9 million in US and Uzbekistan production costs and AUD$101.8 million in working capital.
- Payments for US oil commodity swaps of AUD$7.1 million.
- Interest and borrowing costs paid of AUD$54.6 million.

Net cash outflows from investing activities of AUD$117.8 million were predominately comprised of:

- Payments for exploration and development of oil and gas assets of AUD$184.3 million of which AUD$65.3 million was spent on Umiat and AUD$119.1 million on drilling of wells in the Gulf Coast.
- Receipt of AUD$57.4 million in Alaskan tax rebate funding.
- Payments for exploration intangibles of AUD$5.4 million predominately comprised of AUD$3.2 million for exploration activities in Australia.
- Return of bonds and bank guarantee funds held totalling AUD$13.4 million.

Net cash inflows from financing activities of AUD$81.2 million were predominately comprised of:

- Gross proceeds of AUD$55.5 million from IPO issue.
- Payments of AUD$11.1 million for financing activities.
- Proceeds of AUD$72.3 million from drawings on Key Bank reserve based lending facility of which AUD$36.2 million was partly used to repay the Wells Fargo asset based lending facility which was subsequently closed.
- Payments of AUD$9.8 million for Fortress warrant.
- Proceeds from the exercise of share call options by Genting totalling AUD$11.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously provided.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operated and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Crude oil prices strengthened during the quarter, with West Texas Intermediate crude price averaging USD$103.35, an increase from USD$98.68 from the previous quarter. For the remaining portion of calendar year 2014, the oil market is likely to remain volatile due to the uncertain supply outlook and the lingering global growth concerns and geo-political concerns, which may impact the Group's performance in fiscal year 2015.

The Company will be undertaking further drilling activities in the Gulf Coast region with the view to increase its conventional oil and gas reserves and production. The outcome of any drilling program is inherently uncertain. To mitigate risks, the Company follows a formal capital expenditure investment procedure, focusing on de-risking the investment in target wells using a combination of existing producing well analogues (where available) and extensive use of re-processed 3-D seismic data .

The Company is reviewing each business unit and implementing various strategy options to strengthen the financial position of the Group. This includes but is not limited to the entry into a binding Put and Call Option Agreement regarding the Company's Carmichael Royalty Deed which will generate proceeds of AUD$155,000,000 in two instalments as described in the operational update section above.

11. Dividend

a) Any dividend declared for the current financial period reported on?

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared (recommended).

13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions (IPTs), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No Interested Persons Transactions mandate has been obtained as at reporting date.

14. Disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purpose, a breakdown with specific details on how they proceeds have been applied must be disclosed.

	Amount $'000 SGD	Amount $'000 AUD
IPO Funds raised	62,220	55,499
Less underwriting commissions	(3,462)	(3,089)
Net IPO proceeds	**58,758**	**52,410**

Actual use of proceeds to 30 June 2014:	**IPO Funds Raised[1] $'000' AUD**	**Utilised to date $'000' AUD**
Conventional Oil & Gas (Umiat Development)	18,315	18,315
Unconventional Oil & Gas (Clean Energy / SAPEX)	22,477	1,847
Working Capital & General Corporate Expenses	5,550	5,550
Expenses in connection with Offering	9,157	9,157
Total use of IPO proceeds to 30 June 2014	**55,499**	**34,869**

[1] As disclosed in the IPO prospectus.

As at 30 June 2014, the actual use of proceeds are in accordance with the stated use outlined in the IPO prospectus.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has four reportable segments, each being led by a divisional president. The reportable segments are:

- Oil and Gas – exploration, development and production of traditional oil and gas assets in North America.
- Coal – acquisition, exploration and development of the Group's significant coal resources.
- Clean Energy – development and commercialisation of Coal-to-Liquids (CTL) processes through the combined utilisation of Underground Coal Gasification (UCG) and Gas to Liquids (GTL) technologies.
- SAPEX – exploration of the Group's petroleum exploration tenements in South Australia.

The divisional presidents are accountable for their division's financial performance and maintain regular contact with the chief operating decision maker (CODM). The Group's Chief Executive Officer who is the chief operating decision maker reviews internally generated management reports on at least a monthly basis.

Information regarding the results of each reportable segment is included in the table on the following page.

	Oil & Gas		Coal		Clean Energy		SAPEX		Corporate/unallocated		Total	
	2014 $000	2013 $000	**2014 $000**	2013 $000	**2014 $000**	2013 $000	**2014 $000**	2013 $000	**2014 $000**	2013 $000	**2014 $000**	2013 $000
External revenues	**141,627**	118,259	**-**	-	**6,763**	6,111	**-**	-	**-**	-	**148,390**	124,370
Interest revenue	**17**	14	**1**	-	**-**	-	**10**	10	**1,196**	652	**1,224**	676
Interest and borrowing expenses	**(42,436)**	(29,627)	**-**	-	**-**	-	**-**	-	**(27,867)**	(17,952)	**(70,303)**	(47,579)
Depreciation, amortisation & depletion	**(76,538)**	(30,983)	**-**	-	**(3,060)**	(3,049)	**-**	(2)	**(1,348)**	(1,680)	**(80,946)**	(35,714)
Reportable segment profit / (loss) before income tax	**(84,246)**	(5,127)	**(9,246)**	(13,600)	**(27,217)**	(20,430)	**(1,463)**	(1,485)	**(98,592)**	(45,344)	**(220,764)**	(85,986)
Material items of income or expense:												
Gain on disposal of coal tenement	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Material non-cash items of income or expense:												
Bargain purchase gain on acquisition of oil & gas assets	**-**	628	**-**	-	**-**	-	**-**	-	**-**	-	**-**	628
Share-based payment expense	**-**	-	**-**	-	**-**	-	**-**	-	**(9,203)**	(13,363)	**(9,203)**	(13,363)
Impairment expense	**(28,919)**	(16,774)	**-**	-	**(5,469)**	-	**-**	-		(6,856)	**(34,388)**	(23,630)
Reportable segment non-current assets	**579,184**	563,342	**43,932**	40,518	**92,777**	107,883	**136,870**	135,479	**13,822**	42,843	**866,585**	890,065
Total reportable segment assets	**598,846**	616,980	**43,986**	41,487	**96,714**	109,615	**136,907**	135,516	**71,684**	164,893	**948,137**	1,068,491
Goodwill	**-**	-	**-**	-	**1,292**	1,292	**-**	-	**-**	-	**1,292**	1,292
Capital expenditure (net of rebates)	**126,706**	169,416	**3,400**	13,141	**2,471**	5,922	**1,390**	399	**529**	563	**134,496**	189,441

Geographical Segments

The worldwide operations of the Group are managed from the Brisbane head office, but the group's operations are located in five principal locations: Australia, North America, Asia, Europe and South Africa. In Australia, the Group operates in Queensland and South Australia. In North America the Group operates in Colorado, Wyoming, Montana, Texas and Alaska. In Asia, the operations are at Yerostigaz in Angren, Uzbekistan. In Europe the Group operates from a regional base in London, with subsidiaries established in Poland and Hungary. In South Africa the group operates in Johannesburg.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2014		2013	
	Revenues	**Non-Current Assets**	Revenues	Non-Current Assets
	$'000	**$'000**	$'000	$'000
Australia	**-**	**228,499**	-	252,253
USA	**141,627**	**631,848**	118,259	632,816
Asia	**2,658**	**2,504**	2,459	2,251
Europe	**564**	**3,712**	153	2,745
South Africa	**3,466**	**22**	3,274	-
Canada	**75**	**-**	225	-
	148,390	**866,585**	124,370	890,065

In the USA, all oil produced from the Glenrock fields in Wyoming is currently delivered to and sold to a third party refiner. On the Gulf Coast (Texas and Louisiana) oil is sold to two third party refineries. In Asia, all syngas produced at Yerostigaz is currently sold to the Angren power station which is a State-owned utility company.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business of geographical segments.

Performance of the Company in terms of turnover and earnings is heavily impacted by the Oil and Gas (O&G) operations in the USA. Given the fixed cost nature of the O&G business, earnings is predominantly a factor of sales volumes and sales price achieved.

Sales Volumes: Average net sales volumes for the year ended 30 June 2014 was 3,665 BOEPD which is up from the 3,170 BOEPD average recorded for the year ended 30 June 2013. The improved sales volumes are a direct result of increased capital expenditure for the Gulf Coast drilling program.

Sales Price: Average price for the year ended 30 June 2014 (US$102.15/ bbl) was less than the year ended 30 June 2013 ($US105.18).

On the face of the profit and loss statement, comparisons in turnover to the prior year ended 30 June 2013 has improved due to favourable movements in USD/AUD exchange rate over the period.

17. A breakdown of sales as follows:

	For the year ended (12 months) 30 June 2014 $'000 AUD	For the year ended (12 months) 30 June 2013 $'000 AUD	% Increase / (Decrease)
Sales reported for the first half year	79,545	53,594	48%
Operating loss after tax reported for first half year	(115,717)	(42,028)	175%
Sales reported for the second half year	68,845	70,776	(3%)
Operating loss after tax reported for second half year	(108,460)	(21,797)	398%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow:

None.

19. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are such persons, the issuer must make an appropriate negative statement.

Pursuant to SGX Listing Rule 704(13), we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

Additional disclosures required for Mineral, Oil and Gas companies

20. (a) Rule 705(6) of Mainboard Listing Rules

Current quarter funds / cash were mainly used for the following activities

Purpose	Amount $'000 AUD
US UMIAT Exploration (gross)	21,292
Interest paid on 12.5% senior secured notes	17,706
US Oil and Gas Development	16,594
General working capital - Australia, Asia, Europe, Africa	15,544
US Production Costs	9,618
Interest paid on 7% convertible notes	7,723
General working capital - USA	5,955
Exploration	1,954
Payments for commodity swaps	1,352
Other costs associated with the IPO	983
Capitalised IPO costs	556
Yerostigaz production costs	348

20. (b) Projection on the use of funds / cash for the next immediate quarter, including principal assumptions

The Group's uses of funds / cash for the next quarter (1 July 2014 to 30 September 2014) are forecast to be:

Purpose	Amount $'000 AUD
Conventional Oil & Gas Production costs	10,074
Conventional Oil & Gas Existing oil field development	14,164
Conventional Oil & Gas Outstanding Creditors	23,492
Clean Energy – capital expenditure	0
Shale Oil (Sapex)	250
Consolidated Interest	3,818
Admin & overheads	14,054
GPC Port	4,988
RBL Facility Repayment	74,528
Total Forecast use of funds for Q1 FY15	**145.368**

Funded by:	Amount $'000 AUD
Existing Cash	48,716
Income generated - Oil and Gas	37,455
Income generated – Clean Energy	1,881
Debt Raising (net of underwriter fees)	123,700
Total funds	**211,752**

20. (c) Rule 705(6) of the Mainboard Listing Rules

The Board of Directors confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

21. (a) Rule 705(7)(a) of the Mainboard Listing Rules

Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

During the fourth quarter 2014, cash payments for the following exploration, development and/or production activities were made:

Purpose	Amount $'000 AUD
US UMIAT exploration	21,292
US oil and gas development	16,594
US and Yerostigaz production costs	9,966
Exploration	1,954

21. (b) Update on reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5

Reserves Valuation – Gulf Coast

The Company has commenced and is continuing with a review and audit of its reserves with the assistance of Haas Petroleum Engineering Services, Inc. Any material changes to the reserves upon completion of the review and audit exercise will be reported in the Company's 2014 full year audited accounts.

22. Events occurring after reporting date

9.625% First Lien Senior Secured Notes

On 13 August 2014, the Company's wholly-owned subsidiaries Linc USA GP and Linc Energy Finance (USA), Inc. (the Issuers), issued USD$125,000,000 of 9.625% First Lien Senior Secured Notes due 31 October 2017 (the First Lien Senior Notes). The First Lien Senior Notes were issued at 100% of their face value. The borrowings under the First Lien Senior Notes will be used to fund capital expenditures, repay existing debt and for general corporate purposes.

The First Lien Senior Notes are fully guaranteed and unconditionally, jointly, and severally, by Linc Energy Resources, Inc. and all of the existing and future US domestic subsidiaries of Linc Energy Resources. The interest on the First Lien Senior Notes is payable on 30 April and 31 October of each year, beginning on 31 October 2014. The First Lien Senior Notes contain affirmative and negative covenants that, among other things, limit the Company's ability to make investments; incur additional indebtedness or issue preferred stock; create liens; sell assets; enter into agreements that restrict dividends or other payments to restricted subsidiaries; consolidate, merge or transfer all or substantially all of the assets of the Company; engage in transactions with Company affiliates; pay dividends or make other distributions on capital stock or prepay subordinated indebtedness; and create unrestricted subsidiaries. The First Lien Senior Notes also contains customary events of default. Upon the occurrence of events of default arising from certain events of bankruptcy or insolvency, the First Lien Senior Notes shall become due and payable immediately without any declaration or other act of the holders of the First Lien Senior Notes.

The First Lien Senior Notes are redeemable by the Issuers at any time on or after 30 April 2015, at the redemption prices set forth in the indenture. The First Lien Senior Notes are redeemable by the Issuers prior to 30 April 2015, at the redemption prices plus a "make-whole" premium set forth in the indenture. The Issuers are also entitled to redeem up to 35% of the aggregate principal amount of the First Lien Senior Notes before 30 April 2015 with net proceeds that the Issuers raise in equity offerings at a redemption price equal to 109.625% of the principal amount of the First Lien Senior Notes begin redeemed, plus accrued and unpaid interest and an applicable exit premium set forth in the indenture.

Reserve-based Bank Credit Facility

On 13 August 2014, in conjunction with the raising of capital via the 9.625% First Lien Senior Secured Notes, the Group repaid in full the outstanding balance, including accrued interest, of USD$69,200,000 on the Key Bank Reserve-Based Lending facility. The facility was cancelled on full repayment.

Carmichael Royalty

On 27 August 2014, the Company entered into a binding Put and Call Option Deed in relation to the Carmichael Royalty with the Adani Group. Under the Deed, the Company will assign, by way of exercising its Put Option, the rights to the future Carmichael Royalty stream in return for total consideration of AUD$155 million to be paid in two instalments. The first instalment of AUD$90million will be paid between fifty and sixty-five days from now (post exercise of either the Put of Call option). The second instalment of AUD$65million must be paid to the Company by no later than 12 months after the Call or Put option is exercised.

Convertible Bond Redemption Option Discussions

As previously noted above, there is a net current liability position at 30 June 2014 is primarily reflective of the contractual terms of the Convertible Bond due 2018 (CB). The Company has engaged with holders of the CB in order to provide more certainty over the quantum which may or may not be required to be redeemed on that future date.

BY ORDER OF THE BOARD
KENNETH EIDLER DARK
Chairman of the Board
29 August 2014