

LINN ENERGY, LLC  
Form S-1/A  
September 24, 2012  
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As filed with the Securities and Exchange Commission on September 24, 2012

Registration No. 333-182305

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**Amendment No. 2**

**to**

**Form S-1**

**LINNCO, LLC**

**LINN ENERGY, LLC**

(Exact Name of Registrant as Specified in its charter)

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<b>Delaware</b> <b>Delaware</b> (State or other Jurisdiction of Incorporation or Organization)	<b>1311</b>  (Primary Standard Industrial Classification Code Number) <b>600 Travis, Suite 5100</b>  <b>Houston, Texas 77002</b>  (281) 840-4000	<b>45-5166623</b> <b>65-1177591</b> (IRS Employer Identification Number)
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

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If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

LinnCo, LLC Non-accelerated filer

Linn Energy, LLC Large accelerated filer

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common shares Units (4)	\$1,437,500,000	\$164,738

- (1) Includes common shares issuable upon exercise of the underwriters' option to purchase additional common shares.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).
- (3) The total registration fee includes \$114,600 that was previously paid for the registration of \$1,000,000,000 of proposed maximum aggregate offering price in the filing of the Registration Statement on June 25, 2012 and \$50,138 for the registration of an additional \$437,500,000 of proposed maximum aggregate offering price registered hereby.
- (4) To be issued by Linn Energy, LLC. The units are being registered solely due to the co-registrant status of Linn Energy, LLC, for which no separate registration fee is required.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**EXPLANATORY NOTE**

This registration statement contains a prospectus to be used in connection with the offer and sale of common shares of LinnCo, LLC and the deemed offer and sale of Linn Energy, LLC units to be acquired by LinnCo, LLC with the proceeds from this offering pursuant to Rule 140 under the Securities Act of 1933.

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**The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.**

**Subject to Completion, dated September 24, 2012**

PROSPECTUS

# LinnCo, LLC

## Common Shares

### Representing Limited Liability Company Interests

This is the initial public offering of common shares ( shares ) representing limited liability company interests in LinnCo, LLC ( LinnCo ), a class of equity with indirect voting rights in LINN Energy, LLC ( LINN ). We are offering shares in this offering. We are a recently formed limited liability company that has elected to be treated as a corporation for U.S. federal income tax purposes. We will use the net proceeds from this offering to acquire a number of units representing limited liability company interests ( units ) in LINN equal to the number of shares sold in this offering.

No public market currently exists for our shares. We have applied to list our shares on the NASDAQ Global Select Market under the symbol LNCO.

We expect our shares to be offered at a price that is directly related to the closing price of LINN units prior to the determination of the offering price of our shares. LINN units are listed on the NASDAQ Global Select Market under the symbol LINE. The last reported sale price of LINN units on NASDAQ on was \$ per unit.

*Investing in our shares involves risks. Please read Risk Factors beginning on page 30 of this prospectus.*

These risks include the following:

Because our only assets will be LINN units, our cash flow and our ability to pay dividends on our shares are completely dependent upon the ability of LINN to make distributions to its unitholders.

We will incur corporate income tax liabilities on income allocated to us by LINN with respect to LINN units we own, which may be substantial.

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An active trading market for our shares may not develop, and even if such a market does develop, the market price of our shares may be less than the price you paid for your shares and less than the market price of the LINN units.

Our shareholders will only be able to indirectly vote on matters on which LINN unitholders are entitled to vote, and our shareholders are not entitled to vote to elect our directors. Therefore, you will only be able to indirectly influence the management and board of directors of LINN, and you will not be able to directly influence or change our management or board of directors.

Your shares are subject to certain call rights that could require you to involuntarily sell your shares at a time or price that may be undesirable.

Our limited liability company agreement limits the fiduciary duties owed by our officers and directors to our shareholders, and LINN's limited liability company agreement limits the fiduciary duties owed by LINN's directors to its unitholders, including us.

	Per Share	Total
Price to the public	\$	\$
Underwriting discounts and commissions(1)	\$	\$
Proceeds to us	\$	\$

(1) Excludes a structuring fee equal to % of the gross proceeds of this offering, up to a cap of \$ , payable to Barclays Capital Inc. We have granted the underwriters an option for a period of 30 days to purchase up to an additional shares on the same terms and conditions set forth above.

Affiliates of certain of the underwriters in this offering are lenders under LINN's revolving credit facility and, accordingly, if LINN elects to use the proceeds it receives from LinnCo to repay debt outstanding under that facility, those lenders would indirectly receive a portion of the net proceeds from this offering. Please read Underwriting FINRA Rules.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Barclays, on behalf of the underwriters, expects to deliver the shares on or about , 2012.

## Barclays

Prospectus dated , 2012

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Note: Reserve data is pro forma for the 2012 acquisitions. For a description of these acquisitions, see Prospectus Summary Overview LINN. Estimates of proved reserves for the 2012 acquisitions in the map above were calculated as of the effective date of the acquisitions using forward strip oil and natural gas prices. These estimates differ from those prepared in accordance with the rules and regulations of the Securities and Exchange Commission ( SEC ), which are required to be calculated based on the unweighted average of the first-day-of-the-month prices for the preceding twelve months. Please see the table on page 4 for estimated pro forma proved reserves, including estimated reserve data for our 2012 acquisitions, calculated on the basis required by SEC rules.

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You should rely only on the information contained in this prospectus or in any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications or other published independent sources. Some data is also based on our good faith estimates.

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**PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere in this prospectus. It does not contain all of the information you should consider before buying shares in this offering. Therefore, you should read this entire prospectus carefully, including the risks discussed in the section titled "Risk Factors" beginning on page 30 and the historical financial statements of Linn Energy, LLC ( "LINN" ) and the notes to those financial statements included elsewhere in this prospectus. This prospectus also contains important information about LINN, including information about its businesses and financial and operating data, all of which you should read carefully before buying shares in this offering. Unless indicated otherwise, the information presented in this prospectus assumes (1) an initial public offering price of \$ \_\_\_\_\_ per share (the last reported sales price of LINN units, as set forth on the cover page of this prospectus) and (2) that the underwriters do not exercise their option to purchase additional shares. We include a glossary of some of the terms used in this prospectus as Appendix A.*

*DeGolyer and MacNaughton, independent petroleum engineers, provided the estimates of LINN's proved oil and natural gas reserves as of December 31, 2009, 2010 and 2011 as well as estimates of proved reserves associated with the Green River Acquisition, East Texas Acquisition, Anadarko Joint Venture and the Hugoton Acquisition (each as defined below). All other reserve information included herein is based on internal estimates. As used herein, "Pro Forma Proved Reserves" represent the sum of (i) LINN's estimated proved reserves as of December 31, 2011 and (ii) the estimated proved reserves acquired in the 2012 Acquisitions (as defined below). For information regarding the dates and commodity prices at which reserve information for the 2012 Acquisitions was calculated, see the table on page 4. As used in this prospectus, the term "LinnCo" and the terms "we," "our," "us" and similar terms refer to LinnCo, LLC, unless the context otherwise requires. In addition, the term "LINN" refers to Linn Energy, LLC. As used in this prospectus, the term "shares" refers to common shares representing limited liability company interests in LinnCo and "units" refers to units representing limited liability company interests in LINN.*

**Overview**

**LinnCo**

We are a recently formed Delaware limited liability company that has elected to be treated as a corporation for United States ( "U.S." ) federal income tax purposes. Our sole purpose is to own LINN units and we expect to have no assets or operations other than those related to our interest in LINN. As a result, our financial condition and results of operations will depend entirely upon the performance of LINN. We will use the net proceeds from this offering to acquire a number of LINN units equal to the number of LinnCo shares sold in this offering.

At the closing of this offering, we will own one LINN unit for each of our outstanding shares, and our limited liability company agreement requires that we maintain a one-to-one ratio between the number of our shares outstanding and the number of LINN units we own. When LINN makes distributions on the units, we will pay a dividend on our shares of the cash we receive in respect of our LINN units, net of reserves for income taxes payable by us. For each of the periods ending December 31, 2012, 2013, 2014 and 2015, we estimate that our income tax liability will be between 2% and 5% of the cash distributed to us. On July 24, 2012, LINN declared a regular quarterly cash distribution of \$0.725 per unit, or \$2.90 per unit on an annualized basis. Accordingly, if LINN were to maintain its current annualized distribution of \$2.90 per unit through 2015, the amount reserved to pay income taxes of LinnCo is estimated to be between \$0.06 and \$0.15 per share for each of the periods ending December 31, 2012, 2013, 2014 and 2015.

Like shareholders of a corporation, our shareholders will receive a Form 1099-DIV and will be subject to U.S. federal income tax, as well as any applicable state or local income tax, on taxable dividends received by them. We estimate that for each of the periods ending December 31, 2012, 2013, 2014 and 2015, you will

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recognize an amount of taxable dividend income that will be between 0% and 60% of the cash dividends paid to you during each such period. The excess of the cash dividends that you receive over your taxable dividend income during each such period will reduce your tax basis in your shares, or will be taxable as capital gain to the extent they exceed your tax basis in your shares. Our shareholders will not report our items of income, gain, loss and deduction, nor will they receive a Schedule K-1. Our shareholders also will not be subject to state income tax filings in the various states in which LINN conducts operations as a result of owning our shares. Please read [Material U.S. Federal Income Tax Consequences](#) for additional details.

We will submit to a vote of our shareholders any matter submitted by LINN to a vote of its unitholders, including any election of LINN's directors. We will vote LINN units that we hold in the same manner as the owners of our shares vote (or refrain from voting) their shares on those matters. In addition, our shareholders will be entitled to vote on certain fundamental matters affecting LinnCo. Our shareholders will not be entitled to vote to elect our board of directors. The sole voting share that is entitled to vote to elect our board of directors is owned by LINN through one of its wholly-owned subsidiaries. Our initial board of directors will be identical to LINN's board of directors, and our initial officers will be the individuals who serve as officers of LINN. Please see [Description of the Limited Liability Company Agreements](#) [Our Limited Liability Company Agreement](#) for a detailed description of these matters.

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**LINN**

LINN is one of the largest publicly traded, U.S.-focused, independent oil and natural gas companies and is the largest publicly traded upstream oil and natural gas company that is treated as a partnership for U.S. federal income tax purposes. LINN is focused on the development and acquisition of long-life oil and natural gas properties, which complement its asset profile in various producing basins within the U.S. LINN's properties are currently located in eight operating regions in the U.S.:

Mid-Continent, which includes properties in Oklahoma, Louisiana and the eastern portion of the Texas Panhandle (including the Granite Wash and Cleveland horizontal plays);

Hugoton Basin, which includes properties located primarily in Kansas and the Shallow Texas Panhandle;

Green River Basin, which includes properties located in southwest Wyoming;

Permian Basin, which includes areas in west Texas and southeast New Mexico;

Michigan/Illinois, which includes the Antrim Shale formation in the northern part of Michigan and oil properties in southern Illinois;

California, which includes the Brea Olinda Field of the Los Angeles Basin;

Williston/Powder River Basin, which includes the Bakken formation in North Dakota and the Powder River Basin in Wyoming; and

East Texas, which includes properties located in east Texas.

LINN's total proved reserves at December 31, 2011 were 3.4 Tcfe, of which approximately 34% were oil, 50% were natural gas and 16% were NGL. Approximately 60% of LINN's total proved reserves were classified as proved developed, with a total standardized measure of discounted future net cash flows of \$6.6 billion. At December 31, 2011, LINN operated 7,759, or 69%, of its 11,230 gross productive wells and had an average proved reserve-life index of approximately 22 years, based on LINN's total proved reserves at December 31, 2011 and annualized production for the three months ended December 31, 2011.

On July 31, 2012, LINN completed the acquisition of certain oil and natural gas properties located in the Green River Basin area of southwest Wyoming (the Green River Acquisition) for total consideration of approximately \$990 million. The Green River Acquisition included approximately 806 Bcfe of proved reserves as of the acquisition date.

On May 1, 2012, LINN completed the acquisition of certain oil and natural gas properties located in east Texas (the East Texas Acquisition) for total consideration of approximately \$168 million. On March 30, 2012, LINN completed the acquisition of certain oil and natural gas properties located in the Hugoton Basin area of southwestern Kansas (the Hugoton Acquisition) for total consideration of approximately \$1.17 billion. On April 3, 2012, LINN entered into a joint venture agreement (the Anadarko Joint Venture) with an affiliate of Anadarko Petroleum Corporation (Anadarko) whereby LINN will participate as a partner in the enhanced oil recovery development of the Salt Creek field, located in the Powder River Basin of Wyoming. As part of this joint venture, Anadarko assigned LINN 23% of its interest in the field in exchange for future funding by LINN of \$400 million of Anadarko's development costs. See Recent Developments. Giving effect to the East Texas Acquisition, the Hugoton Acquisition, the Anadarko Joint Venture and the Green River Acquisition, LINN's pro forma proved reserves are approximately 5.1 Tcfe, of which approximately 25% are oil, 55% are natural gas and 20% are NGL, with approximately 66% proved developed.

LINN generated adjusted EBITDA of approximately \$998 million for the year ended December 31, 2011 and \$621 million for the six months ended June 30, 2012. See Non-GAAP Financial Measures for a



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reconciliation of adjusted EBITDA to net income (loss). For 2012, LINN estimates its total capital expenditures, excluding acquisitions, will be approximately \$1.1 billion, including approximately \$1.05 billion related to its oil and natural gas capital program. This estimate is under continuous review and is subject to ongoing adjustments. LINN expects to fund these capital expenditures primarily with cash flow from operations and borrowings under LINN's revolving credit facility.

The following table sets forth certain information with respect to LINN's proved reserves at December 31, 2011 and Pro Forma Proved Reserves and average daily production for the six months ended June 30, 2012:

Region	Proved Reserves At December 31, 2011	Proved Reserves 2012 Acquisitions	Pro Forma Proved Reserves	Pro Forma % Oil and NGL	Pro Forma % Proved Developed	Average Daily Production For The Six Months Ended June 30, 2012
	(Bcfe)(1)	(Bcfe)(1)	(Bcfe)(1)			(MMcfe/d)
Mid-Continent	1,860	24	1,884	41%	53%	290
Hugoton Basin(2)	380	701	1,081	47%	87%	95
Green River Basin(3)		806	806	27%	53%	
Permian Basin	527		527	79%	56%	84
Michigan/Illinois	317		317	4%	91%	35
California	193		193	93%	93%	13
Williston/Powder River Basin(2)	93	96	189	92%	63%	25
East Texas(4)		110	110	3%	100%	8
<b>Total</b>	<b>3,370</b>	<b>1,737</b>	<b>5,107</b>	<b>45%</b>	<b>66%</b>	<b>550</b>

- (1) Except as otherwise noted, proved reserves for oil and natural gas assets were calculated on December 31, 2011, the reserve report date, and use a price of \$4.12/MMBtu for natural gas and \$95.84/Bbl for oil, which represent the unweighted average of the first-day-of-the-month prices for each of the twelve months immediately preceding December 31, 2011.
- (2) Pro forma proved reserves for the Hugoton Acquisition (in the Hugoton Basin region) and the Anadarko Joint Venture (in the Williston/Powder River Basin region) were calculated using a price of \$3.73/MMBtu for natural gas and \$98.02/Bbl for oil, which represent the unweighted average of the first-day-of-the-month prices for each of the twelve months ending March 1, 2012, the most recent twelve-month period prior to the closing of each of those transactions.
- (3) Pro forma proved reserves for the Green River Acquisition (in the Green River Basin region) were calculated using a price of \$3.02/MMBtu for natural gas and \$94.81/Bbl for oil, which represents the unweighted average of the first-day-of-the-month prices for each of the twelve months ending July 1, 2012, the most recent twelve-month period prior to the closing of the Green River Acquisition.
- (4) Pro forma proved reserves for the East Texas Acquisition were calculated using a price of \$3.54/MMBtu for natural gas and \$97.65/Bbl for oil, which represent the unweighted average of the first-day-of-the-month prices for each of the twelve months ending April 1, 2012, the most recent twelve-month period prior to the closing of the East Texas Acquisition.

LINN was formed as a Delaware limited liability company in March 2003 by Michael C. Linn, Quantum Energy Partners and non-affiliated equity investors with an aggregate equity investment of \$16 million. In January 2006, LINN completed its \$261 million initial public offering. Since its initial public offering, LINN has successfully executed on its strategy, and substantially grown its asset base and distributions on its units. LINN has increased its quarterly cash distribution by approximately 81% from \$0.40 per unit, or \$1.60 per unit on an annualized basis, at the time of its initial public offering, to \$0.725 per unit, or \$2.90 per unit on an annualized basis. At the time of its initial public offering, LINN's assets consisted primarily of oil and natural gas properties in the Appalachian Basin, mainly in Pennsylvania, West Virginia, New York and Virginia (subsequently sold in 2008) with proved reserves of approximately 190 Bcfe as of September 30, 2005 and average daily production of

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approximately 13 MMcfe/d for the three months ended September 30, 2005. Since then, LINN has successfully grown and diversified its asset base to include properties across eight operating regions with total Pro Forma Proved Reserves of approximately 5.1 Tcfe and average daily production for the six months ended June 30, 2012 of approximately 550 MMcfe/d.

### **Business Strategy**

LINN's primary goal is to provide stability and growth of distributions for the long-term benefit of its unitholders. The following is a summary of the key elements of LINN's business strategy:

Grow through acquisition of long-life, high quality properties;

Efficiently operate and develop acquired properties; and

Reduce cash flow volatility through hedging.

LINN's business strategy is discussed in more detail below.

***Grow Through Acquisition of Long-Life, High Quality Properties.*** LINN's acquisition program targets oil and natural gas properties that it believes will be financially accretive and offer stable, long-life, and high quality production with relatively predictable decline curves, as well as lower-risk development opportunities. LINN evaluates acquisitions based on decline profile, reserve life, operational efficiency, field cash flow, development costs and rate of return. As part of this strategy, LINN continually seeks to optimize its asset portfolio, which may include the divestiture of non-core assets. This allows LINN to redeploy capital into projects to develop lower-risk, long-life and low-decline properties that are better suited to its business strategy.

Since January 1, 2007, LINN has completed 39 acquisitions of oil and natural gas properties and related gathering and pipeline assets, acquiring proved reserves totaling approximately 4.5 Tcfe at the date of acquisition, at an average aggregate cost of approximately \$2.02 per Mcfe.

LINN continually evaluates potential acquisition opportunities that would further its strategic objectives and engages from time to time in discussions with potential sellers. Assets acquired in one or more of such transactions may have a material effect on LINN's business, financial condition and results of operations.

***Efficiently Operate and Develop Acquired Properties.*** LINN has centralized the operation of its acquired properties into defined operating regions to minimize operating costs and maximize production and capital efficiency. LINN maintains a large inventory of drilling and optimization projects within each operating region to achieve organic growth from its capital development program. LINN generally seeks to be the operator of its properties so that it can develop drilling programs and optimization projects that not only replace production, but add value through reserve and production growth and future operational synergies. LINN's development program is focused on lower-risk, repeatable drilling opportunities to maintain and/or grow cash flow. Many of the wells are completed in multiple producing zones with commingled production and long economic lives. In addition, LINN's experienced workforce and scalable infrastructure facilitate the efficient development of its properties.

***Reduce Cash Flow Volatility Through Hedging.*** LINN seeks to hedge a significant portion of its forecasted production to reduce exposure to fluctuations in the prices of oil and natural gas and provide long-term cash flow predictability to pay distributions, service debt and manage its business. By removing a significant portion of the price volatility associated with future production, LINN expects to mitigate, but not eliminate, the potential effects of variability in cash flow from operations due to fluctuations in commodity prices.

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These commodity hedging transactions are primarily in the form of swap contracts and put options that are designed to provide a fixed price (swap contracts) or fixed price floor with the opportunity for upside (put options) that LINN will receive as compared to floating market prices. As of June 30, 2012, LINN had derivative contracts in place for 2012 through 2017 at average prices ranging from a low of \$89.10 per Bbl to a high of \$97.26 per Bbl for oil and from a low of \$4.48 per MMBtu to a high of \$5.29 per MMBtu for natural gas. Additionally, LINN has derivative contracts in place covering a substantial portion of its natural gas basis exposure to Panhandle, MichCon and Permian differentials through 2015 and Houston Ship Channel and NWPL Rockies differentials through 2016 and its timing risk exposure on Mid-Continent, Hugoton Basin and Permian Basin oil sales through 2017.

In addition, LINN may from time to time enter into derivative contracts in the form of interest rate swaps to minimize the effects of fluctuations in interest rates. Currently, LINN has no outstanding interest rate swaps.

## **Competitive Strengths**

LINN believes the following strengths provide significant competitive advantages:

***Large and High Quality Asset Base with a Long Reserve Life.*** LINN's reserve base is characterized by lower geologic risk and well-established production histories and exhibits low production decline rates. Based on LINN's total proved reserves at December 31, 2011, and annualized production for the three months ended December 31, 2011, LINN had an average reserve-life index of approximately 22 years. LINN's Pro Forma Proved Reserves are also diversified by product with approximately 25% oil, 55% natural gas and 20% natural gas liquids ( NGL ), with approximately 66% classified as proved developed.

***Significant Inventory of Lower-Risk Development Opportunities.*** LINN has a significant inventory of projects in its core areas that it believes will support its development activity. At December 31, 2011, LINN had approximately 6,450 identified drilling locations, of which approximately 2,300 were proved undeveloped drilling locations and the remainder were unproved drilling locations. During the year ended December 31, 2011, LINN drilled a total of 294 gross wells with an approximate 99% success rate.

***Significant Scale of Operations.*** As of June 1, 2012, LINN had interests in approximately 15,000 gross productive wells (approximately 71% operated) and approximately 1.8 million net acres across seven regions in the U.S. The Mid-Continent, Hugoton Basin and Permian Basin regions account for approximately 68% of LINN's Pro Forma Proved Reserves. The scale of operations allows LINN to benefit from economies of scale in both drilling and production operations and capitalize on acquired technical knowledge to lower production costs and maintain a high success rate on its drilling program. Furthermore, LINN owns integrated gathering and transportation infrastructure in the Mid-Continent and Hugoton Basin regions, which improves LINN's cost structure.

***Multi-Year Organic Growth Opportunities.*** In addition to growth through acquisitions, LINN's asset base provides significant opportunities to grow production organically. Key drivers of LINN's organic growth potential include its properties in the Granite Wash play in the Mid-Continent region and the Wolfberry trend in the Permian Basin region. LINN has approximately 95,000 net acres in the Granite Wash play, which covers a trend extending from the Texas Panhandle eastward into southwestern Oklahoma. The Granite Wash play is characterized by liquids-rich multi-layer reservoirs which provide for attractive horizontal development opportunities. Since the inception of LINN's horizontal drilling program in the Granite Wash in 2009, LINN has increased production to approximately 137 MMcfe/d (43% liquids). As of March 31, 2012, LINN had identified more than 600 horizontal drilling locations in the Granite Wash and multiple vertical infill drilling locations, representing a 10-plus year drilling inventory. LINN is also evaluating several oil-bearing intervals in the Texas Panhandle including the Hogshooter, Lansing, Cleveland and Tonkawa formations. As a result of technical mapping, LINN has already identified approximately 50 additional well locations in the Hogshooter interval. In



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the Permian Basin region, LINN owns 31,000 net acres in the Wolfberry trend (targeting the liquids-rich Spraberry and Wolfcamp zones). The Wolfberry trend offers significant growth potential driven primarily by infill drilling and downspacing. Since entering the Permian Basin in the fall of 2009, LINN has increased production to approximately 14,800 Boepd as of the first quarter of 2012 through a combination of organic development and acquisitions. LINN estimates that it has a four-year drilling inventory with approximately 400 future drilling locations in the Wolfberry trend.

**High Percentage of Production Hedged.** Currently, LINN hedges its production with swap contracts and put options to minimize its cash flow volatility while maintaining optionality for future upward movement in commodity prices. Swap contracts provide a fixed price and put options provide a fixed price floor with opportunity for upside that LINN will receive as compared to floating market prices. Based on current production estimates, LINN is approximately 100% hedged on expected natural gas production through 2017 and 100% hedged on expected oil production through 2016.

**High Percentage of Operated Properties.** For the year ended December 31, 2011, approximately 82% of LINN's production came from wells over which it had operating control. Maintaining control of its properties allows LINN to use its technical and operational expertise to manage overhead, production, drilling costs and capital expenditures and to control the timing of development activities.

**Competitive Cost of Capital and Financial Flexibility.** Unlike many master limited partnerships, LINN does not have any incentive distribution rights, or IDRs, that entitle the IDR holders to increasing percentages of cash distributions as unit distributions grow. LINN believes that its lack of IDRs provides it with a lower cost of equity, thereby enhancing its ability to compete for future acquisitions.

Additionally, LINN has regularly and successfully raised significant capital throughout different financial cycles. Since LINN's initial public offering in January 2006, it has raised approximately \$5.0 billion in follow-on equity offerings and approximately \$5.4 billion in debt offerings. Furthermore, as of July 25, 2012, LINN's revolving credit facility had a \$3.5 billion borrowing base, subject to a maximum commitment of \$3 billion. LINN believes this financial flexibility and access to the capital markets provides LINN with a substantial competitive advantage in consummating acquisitions.

## **Recent Developments**

### **Acquisitions**

**Green River Acquisition.** On July 31, 2012, LINN completed the Green River Acquisition for total consideration of approximately \$990 million. The Green River Acquisition included approximately 806 Bcfe of proved reserves as of the acquisition date.

**East Texas Acquisition.** On May 1, 2012, LINN completed the East Texas Acquisition for total consideration of approximately \$168 million. The properties acquired in east Texas include (1) proved reserves of approximately 110 Bcfe, all of which are proved developed producing; (2) approximately 430 producing wells on approximately 19,800 contiguous acres; and (3) average daily production of approximately 24 MMcfe/d (97% natural gas).

**Hugoton Acquisition.** On March 30, 2012, LINN completed the Hugoton Acquisition for total consideration of approximately \$1.17 billion. The properties acquired in the Hugoton Acquisition included: (1) proved reserves of approximately 701 Bcfe, of which 100% is proved developed; (2) approximately 2,400 producing wells with average daily production of approximately 110 MMcfe/d, of which approximately 63% is natural gas and 37% is NGL; (3) approximately 800 future drilling locations; and (4) the JayHawk Natural Gas Processing Plant, which processes substantially all of the production from the acquired properties, with 450 MMcf/d of processing capacity.

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### **Joint Venture**

**Anadarko Joint Venture.** On April 3, 2012, LINN entered into the Anadarko Joint Venture, whereby LINN will participate as a partner in the CO<sub>2</sub>-enhanced oil recovery development of the Salt Creek field, located in the Powder River Basin of Wyoming. Anadarko assigned LINN 23% of its interest in the field in exchange for future funding by LINN of \$400 million of Anadarko's development costs. LINN expects to invest a total of \$600 million in the joint venture over the next three to six years, which includes the \$400 million of Anadarko's costs and \$200 million net to LINN's assigned interest. Anadarko has been utilizing CO<sub>2</sub> to develop this field since 2004. The acquisition included approximately 16 MMBoe (96 Bcfe) of proved reserves as of the agreement date.

The acquisitions and joint venture described above are referred to in this prospectus as the 2012 Acquisitions.

### **Questions and Answers About LinnCo**

#### ***Why is LinnCo being created?***

LinnCo is being created to enhance LINN's ability to raise additional equity capital to execute on its acquisition and growth strategy. As LINN continues to grow, the size of individual acquisitions it pursues and its related financing needs are expected to increase. LINN believes that the LinnCo structure will allow LINN to expand its investor base through offerings of LinnCo shares, the proceeds of which will go to LINN for use in executing its strategy, in return for a number of LINN units equal to the number of LinnCo shares sold.

#### ***Why does LINN believe that LinnCo will enhance LINN's ability to raise equity?***

LinnCo will be taxed as a corporation, which will enable holders of LinnCo shares to invest indirectly in LINN without the associated tax-related obligations of owning a LINN unit. For example, holders of LinnCo shares will receive a Form 1099-DIV rather than a Schedule K-1, will generally not have unrelated business taxable income, or UBTI, and will not be required to file state income tax returns as a result of owning LinnCo shares. LINN believes that this structure will appeal to investors that would like to invest in a dividend-paying oil and natural gas exploration and production company, but currently do not invest in LINN units because of UBTI consequences and more onerous tax reporting requirements.

#### ***Why doesn't LINN just increase the size of its LINN unit offerings?***

While LINN has been one of the most active energy-focused master limited partnership equity issuers in recent years, we believe that expanding the investor base to include institutions, individual retirement accounts, foreign investors and tax-exempt investors will provide LINN with equity-raising opportunities significantly beyond its current capacity.

#### ***How will LinnCo quarterly dividends be determined?***

LinnCo will own a number of LINN units equal to the number of LinnCo shares outstanding and will receive the same distribution per LINN unit as all other LINN unitholders. When LinnCo receives a quarterly distribution from LINN, it will reserve an amount equal to LinnCo's estimated income tax liability, and will distribute the balance as a dividend to LinnCo shareholders. We currently estimate that for each of the periods ending December 31, 2012, 2013, 2014 and 2015, LinnCo's income tax liability will be between 2% and 5% of the cash LINN distributes to us. Accordingly, if LINN were to maintain its current annualized distribution of \$2.90 per unit through 2015, the annual LinnCo dividend would be between \$2.75 and \$2.84 per share.

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***What rights will LinnCo shareholders have with respect to the governance of LINN and LinnCo?***

LinnCo will submit to a vote of its shareholders any matter submitted by LINN to a vote of its unitholders, which will include the annual election of the LINN board of directors. LinnCo will vote the LINN units it holds in the same manner as our shareholders vote on those matters. Our shareholders will also be entitled to vote on certain fundamental matters affecting LinnCo, but will not have the right to elect the LinnCo board of directors. LINN holds the sole voting share in LinnCo, and therefore will elect the LinnCo board. LinnCo's initial board of directors will be composed of the same members as LINN's board of directors.

***Will there be future offerings of LinnCo shares?***

As LINN continues to execute on its acquisition and growth strategy, it expects to continue to require additional equity capital. LinnCo may make future sales of LinnCo shares to facilitate this strategy, and such future sales may be made separately or in tandem with future sales of LINN units depending on, among other factors, the amount of equity capital to be raised and the relative trading prices of the LinnCo shares and the LINN units. Any proceeds from the sale of both LinnCo shares and LINN units will ultimately be used by LINN to execute its strategy.

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### **Risk Factors**

An investment in our shares involves risks. You should carefully consider the risks described in "Risk Factors" beginning on page 29 of this prospectus and the other information in this prospectus before deciding whether to invest in our shares.

#### **Risks Related to LINN's Business**

LINN actively seeks to acquire oil and natural gas properties. Acquisitions involve potential risks that could adversely impact its future growth and its ability to increase or pay distributions at the current level, or at all.

LINN has significant indebtedness. LINN's revolving credit facility and the indentures governing LINN's outstanding senior notes have substantial restrictions, and LINN may have difficulty obtaining additional credit, which could adversely affect its operations, its ability to make acquisitions and its ability to pay distributions to its unitholders, including us.

Commodity prices are volatile, and a significant decline in commodity prices for a prolonged period would reduce LINN's revenues, cash flow from operations and profitability and it may have to lower its distribution or may not be able to pay distributions at all, which would in turn reduce or eliminate our ability to pay dividends to you.

LINN's estimated reserves are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of LINN's reserves.

LINN's development operations require substantial capital expenditures, which will reduce its cash available for distribution. LINN may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in its reserves.

Drilling for and producing oil, natural gas and NGL are high risk activities with many uncertainties that could adversely affect LINN's financial position or results of operations and, as a result, its ability to pay distributions to its unitholders.

#### **Risks Inherent in an Investment in LinnCo**

Because our only assets will be LINN units, our cash flow and our ability to pay dividends on our shares are completely dependent upon the ability of LINN to make distributions to its unitholders.

We will incur corporate income tax liabilities on income allocated to us by LINN with respect to LINN units we own, which may be substantial.

An active trading market for our shares may not develop, and even if such a market does develop, the market price of our shares may be less than the price you paid for your shares and less than the market price of LINN units.

Our shareholders will only be able to indirectly vote on matters on which LINN unitholders are entitled to vote, and our shareholders are not entitled to vote to elect our directors. Therefore, you will only be able to indirectly influence the management and board of directors of LINN, and you will not be able to directly influence or change our management or board of directors.

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LINN may issue additional units or other classes of units, and we may issue additional shares without your approval, which would dilute our direct and your indirect ownership interest in LINN and your ownership interest in us.

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Your shares are subject to limited call rights that could result in your having to involuntarily sell your shares at a time or price that may be undesirable.

Our limited liability company agreement limits the fiduciary duties owed by our officers and directors to our shareholders, and LINN's limited liability company agreement limits the fiduciary duties owed by LINN's officers and directors to its unitholders, including us.

The terms of our shares may be changed in ways you may not like, because our board of directors will have the power to change the terms of our shares in ways our board determines, in its good faith, are not materially adverse to you.

Our shares may trade at a substantial discount to the trading price of LINN units.

**Tax Risks to Shareholders**

If LINN were subject to a material amount of entity-level income taxes or similar taxes, whether as a result of being treated as a corporation for U.S. federal income tax purposes or otherwise, the value of LINN units would be substantially reduced and, as a result, the value of our shares could be substantially reduced.

**Management of LinnCo**

LINN owns our sole voting share (the voting share, and collectively with any additional shares of the same class issued in the future, the voting shares) and will be entitled to elect our entire board of directors.

Our initial board of directors will be identical to LINN's board of directors, and all of our officers are also officers of LINN. Our shareholders will be able to indirectly vote on matters on which LINN unitholders are entitled to vote. Our shareholders are not entitled to vote to elect our directors. Under NASDAQ's listing rules, we are considered a controlled company such that our board of directors will be exempt from the requirement that it have a majority of independent directors meeting the NASDAQ's independence standards. We will, however, be required to have an audit committee of the board of directors composed entirely of independent directors. At the completion of this offering, our board of directors will be comprised of seven directors, including five independent directors constituting our audit committee. For information about our executive officers and directors, please read Management beginning on page 106.

**Comparison of LINN Units with LinnCo Shares**

You should be aware of the following ways in which an investment in LINN units is different from an investment in our shares. The table below should be read together with Description of Our Shares, Description of the LINN Units, Description of the Limited Liability Company Agreements, and Material U.S. Federal Income Tax Consequences.

	<b>LINN Units</b>	<b>LinnCo Shares</b>
Business and Assets	LINN is in the business of acquiring and developing oil and natural gas assets.	Our sole purpose is to own LINN units. We will not have any other assets at closing and do not intend to own assets other than LINN units and reserves for income taxes payable by us. As a result, our financial condition and results of operations will depend entirely on the performance of LINN.

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	<b>LINN Units</b>	<b>LinnCo Shares</b>
Voting	Unitholders have the right to vote with respect to the election of LINN’s board of directors, certain amendments to its limited liability company agreement, the merger of LINN or the sale of all or substantially all of its assets and the dissolution and winding up of LINN.	We will submit to a vote of our shareholders any matter submitted by LINN to a vote of its unitholders. We will vote the LINN units that we hold in the same manner as the owners of our shares vote (or refrain from voting) their shares on those matters. In addition, our shareholders will be entitled to vote on certain fundamental matters affecting us, such as certain amendments to our limited liability company agreement or the Omnibus Agreement (as defined below), certain mergers, the sale of all or substantially all of our assets and in certain cases, our dissolution and winding up.  LINN, as the holder of our sole voting share, will have the right to elect the members of our board of directors, and our shareholders will have no right to vote in that election.
Board of Directors and Officers	LINN’s business and affairs are managed under the direction of LINN’s board of directors, which has the power to appoint our officers.  The authority and function of LINN’s board of directors and officers is, with certain exceptions, identical to the authority and functions of a board of directors and officers of a corporation organized under the General Corporation Law of the State of Delaware, or DGCL.	Our initial board of directors will be composed of the same members as LINN’s board of directors, and our initial officers will be the same individuals who serve as officers of LINN.  Our business and affairs will be managed under the direction of our board of directors, which has the power to appoint our officers.  The authority and function of our board of directors and officers will be identical to the authority and functions of a board of directors and officers of a corporation organized under the DGCL, except for certain limitations on their fiduciary duties. Please read “Description of Limited Liability Company Agreements Our Limited Liability Company Agreement Fiduciary Duties” on page 146.

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	<b>LINN Units</b>	<b>LinnCo Shares</b>
Distributions and Dividends	On a quarterly basis, LINN is required to distribute to the owners of its units an amount equal to its available cash.	On a quarterly basis, LinnCo is required to pay a dividend equal to the amount of cash received from LINN in respect of the LINN units owned by LinnCo, less reserves for income taxes payable by LinnCo.  We will incur corporate income tax liability on income allocated to us by LINN with respect to LINN units we own. Accordingly, the quarterly cash dividend you receive will be less than the quarterly per unit distribution of cash that we receive from LINN. For each of the periods ending December 31, 2012, 2013, 2014 and 2015, we estimate that LinnCo's income tax liability will be between 2% and 5% of the cash distributed to LinnCo.
Income Tax	LINN is taxed as a partnership for U.S. federal income tax purposes.  Although LINN is not subject to entity level federal income tax, each unitholder is required to report as income his allocable share of LINN's income, gains, losses and deductions for LINN's taxable year or years ending with or within his taxable year.	Our federal taxable income will be subject to a corporate level tax at a maximum rate of 35%, under current law (and a 20% alternative minimum tax on our alternative minimum taxable income in certain cases), and we may be liable for state income taxes at varying rates in states in which LINN operates.  Our shareholders will be subject to U.S. federal income tax, as well as any applicable state or local income tax, on taxable dividends received by them, or on any gain when they sell our shares. Our shareholders will not report our items of income, gain, loss and deduction on their U.S. federal income tax returns. We estimate that for each of the periods ending December 31, 2012, 2013, 2014 and 2015, you will recognize an amount of taxable dividend income that will be between 0% and 60% of the cash dividends paid to you during each such period. The excess of the cash dividends that you receive over your taxable dividend income during each such period will reduce your tax basis in your shares, or will be taxable as capital gain to the extent they exceed your tax basis in your shares.



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	<b>LINN Units</b>	<b>LinnCo Shares</b>
Taxation Schedules	<p>Unitholders receive a Schedule K-1 from LINN reflecting the unitholders' share of LINN's items of income, gain, loss, and deduction.</p> <p>Any net income or gain of LINN allocated to a tax-exempt organization, including an employee benefit plan, will constitute unrelated business taxable income of that organization.</p> <p>Net income and gain from LINN units generally will be qualifying income to a regulated investment company or mutual fund, subject to certain limitations that do not apply to income or gain with respect to stock of a corporation.</p>	<p>Like shareholders of a corporation, LinnCo shareholders will receive a Form 1099-DIV reflecting dividends of cash or other property we paid to them. Our shareholders will not receive a Schedule K-1 from us because they will not be allocated our items of income, gain, loss, and deduction.</p> <p>A tax-exempt organization, including an employee benefit plan, generally will not have unrelated business taxable income upon the receipt of dividends from us.</p> <p>Dividend income and gain from our shares generally will be qualifying income to a regulated investment company or mutual fund.</p>

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**Ownership of LINN**

The following diagram depicts LINN's simplified organizational and ownership structure after giving effect to this offering and to the subsequent purchase of LINN units by us.

Public Units ( )	%
Units held by LinnCo ( )	%
Total	100%

**Principal Executive Offices and Internet Address**

Our principal executive offices are located at 600 Travis, Suite 5100, Houston, Texas 77002, and our telephone number is (281) 840-4000. Our website is located at [www.linnco.com](http://www.linnco.com) and will be activated immediately following this offering. We expect to make available our periodic reports and other information filed with or furnished to the Securities and Exchange Commission, which we refer to as the SEC, free of charge through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

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**The Offering**

LinnCo	We are a Delaware limited liability company recently formed to hold units of LINN.
Shares offered to the public	_____ shares, or _____ shares if the underwriters exercise their option to purchase additional shares in full.
Shares outstanding after this offering	_____ shares (or _____ shares if the underwriters exercise their option to purchase additional shares in full) representing a 100% economic interest in us.
	One voting share of LinnCo owned by LINN. Our voting share is a non-economic interest.
LINN units held by LinnCo after this offering	_____ units (or _____ units if the underwriters exercise their option to purchase additional shares in full) representing a _____ % limited liability company interest in LINN.
Use of proceeds	We will use all of the net proceeds from this offering of approximately \$ _____ million (\$ _____ million if the underwriters exercise their option to purchase additional shares in full), after deducting underwriting discounts and the structuring fee, to purchase from LINN a number of LINN units equal to the number of shares sold in this offering. LINN will pay the expenses of this offering.  LINN will use the proceeds it receives from the sale of LINN units to us for general corporate purposes, including financing its acquisition strategy, repaying debt and paying the expenses of this offering.  Affiliates of certain of the underwriters in this offering are lenders under LINN's revolving credit facility and, accordingly, if LINN elects to use the proceeds it receives from LinnCo to repay any such debt outstanding under that facility, those lenders would indirectly receive a portion of the net proceeds from this offering. Please read _____ Underwriting FINRA Rules.
Proposed NASDAQ symbol	We have applied to list the shares on the NASDAQ Global Select Market under the symbol LNCO.
Our dividend policy	Our limited liability company agreement requires us to pay dividends on our shares of the cash we receive as distributions in respect of our LINN units, net of reserves for income taxes payable by us, within five business days after we receive such distributions.

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LINN distribution policy

LINN's limited liability company agreement requires it to make quarterly distributions to unitholders of all of its available cash, which is defined to mean, for each fiscal quarter, all cash on hand at the end of the quarter less the amount of cash reserves established by the LINN board of directors to:

provide for the proper conduct of business (including reserves for future capital expenditures, future debt service requirements, and for anticipated credit needs); and

comply with applicable laws, debt instruments or other agreements;

plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter for which the determination is being made.

U.S. federal income tax matters associated with our shares

Because we will be treated as a corporation for U.S. federal income tax purposes, our shareholders will receive a Form 1099-DIV and will be subject to federal income tax, as well as any applicable state or local income tax, on taxable dividends paid to them. An owner of our shares will not report on its U.S. federal income tax return any of our items of income, gain, loss and deduction. An owner of our shares will not receive a Schedule K-1 and will not be subject to state tax filings in the various states in which LINN conducts business as a result of owning our shares. A tax-exempt investor's ownership or sale of our shares generally will not generate income derived from an unrelated trade or business regularly carried on by the tax-exempt investor, which generally is referred to as unrelated business taxable income, or UBTI. The ownership or sale of our shares by a regulated investment company, or mutual fund, will generate qualifying income to it. Furthermore, the ownership of our shares by a mutual fund will be treated as a qualifying asset. There generally will be no taxes imposed on gain from the sale of our shares by a non-U.S. person provided it has owned no more than 5% of our shares and our shares are regularly traded on a nationally recognized securities exchange. Dividends to non-U.S. persons will be subject to withholding tax of 30% (or a lower treaty rate, if applicable). See Material U.S. Federal Income Tax Consequences.

Our covenants

Our limited liability company agreement provides that our activities will be limited to owning LINN units. It requires that our issuance of shares of classes other than (i) the class of shares being sold in this offering, (ii) the class of voting shares currently owned by LINN and (iii) derivative shares issued under employee benefit plans, be approved by the owners of our outstanding shares, voting as separate classes, and further includes covenants that prohibit us from (otherwise than in connection with a Terminal Transaction):

borrowing money or issuing debt;

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selling, pledging or otherwise transferring any LINN units;

issuing options, warrants or other securities entitling the holder to purchase our shares (other than in connection with employee benefit plans);

liquidating, merging (other than to effect a mere change in legal form) or recapitalizing;

revoking or changing our election to be treated as a corporation for U.S. federal income tax purposes; or

using the proceeds from sales of our shares other than to purchase LINN units; or

agreeing to any amendment to the Omnibus Agreement that has a material adverse effect on the preferences or rights of any shareholder, other than any amendment that (A) effects the intent of the provisions of the Omnibus Agreement, (B) facilitates the ability of the shareholders to obtain the benefits of, or otherwise facilitates the consummation of, a Terminal Transaction, (C) reflects any change in circumstances as a result of certain non-cash mergers involving LINN, or (D) the board of directors determines, in its good faith, will not have a material adverse effect on the preferences or rights of the shares.

See Description of the Limited Liability Company Agreements Our Limited Liability Company Agreement. In addition, these provisions can be amended or waived by the owners of our common and voting shares as described under Voting rights below.

Relationship with LINN

Under our limited liability company agreement, LINN has agreed that neither it nor any of its subsidiaries will take any action that would result in LINN and its subsidiaries ceasing to control LinnCo, except in connection with a Terminal Transaction.

Under an Omnibus Agreement between LINN and us (the Omnibus Agreement), LINN will pay on our behalf (directly or indirectly) any legal, accounting, tax advisory, financial advisory and engineering fees, printing costs or other administrative and out-of-pocket expenses we incur, along with any other expenses incurred in connection with this offering or incurred as a result of being a publicly traded entity, including costs associated with annual, quarterly and other reports to holders of our shares, tax return and Form 1099 preparation and distribution, NASDAQ listing fees, printing costs, independent auditor fees and expenses, legal counsel fees and expenses and registrar and transfer agent fees. LINN will also agree to indemnify us for damages suffered or costs incurred (other than income taxes payable by us) in connection with carrying out our activities.

These covenants can be amended or waived by the owners of our shares as described under Voting rights below.



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Terminal Transactions involving LINN

*Mergers.* If the LINN unitholders are asked to approve a merger of LINN with another entity, we will submit the merger to a vote of our shareholders and will vote our LINN units in the same manner that our shareholders vote (or refrain from voting) their shares.

*Cash Consideration.* In a merger involving LINN in which unitholders receive cash, you will be entitled to receive any cash we receive for our LINN units, net of income taxes payable by us. In the event of an all-cash merger of LINN, we will dissolve and wind up our affairs after such distribution.

*Non-Cash Consideration.* In a merger involving LINN in which LINN unitholders receive securities of another entity, you will be entitled to receive the securities received in connection with such merger. In the event of such a merger in which LINN is not the surviving entity, we will dissolve and wind up our affairs unless:

LINN's successor would be treated as a partnership for U.S. federal income tax purposes; and

the surviving entity agrees to assume the obligations of LINN under our limited liability company agreement and the Omnibus Agreement.

*Tender Offers.* If a third party makes a tender offer for LINN units, LINN may, but will not be obligated to, cooperate with such third party to extend such tender offer to our shareholders or otherwise facilitate participation of our shareholders in the tender offer for LINN units.

*Going Private Transaction.* If at any time a person owns more than 90% of the outstanding LINN units, such person may elect to purchase all, but not less than all, of the remaining outstanding LINN units at a price equal to the higher of the current market price (as defined in LINN's limited liability company agreement) and the highest price paid by such person or any of its affiliates for any LINN units purchased during the 90-day period preceding the date notice was mailed to the LINN unitholders informing them of such election. In this case, we will be required to tender all of our outstanding LINN units and distribute the cash we receive, net of income taxes payable by us, to our shareholders. Following such distribution, we will cancel all of our outstanding shares and dissolve and wind up our affairs.

*Sale of All or Substantially All of LINN's Assets.* If LINN sells all or substantially all of its assets in one or more transactions for cash and makes a distribution of such cash to its unitholders, we will distribute the cash we receive, net of income taxes payable by us, to our shareholders. Following such distribution, we will cancel all of our outstanding shares and dissolve and wind up our affairs.

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*Change in Tax Treatment of LINN.* If LINN or its successor ceases to be treated as a partnership for U.S. federal income tax purposes, LINN or such successor will have the right to cause us to merge with and into LINN, in which case each of our shareholders will receive distributions in kind of LINN units and other property we own, if any, after payments to creditors and satisfaction of other obligations.

The transactions described above are referred to as Terminal Transactions.

Limited call rights

If LINN or any of its affiliates owns 80% or more of our outstanding shares, LINN has the right, which it may assign to any of its affiliates, to purchase all of our outstanding shares, at a purchase price not less than the then-current market price of our shares.

If any person acquires more than 90% of the outstanding LINN units, such person may require us to tender all of our outstanding LINN units, in which case we will distribute the cash we receive to our shareholders. Following such distribution, we will cancel all of our outstanding shares and dissolve and wind up our affairs. See Terminal Transactions involving LINN above.

Voting rights

We will submit to a vote of the owners of our shares any matter submitted to us by LINN for a vote of the LINN units held by us. We will vote the LINN units that we own in the same manner that the owners of our shares vote (or refrain from voting) their shares. The LINN units we hold will have the same voting rights as all other LINN units.

Owners of the shares being sold in this offering will have no right to elect our directors. LINN owns the sole voting share entitled to elect our directors, which we refer to as the voting share, and which has no economic interest in us. Owners of the shares of the class being sold in this offering are entitled to vote on the following matters related to us:

amendments to our limited liability company agreement and the Omnibus Agreement with LINN, but only if the amendment would have a material adverse effect on the preferences or rights of our shareholders (as determined in the good faith of our board of directors), would reduce the time for any notice to which the owners of our shares are entitled, enlarges the obligations of our shareholders, alters the circumstances under which LinnCo could be dissolved or wound up or changes the term of existence of LinnCo;

an amendment or waiver of LINN's covenant regarding its continued ownership of more than 50% of the total voting power of LinnCo;

an amendment or waiver of the covenants described above under Our covenants ;



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our issuance of classes of shares other than shares of the class being sold in this offering, the class of the voting share currently owned by LINN and derivative shares issued under employee benefit plans;

a merger of LinnCo or the sale of all or substantially all of our assets (other than in connection with a Terminal Transaction); and

our dissolution (other than in connection with a Terminal Transaction).

The matters described above, other than amendment or waiver of the covenants described above under Our covenants, also require approval by the holders of a majority of our voting shares.

Ratio of LinnCo shares to LINN units

Our limited liability company agreement requires that the number of our outstanding shares and the number of LINN units we own always be equal.

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**Summary Historical and Pro Forma Financial and Operating Data of LINN**

The following table shows summary historical and pro forma financial and operating data of LINN as of the dates and for the periods indicated. The selected historical financial data presented as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 are derived from the historical audited financial statements that are included elsewhere in this prospectus. The selected historical financial data of LINN presented as of June 30, 2012 and for the six months ended June 30, 2011 and 2012 are derived from the unaudited interim financial statements that are included elsewhere in this prospectus. The summary pro forma financial data presented for the year ended December 31, 2011 and the six months ended June 30, 2012 are derived from the unaudited pro forma condensed combined financial statements that are included elsewhere in this prospectus. The pro forma financial data presented as of June 30, 2012 gives effect to the Green River Acquisition as if it had been completed as of June 30, 2012, and the pro forma financial data presented for the year ended December 31, 2011 and the six months ended June 30, 2012 give effect to the Green River Acquisition and the Hugoton Acquisition as if they had been completed as of January 1, 2011 and certain other 2011 acquisitions as if they had been completed as of January 1, 2010. The following table should be read together with, and is qualified in its entirety by reference to, the historical and unaudited financial statements and the accompanying notes included elsewhere in this prospectus. The table should also be read together with Management's Discussion and Analysis of Financial Condition and Results of Operations.

The unaudited pro forma financial statements do not purport to represent what LINN's results of operations would have actually been had such acquisitions occurred on the dates noted above, or to project LINN's results of operations as of any future date or for any future periods. The pro forma adjustments are based on available information and certain assumptions that LINN believes are reasonable. The adjustments are directly attributable to the acquisition of oil and natural gas properties from the Green River Acquisition, Hugoton Acquisition and certain other 2011 acquisitions and are expected to have a continuing impact on LINN's results of operations. In our opinion, all adjustments necessary to present fairly the unaudited pro forma condensed combined financial statements have been made.

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Because of rapid growth through acquisitions and development of properties, LINN's historical results of operations and period-to-period comparisons of these results and certain other financial data may not be meaningful or indicative of future results. The results of LINN's Appalachian Basin and Mid Atlantic Well Service, Inc. operations, which were disposed of in 2008, are classified as discontinued operations, due to post-closing adjustments, for the year ended December 31, 2009. Unless otherwise indicated, results of operations information presented herein relates only to continuing operations.

	Historical			Pro Forma	Historical		Pro Forma
	At or for the Year Ended			For the Year	At or for the Six		For the
	2009	December 31, 2010	2011	Ended December 31, 2011	Months Ended June 30, 2011	2012	Six Months Ended June 30, 2012
				(Unaudited)	(Unaudited)		(Unaudited)
	(in thousands, except per unit amounts)						
<b>Statement of operations data:</b>							
Oil, natural gas and natural gas liquids sales	\$ 408,219	\$ 690,054	\$ 1,162,037	\$ 1,961,964	\$ 543,097	\$ 696,122	\$ 839,659
Gains (losses) on oil and natural gas derivatives	(141,374)	75,211	449,940	449,940	(163,961)	441,678	441,678
Depreciation, depletion and amortization	201,782	238,532	334,084	511,880	145,711	260,782	315,027
Interest expense, net of amounts capitalized	92,701	193,510	259,725	381,564	125,825	171,909	202,305
Income (loss) from continuing operations	(295,841)	(114,288)	438,439	639,664	(209,573)	230,884	219,840
Income (loss) from discontinued operations, net of taxes(1)	(2,351)						
Net income (loss)	(298,192)	(114,288)	438,439	639,664	(209,573)	230,884	219,840
Income (loss) per unit continuing operations:							
Basic	(2.48)	(0.80)	2.52	3.65	(1.25)	1.17	1.11
Diluted	(2.48)	(0.80)	2.51	3.64	(1.25)	1.16	1.11
Income (loss) per unit discontinued operations:							
Basic	(0.02)						
Diluted	(0.02)						
Net income (loss) per unit:							
Basic	(2.50)	(0.80)	2.52	3.65	(1.25)	1.17	1.11
Diluted	(2.50)	(0.80)	2.51	3.64	(1.25)	1.16	1.11
Distributions declared per unit	2.52	2.55	2.70		1.32	1.415	
Weighted average units outstanding:							
Basic	119,307	142,535	172,004	173,728	169,104	195,382	195,382
Diluted	119,307	142,535	172,729	174,453	169,104	196,039	196,039

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	Historical At or for the Year Ended December 31,			Historical At or for the Six Months Ended June 30,		Pro Forma
	2009	2010	2011	2011	2012	At June 30, 2012
		(in thousands)		(Unaudited) (in thousands)	(Unaudited)	(in thousands)
<b>Cash flow data:</b>						
Net cash provided by (used in):						
Operating activities(2)	\$ 426,804	\$ 270,918	\$ 518,706	\$ 303,762	\$ (122,429)	
Investing activities	(282,273)	(1,581,408)	(2,130,360)	(1,081,736)	(2,265,931)	
Financing activities	(150,968)	1,524,260	1,376,767	611,741	2,389,129	
<b>Balance sheet data:</b>						
Total assets	\$ 4,340,256	\$ 5,933,148	\$ 8,000,137		\$ 11,180,102	\$ 11,907,340
Long-term debt	1,588,831	2,742,902	3,993,657		6,005,547	6,687,838
Unitholders capital	2,452,004	2,788,216	3,428,910		4,131,663	4,131,663

- (1) Includes gains (losses) on sale of assets, net of taxes.
- (2) Includes premiums paid for derivatives of approximately \$94 million, \$120 million and \$134 million for the years ended December 31, 2009, December 31, 2010 and December 31, 2011, respectively, and approximately \$583 million for the six months ended June 30, 2012.

**Table of Contents****Summary Reserve and Operating Data**

The following table presents summary unaudited operating data with respect to LINN's production and sales of oil and natural gas for the periods presented and summary information with respect to LINN's estimated proved oil and natural gas reserves at year end. DeGolyer and MacNaughton, independent petroleum engineers, provided the estimates of LINN's proved oil and natural gas reserves as of December 31, 2009, 2010 and 2011 set forth below.

	2009	Year Ended December 31, 2010	2011	Six Months Ended June 30, 2011 2012	
<b>Average daily production continuing operations:</b>					
Natural gas (MMcf/d)	125	137	175	163	273
Oil (MBbls/d)	9.0	13.1	21.5	19.3	27.2
NGL (MBbls/d)	6.5	8.3	10.8	9.3	19.1
Total (MMcfe/d)	218	265	369	335	550
<b>Weighted average prices (hedged):(1)</b>					
Natural gas (\$/Mcf)	\$ 8.27	\$ 8.52	\$ 8.20	\$ 8.68	\$ 5.93
Oil (\$/Bbl)	110.94	94.71	89.21	88.35	92.86
NGL (\$/Bbl)	28.04	39.14	42.88	44.70	33.21
<b>Expenses (\$/Mcf):</b>					
Lease operating expenses	\$ 1.67	\$ 1.64	\$ 1.73	\$ 1.69	\$ 1.42
Transportation expenses	0.23	0.20	0.21	0.20	0.32
General and administrative expenses(2)	1.08	1.02	0.99	1.02	0.84
Depreciation, depletion and amortization	2.53	2.46	2.48	2.40	2.60
Taxes, other than income taxes	0.35	0.47	0.58	0.59	0.56

	2009	2010	2011
<b>Estimated proved reserves continuing operations:(3)</b>			
Natural gas (Bcf)	774	1,233	1,675
Oil (MMBbls)	102	156	189
NGL (MMBbls)	54	71	94
Total (Bcfe)	1,712	2,597	3,370
Percent proved developed reserves (%)	71%	64%	60%
Estimated reserve life (in years)(4)	22	23	22
Standardized measure of discounted future net cash flows (\$ in millions)(5)	\$ 1,723	\$ 4,224	\$ 6,615

- (1) Includes the effect of realized gains on derivatives of approximately \$401 million (excluding \$49 million realized net gains on canceled contracts), \$308 million, \$230 million (excluding \$27 million realized gains on canceled contracts), \$98 million and \$173 million (excluding approximately \$18 million realized gain on recovery of bankruptcy claim) for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012, respectively.
- (2) General and administrative expenses for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012 include approximately \$15 million, \$13 million, \$21 million, \$11 million and \$14 million of noncash unit-based compensation expenses, respectively. General and administrative expenses excluding these amounts were \$0.90 per Mcfe, \$0.88 per Mcfe, \$0.83 per Mcfe, \$0.85 per Mcfe and \$0.70 per Mcfe for the years ended December 31, 2009, 2010 and 2011 and the six months ended June 30, 2011 and 2012, respectively. This is a non-GAAP measure used by LINN's management to analyze its performance.

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- (3) In accordance with SEC regulations, reserves at December 31, 2009, 2010 and 2011 were estimated using the average price during the 12-month period, determined as an unweighted average of the first-day-of-the-month price for each month, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. The price used to estimate reserves is held constant over the life of the reserves.
- (4) Based on annualized average daily production from continuing operations for the fourth quarter of each respective year.
- (5) Standardized measure of discounted future net cash flows is the present value of estimated future net revenues to be generated from the production of proved reserves, discounted using an annual discount rate of 10% and determined in accordance with the rules and regulations of the SEC without giving effect to non-property related expenses such as general and administrative expenses, debt service, future income tax expenses or depreciation, depletion and amortization. Standardized measure of discounted future net cash flows does not give effect to derivative transactions. However, LINN estimates the discounted present value, or PV-10, of its approximately 3.4 Tcfe of proved reserves at December 31, 2011, to be approximately \$7.1 billion, based on oil and natural gas hedge values for 2012-2016 and strip prices as of December 31, 2011. This calculation of PV-10 differs from the standardized measure of discounted future net cash flows determined in accordance with the rules and regulations of the SEC in that it is presented including the impacts of commodity derivatives and current strip prices, rather than market prices and without giving effect to derivatives. LINN calculates PV-10 in this manner because a large percentage of its forecasted oil and natural gas production is hedged for multiple-year periods, and management therefore believes that LINN's PV-10 calculation more accurately reflects the discounted present value of its estimated future net revenues. The information used to calculate PV-10 is not derived directly from data determined in accordance with authoritative accounting guidance regarding disclosure about oil and natural gas producing activities. LINN's calculation of PV-10 should not be considered as an alternative to the standardized measure of discounted future net cash flows determined in accordance with the rules and regulations of the SEC. For a reconciliation of PV-10 to the standardized measure of discounted future net cash flows see PV-10.

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**Non-GAAP Financial Measures**

LINN defines adjusted EBITDA as net income (loss) plus the following adjustments:

Net operating cash flow from acquisitions and divestitures, effective date through closing date;

Interest expense;

Depreciation, depletion and amortization;

Impairment of long-lived assets;

Write-off of deferred financing fees;

(Gains) losses on sale of assets and other, net;

Provision for legal matters;

Loss on extinguishment of debt;

Unrealized (gains) losses on commodity derivatives;

Unrealized (gains) losses on interest rate derivatives;

Realized (gains) losses on interest rate derivatives;

Realized (gains) losses on canceled derivatives;

Realized gain on recovery of bankruptcy claim;

Unit-based compensation expenses;

Exploration costs;

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Income tax (benefit) expense; and

Discontinued operations.

Adjusted EBITDA is a measure used by LINN's management to indicate (prior to the establishment of any reserves by the board of directors) the cash distributions LINN expects to make to its unitholders. Adjusted EBITDA is also a quantitative measure used throughout the investment community with respect to publicly traded partnerships and limited liability companies.



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The following table presents a reconciliation of net income (loss) to adjusted EBITDA (unaudited):

	Year Ended December 31,			Six Months Ended June 30,	
	2009	2010	2011	2011	2012
Net income (loss)	\$ (298,192)	\$ (114,288)	\$ 438,439	\$ (209,573)	\$ 230,884
Plus:					
Net operating cash flow from acquisitions and divestitures, effective date through closing date	3,708	42,846	57,966	36,359	45,127
Interest expense, cash	74,185	129,691	249,085	125,181	129,652
Interest expense, noncash	18,516	63,819	10,640	644	42,257
Depreciation, depletion and amortization	201,782	238,532	334,084	145,711	260,782
Impairment of long-lived assets		38,600			146,499
Write-off of deferred financing fees	204	2,076	1,189	1,189	7,889
(Gains) losses on sale of assets and other, net	(23,051)	3,008	124	(916)	991
Provision for legal matters		4,362	1,086	740	795
Loss on extinguishment of debt			94,612	94,372	
Unrealized (gains) losses on commodity derivatives	591,379	232,376	(192,951)	261,851	(250,406)
Unrealized (gains) losses on interest rate derivatives	(16,588)	(63,978)			
Realized losses on interest rate derivatives	42,881	8,021			
Realized (gains) losses on canceled derivatives	(48,977)	123,865	(26,752)		
Realized gain on recovery of bankruptcy claim					(18,277)
Unit-based compensation expenses	15,089	13,792	22,243	11,181	14,834
Exploration costs	7,169	5,168	2,390	995	817
Income tax (benefit) expense	(4,221)	4,241	5,466	5,868	9,430
Discontinued operations	2,351				
Adjusted EBITDA	\$ 566,235	\$ 732,131	\$ 997,621	\$ 473,602	\$ 621,274

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PV-10 represents the present value, discounted at 10% per year, of estimated future net revenues. LINN's calculation of PV-10 differs from the standardized measure of discounted future net cash flows determined in accordance with the rules and regulations of the SEC in that it is presented including the impacts of its oil and natural gas hedge values for 2012-2016 and strip prices as of December 31, 2011, rather than the average price during the 12-month period, determined as an unweighted average of the first-day-of-the-month price for each month, and without giving effect to derivatives. LINN calculates PV-10 value in this manner because such a large percentage of its forecasted oil and natural gas production is hedged for multiple-year periods, and management therefore believes that its PV-10 calculation more accurately reflects the value of its estimated future net revenues. The information used to calculate PV-10 is not derived directly from data determined in accordance with the provisions of applicable accounting standards. LINN's calculation of PV-10 should not be considered as an alternative to the standardized measure of discounted future net cash flows determined in accordance with the rules and regulations of the SEC. The following presents a reconciliation of standardized measure of discounted future net cash flows to LINN's calculation of PV-10 at December 31, 2011 (in millions):

Standardized measure of discounted future net cash flows	\$ 6,615
Plus: Difference due to oil and natural gas hedge prices and strip prices for unhedged volumes	450
<b>PV-10</b>	<b>\$ 7,065</b>

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**RISK FACTORS**

*An investment in our shares involves risks. You should carefully consider the following risk factors together with all of the other information included in this prospectus in evaluating an investment in our shares. If certain of the following risks were to occur, LINN's business, financial condition or results of operations, and ours, as a result, could be materially adversely affected. In that case, LINN might not be able to pay any distribution on its units, the trading price of our shares could decline and you could lose all or part of your investment in us. In addition, if certain of the following risks were to occur, our financial condition or the price of our shares could be materially adversely affected.*

**Risks Related to LINN's Business**

*LINN actively seeks to acquire oil and natural gas properties. Acquisitions involve potential risks that could adversely impact its future growth and its ability to increase or pay distributions at the current level, or at all.*

Any acquisition involves potential risks, including, among other things:

the risk that reserves expected to support the acquired assets may not be of the anticipated magnitude or may not be developed as anticipated;

the risk of title defects discovered after closing;

inaccurate assumptions about revenues and costs, including synergies;

significant increases in LINN's indebtedness and working capital requirements;

an inability to transition and integrate successfully or timely the businesses LINN acquires;

the cost of transition and integration of data systems and processes;

the potential environmental problems and costs;

the assumption of unknown liabilities;

limitations on rights to indemnity from the seller;

the diversion of management's attention from other business concerns;

increased demands on existing personnel and on the corporate structure;

disputes arising out of acquisitions;

customer or key employee losses of the acquired businesses; and

the failure to realize expected growth or profitability.

The scope and cost of these risks may ultimately be materially greater than estimated at the time of the acquisition. Further, LINN's future acquisition costs may be higher than those it has achieved historically. Any of these factors could adversely impact its future growth and its ability to increase or pay distributions.

***If LINN does not make future acquisitions on economically acceptable terms, then its growth and ability to increase distributions will be limited.***

LINN's ability to grow and to increase distributions to its unitholders is partially dependent on its ability to make acquisitions that result in an increase in available cash flow per unit. It may be unable to make such acquisitions because it is:

unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts with them;

unable to obtain financing for these acquisitions on economically acceptable terms; or

outbid by competitors.

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In any such case, LINN's future growth and ability to increase distributions will be limited. Furthermore, even if LINN does make acquisitions that it believes will increase available cash flow per unit, these acquisitions may nevertheless result in a decrease in available cash flow per unit.

***LINN has significant indebtedness under its Senior Notes and from time to time, its Credit Facility. The Credit Facility and the indentures governing the Senior Notes have substantial restrictions and LINN may have difficulty obtaining additional credit, which could adversely affect its operations, its ability to make acquisitions and its ability to pay distributions to its unitholders, including us.***

As of June 30, 2012, LINN had an aggregate of approximately \$6.1 billion in outstanding senior notes ( Senior Notes ) and borrowings under its Fifth Amended and Restated Credit Agreement ( Credit Facility ) with additional borrowing capacity of approximately \$646 million under its Credit Facility, which includes a \$4 million reduction in availability for outstanding letters of credit and a \$200 million reduction in availability related to a restriction on swap agreements outstanding associated with the Green River Acquisition, which no longer applies since the acquisition has closed. As a result of its indebtedness, LINN will use a portion of its cash flow to pay interest and principal when due, which will reduce the cash available to finance its operations and other business activities and could limit its flexibility in planning for or reacting to changes in its business and the industry in which it operates.

The Credit Facility restricts LINN's ability to incur additional indebtedness, create liens on its properties, make distributions, make investments, sell assets, enter into commodity and interest rate derivative contracts and engage in business combinations. LINN is also required to demonstrate compliance quarterly with certain financial covenants and ratios, including a ratio of EBITDA to Interest Expense of 2.5 to 1.0 and a Current Ratio of 1.0 to 1.0 (as such terms are defined in the Credit Facility which is filed as an exhibit to our registration statement filed with the SEC in connection with this offering). Its ability to comply with these restrictions and covenants in the future is uncertain and will be affected by the levels of cash flow from its operations and events or circumstances beyond its control. LINN's failure to comply with any of the above restrictions and covenants could result in an event of default, which, if it continues beyond any applicable cure periods, could cause all of its existing indebtedness to be immediately due and payable.

LINN depends, in part, on its Credit Facility for future capital needs. LINN has drawn on its Credit Facility to fund or partially fund quarterly cash distribution payments, since it uses operating cash flow primarily for drilling and development of oil and natural gas properties and acquisitions and borrows as cash is needed. Absent such borrowing, it would have at times experienced a shortfall in cash available to pay its declared quarterly cash distribution amount. If there is a default by LINN under its Credit Facility that continues beyond any applicable cure period, it would be unable to make borrowings to fund distributions. In addition, LINN may finance acquisitions through borrowings under its Credit Facility or the incurrence of additional debt. To the extent that LINN is unable to incur additional debt under its Credit Facility or otherwise because it is not in compliance with the financial covenants in the Credit Facility, it may not be able to complete acquisitions, which could adversely affect its ability to maintain or increase distributions. Furthermore, to the extent LINN is unable to refinance its Credit Facility on terms that are as favorable as those in its existing Credit Facility, or at all, its ability to fund its operations and its ability to pay distributions could be affected.

The borrowing base under LINN's Credit Facility is determined semi-annually at the discretion of the lenders and is based in part on oil, natural gas and NGL prices. Significant declines in oil, natural gas or NGL prices may result in a decrease in its borrowing base. The lenders can unilaterally adjust the borrowing base and therefore the borrowings permitted to be outstanding under the Credit Facility. Any increase in the borrowing base requires the consent of all the lenders. Outstanding borrowings in excess of the borrowing base must be repaid immediately, or LINN must pledge other properties as additional collateral. LINN does not currently have substantial unpledged properties, and it may not have the financial resources in the future to make any mandatory principal prepayments required under the Credit Facility. Significant declines in LINN's production or significant declines in realized oil, natural gas or NGL prices for prolonged periods and resulting decreases in its borrowing base may force it to reduce or suspend distributions to its unitholders.

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***LINN's ability to access the capital and credit markets to raise capital and borrow on favorable terms will be affected by disruptions in the capital and credit markets, which could adversely affect its operations, its ability to make acquisitions and its ability to pay distributions to its unitholders.***

Disruptions in the capital and credit markets could limit LINN's ability to access these markets or significantly increase its cost to borrow. Some lenders may increase interest rates, enact tighter lending standards, refuse to refinance existing debt at maturity on favorable terms or at all and may reduce or cease to provide funding to borrowers. If LINN is unable to access the capital and credit markets on favorable terms, its ability to make acquisitions and pay distributions could be affected.

***LINN's variable rate indebtedness subjects it to interest rate risk, which could cause its debt service obligations to increase significantly.***

Borrowings under LINN's Credit Facility bear interest at variable rates and expose LINN to interest rate risk. If interest rates increase and LINN is unable to effectively hedge its interest rate risk, its debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and its net income and cash available for servicing its indebtedness would decrease.

***Increases in interest rates could adversely affect the demand for LINN's units.***

An increase in interest rates may cause a corresponding decline in demand for equity investments, in particular for yield-based equity investments such as LINN units. Any such reduction in demand for LINN units resulting from other more attractive investment opportunities may cause the trading price of LINN units to decline.

***LINN's commodity derivative activities could result in financial losses or could reduce its income, which may adversely affect its ability to pay distributions to its unitholders.***

To achieve more predictable cash flow and to reduce its exposure to adverse fluctuations in the prices of oil and natural gas, LINN enters into commodity derivative contracts for a significant portion of its production. Commodity derivative arrangements expose it to the risk of financial loss in some circumstances, including situations when production is less than expected. If LINN experiences a sustained material interruption in its production or if it is unable to perform its drilling activity as planned, it might be forced to satisfy all or a portion of its derivative obligations without the benefit of the cash flow from its sale of the underlying physical commodity, resulting in a substantial reduction of its liquidity, which may adversely affect its ability to pay distributions to its unitholders.

***Counterparty failure may adversely affect LINN's derivative positions.***

LINN cannot be assured that its counterparties will be able to perform under its derivative contracts. If a counterparty fails to perform and the derivative arrangement is terminated, LINN's cash flow and ability to pay distributions could be impacted.

***Commodity prices are volatile, and a significant decline in commodity prices for a prolonged period would reduce LINN's revenues, cash flow from operations and profitability and it may have to lower its distribution or may not be able to pay distributions at all, which would in turn reduce or eliminate our ability to pay dividends to you.***

LINN's revenue, profitability and cash flow depend upon the prices of and demand for oil, natural gas and NGL. The oil, natural gas and NGL market is very volatile and a drop in prices can significantly affect LINN's financial results and impede its growth. Changes in oil, natural gas and NGL prices have a significant impact on the value of LINN's reserves and on its cash flow. Prices for these commodities may fluctuate widely in response to relatively minor changes in the supply of and demand for them, market uncertainty and a variety of additional factors that are beyond LINN's control, such as:

the domestic and foreign supply of and demand for oil, natural gas and NGL;

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the price and level of foreign imports;

the level of consumer product demand;

weather conditions;

overall domestic and global economic conditions;

political and economic conditions in oil and natural gas producing countries, including those in the Middle East and South America;

the ability of members of the Organization of Petroleum Exporting Countries to agree to and maintain price and production controls;

the impact of the U.S. dollar exchange rates on oil, natural gas and NGL prices;

technological advances affecting energy consumption;

domestic and foreign governmental regulations and taxation;

the impact of energy conservation efforts;

the proximity and capacity of pipelines and other transportation facilities; and

the price and availability of alternative fuels.

In the past, the prices of oil, natural gas and NGL have been extremely volatile, and LINN expects this volatility to continue. If commodity prices decline significantly for a prolonged period, LINN's cash flow from operations will decline, and it may have to lower its distribution or may not be able to pay distributions at all, which would in turn reduce or eliminate our ability to pay dividends to you.

***Future price declines or downward reserve revisions may result in a write down of LINN's asset carrying values, which could adversely affect its results of operations and limit its ability to borrow funds.***

Declines in oil, natural gas and NGL prices may result in LINN having to make substantial downward adjustments to its estimated proved reserves. If this occurs, or if LINN's estimates of development costs increase, production data factors change or drilling results deteriorate, accounting rules may require it to write down, as a noncash charge to earnings, the carrying value of its properties for impairments. LINN capitalizes costs to acquire, find and develop its oil and natural gas properties under the successful efforts accounting method. LINN is required to perform impairment tests on its assets periodically and whenever events or changes in circumstances warrant a review of its assets. To the extent such tests indicate a reduction of the estimated useful life or estimated future cash flows of LINN's assets, the carrying value may not be recoverable and therefore would require a write down. LINN may incur impairment charges in the future, which could have a material adverse effect on its results of operations in the period incurred and on its ability to borrow funds under its Credit Facility, which in turn may adversely affect its ability to make cash distributions to its unitholders.

***Unless LINN replaces its reserves, its reserves and production will decline, which would adversely affect its cash flow from operations and its ability to make distributions to its unitholders.***

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Producing oil, natural gas and NGL reservoirs are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. The overall rate of decline for LINN's production will change if production from its existing wells declines in a different manner than its has estimated and can change when it drills additional wells, makes acquisitions and under other circumstances. Thus, LINN's future oil, natural gas and NGL reserves and production and, therefore, its cash flow and income, are highly dependent on its success in efficiently developing its current reserves and economically finding or acquiring additional recoverable reserves. LINN may not be able to develop, find or acquire additional reserves to replace its current and future production at acceptable costs, which would adversely affect its cash flow from operations and its ability to make distributions to its unitholders.



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*LINN's estimated reserves are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of LINN's reserves.*

No one can measure underground accumulations of oil, natural gas and NGL in an exact manner. Reserve engineering requires subjective estimates of underground accumulations of oil, natural gas and NGL and assumptions concerning future oil, natural gas and NGL prices, production levels and operating and development costs. As a result, estimated quantities of proved reserves and projections of future production rates and the timing of development expenditures may prove to be inaccurate. Independent petroleum engineering firms prepare estimates of our proved reserves. Some of LINN's reserve estimates are made without the benefit of a lengthy production history, which are less reliable than estimates based on a lengthy production history. Also, LINN makes certain assumptions regarding future oil, natural gas and NGL prices, production levels and operating and development costs that may prove incorrect. Any significant variance from these assumptions by actual amounts could greatly affect LINN's estimates of reserves, the economically recoverable quantities of oil, natural gas and NGL attributable to any particular group of properties, the classifications of reserves based on risk of recovery and estimates of the future net cash flows. Numerous changes over time to the assumptions on which LINN's reserve estimates are based, as described above, often result in the actual quantities of oil, natural gas and NGL LINN ultimately recovers being different from its reserve estimates.

The present value of future net cash flows from LINN's proved reserves is not necessarily the same as the current market value of its estimated oil, natural gas and NGL reserves. LINN bases the estimated discounted future net cash flows from its proved reserves on an unweighted average of the first-day-of-the-month price for each month during the 12-month calendar year and year-end costs. However, actual future net cash flows from its oil and natural gas properties also will be affected by factors such as:

actual prices we receive for oil, natural gas and NGL;

the amount and timing of actual production;

the timing and success of development activities;

supply of and demand for oil, natural gas and NGL; and

changes in governmental regulations or taxation.

In addition, the 10% discount factor required to be used under the provisions of applicable accounting standards when calculating discounted future net cash flows, may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with LINN or the oil and natural gas industry in general.

*LINN's development operations require substantial capital expenditures, which will reduce its cash available for distribution. LINN may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in its reserves.*

The oil and natural gas industry is capital intensive. LINN makes and expects to continue to make substantial capital expenditures in its business for the development and production of oil, natural gas and NGL reserves. These expenditures will reduce LINN's cash available for distribution. LINN intends to finance its future capital expenditures with cash flow from operations and, to the extent necessary, with equity and debt offerings or bank borrowings. LINN's cash flow from operations and access to capital are subject to a number of variables, including:

its proved reserves;

the level of oil, natural gas and NGL it is able to produce from existing wells;

the prices at which it is able to sell its oil, natural gas and NGL; and

its ability to acquire, locate and produce new reserves.

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If LINN's revenues or the borrowing base under its Credit Facility decrease as a result of lower oil, natural gas and NGL prices, operating difficulties, declines in reserves or for any other reason, it may have limited ability to obtain the capital necessary to sustain its operations at current levels. LINN's Credit Facility restricts its ability to obtain new financing. If additional capital is needed, it may not be able to obtain debt or equity financing on terms favorable to it, or at all. If cash flow from operations or cash available under the Credit Facility is not sufficient to meet LINN's capital requirements, the failure to obtain additional financing could result in a curtailment of its development operations, which in turn could lead to a possible decline in its reserves.

***LINN may decide not to drill some of the prospects it has identified, and locations that it decides to drill may not yield oil, natural gas and NGL in commercially viable quantities.***

LINN's prospective drilling locations are in various stages of evaluation, ranging from a prospect that is ready to drill to a prospect that will require additional geological and engineering analysis. Based on a variety of factors, including future oil, natural gas and NGL prices, the generation of additional seismic or geological information, the availability of drilling rigs and other factors, LINN may decide not to drill one or more of these prospects. As a result, LINN may not be able to increase or maintain its reserves or production, which in turn could have an adverse effect on its business, financial position, results of operations and its ability to pay distributions. In addition, the SEC's reserve reporting rules include a general requirement that, subject to limited exceptions, proved undeveloped reserves may only be booked if they relate to wells scheduled to be drilled within five years of the date of booking. At December 31, 2011, LINN had 2,302 proved undeveloped drilling locations. To the extent that LINN does not drill these locations within five years of initial booking, they may not continue to qualify for classification as proved reserves, and LINN may be required to reclassify such reserves as unproved reserves. The reclassification of such reserves could also have a negative effect on the borrowing base under the Credit Facility.

The cost of drilling, completing and operating a well is often uncertain, and cost factors can adversely affect the economics of a well. LINN's efforts will be uneconomic if it drills dry holes or wells that are productive but do not produce enough oil, natural gas and NGL to be commercially viable after drilling, operating and other costs. If LINN drills future wells that it identifies as dry holes, its drilling success rate would decline, which could have an adverse effect on its business, financial position or results of operations.

***LINN's business depends on gathering and transportation facilities. Any limitation in the availability of those facilities would interfere with its ability to market the oil, natural gas and NGL it produces, and could reduce its cash available for distribution and adversely impact expected increases in oil, natural gas and NGL production from our drilling program.***

The marketability of LINN's oil, natural gas and NGL production depends in part on the availability, proximity and capacity of gathering and pipeline systems. The amount of oil, natural gas and NGL that can be produced and sold is subject to limitation in certain circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage to the gathering or transportation system, or lack of contracted capacity on such systems. The curtailments arising from these and similar circumstances may last from a few days to several months. In many cases, LINN is provided only with limited, if any, notice as to when these circumstances will arise and their duration. In addition, some of its wells are drilled in locations that are not serviced by gathering and transportation pipelines, or the gathering and transportation pipelines in the area may not have sufficient capacity to transport additional production. As a result, LINN may not be able to sell the oil, natural gas and NGL production from these wells until the necessary gathering and transportation systems are constructed. Any significant curtailment in gathering system or pipeline capacity, or significant delay in the construction of necessary gathering and transportation facilities, would interfere with LINN's ability to market the oil, natural gas and NGL it produces, and could reduce its cash available for distribution and adversely impact expected increases in oil, natural gas and NGL production from its drilling program.

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*LINN depends on certain key customers for sales of our oil, natural gas and NGL. To the extent these and other customers reduce the volumes they purchase from LINN or delay payment, LINN's revenues and cash available for distribution could decline. Further, a general increase in nonpayment could have an adverse impact on its financial position and results of operations.*

For the year ended December 31, 2011, Enbridge Energy Partners, L.P. and DCP Midstream Partners, LP accounted for approximately 21% and 19%, respectively, of LINN's total production volumes, or 40% in the aggregate. For the year ended December 31, 2010, DCP Midstream Partners, LP, Enbridge Energy Partners, L.P. and ConocoPhillips accounted for approximately 19%, 17% and 12%, respectively, of LINN's total volumes, or 48% in the aggregate. To the extent these and other customers reduce the volumes of oil, natural gas or NGL that they purchase from LINN, its revenues and cash available for distribution could decline.

*Many of LINN's leases are in areas that have been partially depleted or drained by offset wells.*

LINN's key project areas are located in some of the most active drilling areas of the producing basins in the U.S. As a result, many of its leases are in areas that have already been partially depleted or drained by earlier offset drilling. This may inhibit its ability to find economically recoverable quantities of reserves in these areas.

LINN's identified drilling location inventories are scheduled out over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling, resulting in temporarily lower cash from operations, which may impact LINN's ability to pay distributions.

LINN's management has specifically identified and scheduled drilling locations as an estimation of LINN's future multi-year drilling activities on its existing acreage. As of December 31, 2011, LINN had identified 6,456 drilling locations, of which 2,302 were proved undeveloped locations and 4,154 were other locations. These identified drilling locations represent a significant part of LINN's growth strategy. Its ability to drill and develop these locations depends on a number of factors, including the availability of capital, seasonal conditions, regulatory approvals, oil, natural gas and NGL prices, costs and drilling results. In addition, DeGolyer and MacNaughton has not estimated proved reserves for the 4,154 other drilling locations LINN has identified and scheduled for drilling, and therefore there may be greater uncertainty with respect to the success of drilling wells at these drilling locations. LINN's final determination on whether to drill any of these drilling locations will be dependent upon the factors described above as well as, to some degree, the results of its drilling activities with respect to its proved drilling locations. Because of these uncertainties, LINN does not know if the numerous drilling locations it has identified will be drilled within its expected timeframe or will ever be drilled or if it will be able to produce oil, natural gas and NGL from these or any other potential drilling locations. As such, LINN's actual drilling activities may materially differ from those presently identified, which could adversely affect its business.

*Drilling for and producing oil, natural gas and NGL are high risk activities with many uncertainties that could adversely affect LINN's financial position or results of operations and, as a result, its ability to pay distributions to its unitholders.*

LINN's drilling activities are subject to many risks, including the risk that it will not discover commercially productive reservoirs. Drilling for oil, natural gas and NGL can be uneconomic, not only from dry holes, but also from productive wells that do not produce sufficient revenues to be commercially viable. In addition, LINN's drilling and producing operations may be curtailed, delayed or canceled as a result of other factors, including:

the high cost, shortages or delivery delays of equipment and services;

unexpected operational events;

adverse weather conditions;

facility or equipment malfunctions;

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title problems;

pipeline ruptures or spills;

compliance with environmental and other governmental requirements;

unusual or unexpected geological formations;

loss of drilling fluid circulation;

formations with abnormal pressures;

fires;

blowouts, craterings and explosions; and

uncontrollable flows of oil, natural gas and NGL or well fluids.

Any of these events can cause increased costs or restrict LINN's ability to drill the wells and conduct the operations which it currently has planned. Any delay in the drilling program or significant increase in costs could impact LINN's ability to generate sufficient cash flow to pay quarterly distributions to its unitholders at the current distribution level or at all. Increased costs could include losses from personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution, environmental contamination, loss of wells and regulatory penalties. LINN ordinarily maintains insurance against certain losses and liabilities arising from its operations. However, it is impossible to insure against all operational risks in the course of LINN's business. Additionally, LINN may elect not to obtain insurance if it believes that the cost of available insurance is excessive relative to the perceived risks presented. Losses could therefore occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. The occurrence of an event that is not fully covered by insurance could have a material adverse impact on LINN's business activities, financial position and results of operations.

***Because LINN handles oil, natural gas and NGL and other hydrocarbons, it may incur significant costs and liabilities in the future resulting from a failure to comply with new or existing environmental regulations or an accidental release of hazardous substances into the environment.***

The operations of LINN's wells, gathering systems, turbines, pipelines and other facilities are subject to stringent and complex federal, state and local environmental laws and regulations. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. There is an inherent risk that LINN may incur environmental costs and liabilities due to the nature of its business and the substances it handles. Certain environmental statutes, including the RCRA, CERCLA and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released. In addition, an accidental release from one of LINN's wells or gathering pipelines could subject it to substantial liabilities arising from environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage and fines or penalties for related violations of environmental laws or regulations.

Moreover, the possibility exists that stricter laws, regulations or enforcement policies could significantly increase LINN's compliance costs and the cost of any remediation that may become necessary, and these costs may not be recoverable from insurance. For a more detailed discussion of environmental and regulatory matters impacting LINN's business, please read Business LINN Environmental Matters and Regulation.

*LINN is subject to complex federal, state, local and other laws and regulations that could adversely affect the cost, manner or feasibility of doing business.*

LINN's operations are regulated extensively at the federal, state and local levels. Environmental and other governmental laws and regulations have increased the costs to plan, design, drill, install, operate and abandon oil

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and natural gas wells. Under these laws and regulations, LINN could also be liable for personal injuries, property damage and other damages. Failure to comply with these laws and regulations may result in the suspension or termination of LINN's operations and subject it to administrative, civil and criminal penalties. Moreover, public interest in environmental protection has increased in recent years, and environmental organizations have opposed, with some success, certain drilling projects.

Part of the regulatory environment in which LINN operates includes, in some cases, legal requirements for obtaining environmental assessments, environmental impact studies and/or plans of development before commencing drilling and production activities. In addition, LINN's activities are subject to the regulations regarding conservation practices and protection of correlative rights. These regulations affect LINN's operations and limit the quantity of oil, natural gas and NGL it may produce and sell. A major risk inherent in LINN's drilling plans is the need to obtain drilling permits from state and local authorities. Delays in obtaining regulatory approvals or drilling permits, the failure to obtain a drilling permit for a well or the receipt of a permit with unreasonable conditions or costs could have a material adverse effect on LINN's ability to develop its properties. Additionally, the regulatory environment could change in ways that might substantially increase the financial and managerial costs of compliance with these laws and regulations and, consequently, adversely affect LINN's ability to pay distributions to its unitholders. For a description of the laws and regulations that affect us, please read "Business LINN Environmental Matters and Regulation."

### ***Federal and state legislation and regulatory initiatives related to hydraulic fracturing could result in increased costs and operating restrictions or delays.***

Hydraulic fracturing is an important and common practice that is used to stimulate production of hydrocarbons from tight formations. Due to concerns raised relating to potential impacts of hydraulic fracturing on groundwater quality, legislative and regulatory efforts at the federal level and in some states have been initiated to render permitting and compliance requirements more stringent for hydraulic fracturing or prohibit the activity altogether. For example, the EPA has asserted federal regulatory authority over hydraulic fracturing involving diesel additives under the Safe Drinking Water Act's Underground Injection Control Program and has begun the process of drafting guidance documents related to this newly asserted regulatory authority. In addition, both Texas and Louisiana have adopted disclosure regulations requiring varying degrees of disclosure of the constituents in hydraulic fracturing fluids. Such efforts could have an adverse effect on LINN's oil and natural gas production activities. For a more detailed discussion of hydraulic fracturing matters impacting LINN's business, please read "Business LINN Environmental Matters and Regulation."

### **Risks Inherent in an Investment in LinnCo**

#### ***Our cash flow consists exclusively of distributions from LINN.***

Our only assets will be units representing limited liability company interests in LINN that we own. Our cash flow will be therefore completely dependent upon the ability of LINN to make distributions to its unitholders. The amount of cash that LINN can distribute to its unitholders, including us, each quarter principally depends upon the amount of cash it generates from its operations, which will fluctuate from quarter to quarter based on, among other things:

produced volumes of oil, natural gas and NGL;

prices at which oil, natural gas and NGL production is sold;

level of its operating costs;

payment of interest, which depends on the amount of its indebtedness and the interest payable thereon; and

level of its capital expenditures.

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In addition, the actual amount of cash that LINN will have available for distribution will depend on other factors, some of which are beyond its control, including:

availability of borrowings on acceptable terms under its credit facility to pay distributions;

the costs of acquisitions, if any;

fluctuations in its working capital needs;

timing and collectibility of receivables;

restrictions on distributions contained in its credit facility and the indentures governing its senior notes;

prevailing economic conditions;

access to credit or capital markets; and

the amount of cash reserves established by its board of directors for the proper conduct of its business.

Because of these factors, LINN may not have sufficient available cash each quarter to pay the current distribution of \$0.725 per quarter or any other amount. Furthermore, the amount of cash that LINN has available for distribution depends primarily upon its cash flow, including cash flow from financial reserves and working capital borrowings, and is not solely a function of profitability, which will be affected by non-cash items. As a result, LINN may be able to make cash distributions during periods when it records net losses and may not be able to make cash distributions during periods when it records net income. Please read [Risks Related to LINN's Business](#) for a discussion of risks affecting LINN's ability to generate distributable cash flow.

***We will incur corporate income tax liabilities on income allocated to us by LINN with respect to LINN units we own, which may be substantial.***

We are classified as a corporation for U.S. federal income tax purposes and, in most states in which LINN does business, for state income tax purposes. Under current law, we will be subject to U.S. federal income tax at rates of up to 35% (and a 20% alternative minimum tax in certain cases), and to state income tax at rates that vary from state to state, on the net income allocated to us by LINN with respect to the LINN units we own. The amount of cash available for distribution to you will be reduced by the amount of any such income taxes payable by us for which we establish reserves.

Although we currently estimate that our income tax liability for each of the periods ending December 31, 2012, 2013, 2014 and 2015 will be between 2% and 5% of the distributions we receive from LINN with respect to each of the applicable periods (please read [Our Dividend Policy](#)), that estimate is based upon a number of assumptions regarding LINN's earnings from its operations, the amount of those earnings allocated to us, our income tax liabilities and the amount of the distributions paid to us by LINN that may prove incorrect, including:

LINN will not significantly decrease its drilling activity;



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there will not be an issuance of significant additional units by LINN without a corresponding increase in the aggregate tax deductions generated by LINN;

proposed legislation that would eliminate the current deduction of intangible drilling costs and other tax incentives to the oil and natural gas industry will not be enacted; and

there will not be a significant increase in oil and natural gas prices.

Events inconsistent with our assumptions could cause our income tax liabilities to be substantially higher than estimated (and could therefore cause our quarterly dividends to be substantially lower than the quarterly distributions on LINN units). Please read [Material U.S. Federal Income Tax Consequences](#) [Consequences to U.S. Holders](#) [Distributions on the Shares](#).

Moreover, after December 31, 2015, our income tax liabilities may increase substantially. For example, distributions that we receive with respect to our LINN units that exceed the net income allocated to us by LINN

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with respect to those units decrease our tax basis in those units. When our tax basis in our LINN units is reduced to zero and any loss or other carryovers are fully utilized, the distributions we receive from LINN in excess of net income allocated to us by LINN will effectively be fully taxable to us, without any deductions.

### ***Changes to current U.S. federal tax laws may affect our ability to take certain tax deductions.***

Substantive changes to the existing U.S. federal income tax laws have been proposed that, if adopted, would affect, among other things, our ability to take certain deductions related to LINN's operations, including deductions for intangible drilling costs and percentage depletion and deductions for costs associated with U.S. production activities. We are unable to predict whether any changes, or other proposals to such laws, ultimately will be enacted. Any such changes could negatively impact the value of an investment in our shares.

***There is no existing market for our shares. Following this offering, an active trading market for our shares may not develop, and even if such a market does develop, the market price of our shares may be less than the price you paid for your shares and less than the market price of LINN units. The market price of our shares may fluctuate significantly, and you could lose all or part of your investment.***

Prior to this offering, there has been no public market for our shares. After this offering, there will be only publicly traded shares, assuming no exercise of the underwriters' option to purchase additional shares. We do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. You may not be able to resell your shares at or above the initial public offering price.

The initial public offering price for the shares will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of the market price of the shares that will prevail in the trading market. The market price of our shares may decline below the initial public offering price. The market price of our shares may also be influenced by many factors, some of which are beyond our control, including:

the trading price of LINN units;

the level of LINN's quarterly distributions and our quarterly dividends;

LINN's quarterly or annual earnings or those of other companies in its industry;

the loss of a large customer by LINN;

announcements by LINN or its competitors of significant contracts or acquisitions;

changes in accounting standards, policies, guidance, interpretations or principles;

general economic conditions;

future sales of our shares; and

other factors described in these Risk Factors.

***Our shareholders will only be able to indirectly vote on matters on which LINN unitholders are entitled to vote, and our shareholders are not entitled to vote to elect our directors.***

Our shareholders will only be able to indirectly vote on matters on which LINN unitholders are entitled to vote, and our shareholders are not entitled to vote to elect our directors. Therefore, you will only be able to indirectly influence the management and board of directors of LINN, and you will not be able to directly influence or change our management or board of directors. If our shareholders are dissatisfied with the performance of our directors, they will have no ability to remove the directors and will have no right on an annual or ongoing basis to elect our board of directors. Rather, our board of directors will be appointed by the holder of our voting share, which will be LINN. As a result of these limitations, the price at which the shares will trade could be lower because of the absence or reduction of a takeover premium in the trading price. Our limited liability company agreement also contains provisions limiting the ability of holders of our shares to call meetings or to obtain information about our operations, as well as other provisions limiting the ability of holders of our shares to influence the manner or direction of management.

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*LINN may issue additional units without your approval or other classes of units, and we may issue additional shares, which would dilute our direct and your indirect ownership interest in LINN and your ownership interest in us.*

LINN's limited liability company agreement does not limit the number of additional limited liability company interests, including interests that rank senior to the LINN units, that it may issue at any time without the approval of its unitholders. The issuance by LINN of additional units or other equity securities of equal or senior rank will have the following effects:

our proportionate ownership interest in LINN will decrease;

the amount of cash available for distribution on each LINN unit may decrease, resulting in a decrease in the amount of cash available to pay dividends to you;

the relative voting strength of each previously outstanding unit, including the LINN units we hold and vote in accordance with the vote of our unitholders, will be diminished; and

the market price of the LINN units may decline, resulting in a decline in the market price of our shares.

In addition, our limited liability company agreement does not limit the number of additional shares that we may issue at any time without your approval. The issuance by us of additional shares will have the following effects:

your proportionate ownership interest in us will decrease;

the relative voting strength of each previously outstanding share you own will be diminished; and

the market price of our shares may decline.

***Your shares are subject to limited call rights that could result in your having to involuntarily sell your shares at a time or price that may be undesirable. Shareholders who are not Eligible Holders will not be entitled to receive distributions on or allocations of income or loss on their shares and their shares will be subject to redemption.***

If LINN or any of its affiliates owns 80% or more of our outstanding shares, LINN has the right, which it may assign to any of its affiliates, to purchase all of our remaining outstanding shares, at a purchase price not less than the then-current market price of our shares. If LINN exercises any of its rights to purchase our shares, you may be required to sell your shares at a time or price that may be undesirable, and you could receive less than you paid for your shares. Any sale of our shares, to LINN or otherwise, for cash will be a taxable transaction to the owner of the shares sold. Accordingly, a gain or loss will be recognized on the sale equal to the difference between the cash received and the owner's tax basis in the shares sold.

In addition, if at any time a person owns more than 90% of the outstanding LINN units, such person may elect to purchase all, but not less than all, of the remaining outstanding LINN units at a price equal to the higher of the current market price (as defined in LINN's limited liability company agreement) and the highest price paid by such person or any of its affiliates for any LINN units purchased during the 90-day period preceding the date notice was mailed to the LINN unitholders informing them of such election. In this case, we will be required to tender all of our outstanding LINN units and distribute the cash we receive, net of income taxes payable by us, to our shareholders. Following such distribution, we will dissolve and wind up our affairs. Thus, upon the election of a holder of 90% of the outstanding LINN units, you may receive a distribution that is effectively less than the price at which you would prefer to sell your shares.

In order to comply with U.S. laws with respect to the ownership of interests in oil and gas leases on federal lands, we have adopted certain requirements regarding those investors who may own our shares. As used herein, an Eligible Holder means a person or entity qualified to hold

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an interest in oil and gas leases on federal lands. As of the date hereof, Eligible Holder means: (1) a citizen of the United States; (2) a corporation organized under the

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laws of the United States or of any state thereof; or (3) an association of United States citizens, such as a partnership or limited liability company, organized under the laws of the United States or of any state thereof, but only if such association does not have any direct or indirect foreign ownership, other than foreign ownership of stock in a parent corporation organized under the laws of the United States or of any state thereof. For the avoidance of doubt, onshore mineral leases or any direct or indirect interest therein may be acquired and held by aliens only through stock ownership, holding or control in a corporation organized under the laws of the United States or of any state thereof and only for so long as the alien is not from a country that the United States federal government regards as denying similar privileges to citizens or corporations of the United States. Shareholders who are not persons or entities who meet the requirements to be an Eligible Holder will not be entitled to receive distributions on their shares and they run the risk of having their shares redeemed by us at the then-current market price.

*The terms of our shares may be changed in ways you may not like, because our board of directors will have the power to change the terms of our shares in ways our board determines, in its good faith, are not materially adverse to you.*

As an owner of our shares, you may not like the changes made to the terms of our shares, if any, and you may disagree with our board of directors' decision that the changes are not materially adverse to you as a shareholder. Your recourse if you disagree will be limited because our limited liability company agreement gives broad latitude and discretion to our board of directors and limits the fiduciary duties that our officers and directors otherwise would owe to you.

*Our limited liability company agreement limits the fiduciary duties owed by our officers and directors to our shareholders, and LINN's limited liability company agreement limits the fiduciary duties owed by LINN's officers and directors to its unitholders, including us.*

Our limited liability company agreement has modified, waived and limited the fiduciary duties of our directors and officers that would otherwise apply at law or in equity and replaced such duties with a contractual duty requiring our directors and officers to act in good faith. For purposes of our limited liability company agreement, a person shall be deemed to have acted in good faith if the person subjectively believes that the action or omission of action is in, or not opposed to, the best interests of LinnCo. In addition, any action or omission shall be deemed to be in, or not opposed to, the best interests of LinnCo and our shareholders if such action or omission of action is in, or not opposed to, the best interest of LINN and all its unitholders, taken together.

The above modifications of fiduciary duties are expressly permitted by Delaware law. Thus, we and our shareholders will only have recourse and be able to seek remedies against our board of directors if they breach their obligations pursuant to our limited liability company agreement. Furthermore, even if there has been a breach of the obligations set forth in our limited liability company agreement, that agreement provides that our directors and officers will not be liable to us or our shareholders, except for acts or omissions not in good faith.

These provisions restrict the remedies available to our shareholders for actions that without those limitations might constitute breaches of duty, including fiduciary duties. In addition, LINN's limited liability company agreement also limits the fiduciary duties owed by LINN's officers and directors to its unitholders, including us.

*Our limited liability company agreement prohibits a shareholder who acquires 15% or more of our shares or voting power with respect to 15% or more of the outstanding LINN units without the approval of our board of directors from engaging in a business combination with us or with LINN for three years. This provision could discourage a change of control of us or of LINN that our shareholders may favor, which could negatively affect the price of our shares.*

Our limited liability company agreement effectively adopts Section 203 of the Delaware General Corporation Laws, or the DGCL. Section 203 of the DGCL as it applies to us prevents an interested shareholder, defined as a person who owns 15% or more of our outstanding shares or voting power with respect to 15% or

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more of the outstanding LINN units, from engaging in business combinations with us for three years following the time such person becomes an interested shareholder. Section 203 broadly defines business combination to encompass a wide variety of transactions with or caused by an interested shareholder, including mergers, asset sales and other transactions in which the interested shareholder receives a benefit on other than a pro rata basis with other shareholders. This provision of our limited liability company agreement could have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging takeover attempts that might result in a premium over the market price for our shares.

### ***Our shares may trade at a substantial discount to the trading price of LINN units.***

We cannot predict whether our shares will trade at a discount or premium to the trading price of LINN units. If we incur substantial corporate income tax liabilities on income allocated to us by LINN with respect to LINN units we own, the quarterly dividend of cash you receive per share will be substantially less than the quarterly per unit distribution of cash that we receive from LINN. In addition, upon a Terminal Transaction, the net proceeds you receive from us per share may, as a result of our corporate income tax liabilities on the transaction and other factors, be substantially lower than the net proceeds per unit received by a direct LINN unitholder. As a result of these considerations, our shares may trade at a substantial discount to the trading price of LINN units. See Description of the Limited Liability Company Agreements Our Limited Liability Company Agreement Terminal Transactions Involving LINN.

### ***We will be a controlled company within the meaning of the NASDAQ rules and intend to rely on exemptions from various corporate governance requirements immediately following the closing of this offering.***

We have applied to list our shares on the NASDAQ Global Select Market. A company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a controlled company within the meaning of the NASDAQ rules. A controlled company may elect not to comply with various corporate governance requirements of NASDAQ, including the requirement that a majority of its board of directors consist of independent directors, the requirement that its nominating and governance committee consist of all independent directors and the requirement that its compensation committee consist of all independent directors.

Following this offering, we believe that we will be a controlled company since LINN will hold our sole voting share and will have the sole power to elect our board of directors. See Description of the Limited Liability Company Agreements Our Limited Liability Company Agreement Voting Rights. Because we intend to rely on certain of the controlled company exemptions and will not have a compensation committee or a nominating and corporate governance committee, you may not have the same corporate governance advantages afforded to stockholders of companies that are subject to all of the corporate governance requirements of NASDAQ.

## **Tax Risks to Shareholders**

***Upon a Terminal Transaction, we may be entitled to a smaller distribution per LINN unit we own than other LINN unitholders, and we may incur substantial corporate income tax liabilities in the transaction or upon the distribution of the proceeds from the transaction to you, in which case the net proceeds you receive from us per share may be substantially lower than the net proceeds per unit received by a direct LINN unitholder.***

Upon a liquidation of LINN, LINN unitholders will receive distributions in accordance with the positive balances in their respective capital accounts in their units. Please read Description of the Limited Liability Company Agreements LINN's Limited Liability Company Agreement Liquidation and Distribution of Proceeds. As a result of the underwriting discount and offering expenses incurred in connection with this offering, we will acquire LINN units at a price lower than the current market price of LINN units. Therefore, our capital account in the LINN units that we will own initially will be lower than the capital accounts of other LINN

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unitholders in their LINN units. Therefore, we would be entitled upon a dissolution of LINN to a smaller distribution per LINN unit we own than other LINN unitholders, unless adjustments were made to our capital accounts in the LINN units that we will own.

Each time LINN issues or redeems units, it is required to adjust the capital accounts in all outstanding LINN units upward to the extent of the unrealized gains in LINN's assets or downward to the extent of the unrealized losses in LINN's assets immediately prior to such issuance or redemption. In general, the difference between the fair market value of each such asset and its adjusted tax basis equals the unrealized gain (if the fair market value exceeds the adjusted tax basis) or the unrealized loss (if the adjusted tax basis exceeds the fair market value). Unrealized gains and unrealized losses generally are allocated among the LINN unitholders in the same manner as other items of LINN income, gain, deduction or loss.

The board of directors of LINN, however, is authorized to make disproportionate allocations of income and deductions, including allocations of unrealized gains and unrealized losses, to the extent necessary to cause the capital accounts of all LINN units to be the same. We anticipate that there will be sufficient unrealized gains or unrealized losses in connection with future issuances or redemptions of LINN units in order for LINN to allocate to us sufficient unrealized gains, or to allocate sufficient unrealized losses to other holders of LINN units, to cause the capital accounts in the LINN units that we will own to be the same as the capital accounts of all other LINN units and result in our being entitled upon the dissolution of LINN to the same distribution per LINN unit we will own as other LINN unitholders. However, there can be no assurance that such adjustments will occur or that any adjustments that do occur will be sufficient to eliminate the difference between our capital account in the LINN units that we will own and the capital accounts of other LINN unitholders in their LINN units.

We are classified as a corporation for U.S. federal income tax purposes and, in most states in which LINN does business, for state income tax purposes. Upon a Terminal Transaction, we will be required to liquidate and distribute the net after-tax proceeds of the transaction to you. Please read *Description of the Limited Liability Company Agreements Our Limited Liability Company Agreement Terminal Transactions Involving LINN*. We may incur substantial corporate income tax liabilities upon such a transaction or upon our distribution to you of the proceeds of the transaction. The tax liability we incur will depend in part upon the amount by which the value of the LINN units we own exceeds our tax basis in the units. We expect our tax basis in our LINN units to decrease over time as we receive distributions that exceed the net income allocated to us by LINN with respect to those units. As a result, we may incur substantial income tax liabilities upon such a transaction even if LINN units decrease in value after we purchase them. The amount of cash or other property available for distribution to you upon our liquidation will be reduced by the amount of any such income taxes paid by us. See *Description of the Limited Liability Company Agreements Our Limited Liability Company Agreement Terminal Transactions Involving LINN*.

As a result of these factors, upon a Terminal Transaction, the net proceeds you receive from us per share may be substantially lower than the net proceeds per unit received by a direct LINN unitholder.

***Your tax gain on the disposition of our shares could be more than expected, or your tax loss on the disposition of our shares could be less than expected.***

If you sell your shares, or you receive a liquidating distribution from us, you will recognize a gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized and your tax basis in those shares. Because distributions in excess of your allocable share of our earnings and profits decrease your tax basis in your shares, the amount, if any, of such prior excess distributions with respect to the shares you sell or dispose of will, in effect, become taxable gain to you if you sell such shares at a price greater than your tax basis in those shares, even if the price you receive is less than your original cost. Please read *Material U.S. Federal Income Tax Consequences*.



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*If you are a U.S. holder of our shares, the IRS Forms 1099-DIV that you receive from your broker may over-report your dividend income with respect to our shares for U.S. federal income tax purposes, and failure to over-report your dividend income in a manner consistent with the IRS Forms 1099-DIV that you receive from your broker may cause the IRS to assert audit adjustments to your U.S. federal income tax return. If you are a non-U.S. holder of our shares, your broker or other withholding agent may overwithhold taxes from dividends paid to you, in which case you would have to file a U.S. tax return if you wanted to claim a refund of the overwithheld tax.*

Dividends we pay with respect to our shares will constitute dividends for U.S. federal income tax purposes only to the extent of our current and accumulated earnings and profits. Dividends we pay in excess of our earnings and profits will not be treated as dividends for U.S. federal income tax purposes; instead, they will be treated first as a tax-free return of capital to the extent of your tax basis in your shares and then as capital gain realized on the sale or exchange of such shares. Please read Material U.S. Federal Income Tax Consequences. We may be unable to timely determine the portion of our distributions that is a dividend for U.S. federal income tax purposes.

If you are a U.S. holder of our shares, we may be unable to persuade brokers to prepare the IRS Forms 1099-DIV that they send to you in a manner that is consistent with our determination of the amount that constitutes a dividend to you for U.S. federal income tax purposes or you may receive a corrected IRS Form 1099-DIV (and you may therefore need to file an amended federal, state or local income tax return). We will attempt to timely notify you of available information to assist you with your income tax reporting (such as posting the correct information on our web site). However, the information that we provide to you may be inconsistent with the amounts reported to you by your broker on IRS Form 1099-DIV, and the IRS may disagree with any such information and may make audit adjustments to your tax return.

If you are a non-U.S. holder of our shares, dividends for U.S. federal income tax purposes will be subject to withholding of U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) unless the dividends are effectively connected with your conduct of U.S. trade or business. Please read Material U.S. Federal Income Tax Consequences Consequences to Non-U.S. Holders. Because we may be unable to timely determine the portion of our distributions that is a dividend for U.S. federal income tax purposes or we may be unable to persuade your broker or withholding agent to withhold taxes from distributions in a manner consistent with our determination of the amount that constitutes a dividend for such purposes, your broker or other withholding agent may overwithhold taxes from distributions paid to you. In such a case, you would have to file a U.S. tax return to claim a refund of the overwithheld tax.

*If LINN were subject to a material amount of entity-level income taxes or similar taxes, whether as a result of being treated as a corporation for U.S. federal income tax purposes or otherwise, the value of LINN units would be substantially reduced and, as a result, the value of our shares would be substantially reduced.*

The anticipated benefit of an investment in LINN units depends largely on the assumption that LINN will not be subject to a material amount of entity-level income taxes or similar taxes, and the anticipated benefit of an investment in our shares depends largely upon the value of LINN units.

LINN may be subject to material entity-level U.S. federal income tax and state income taxes if it is treated as a corporation, rather than as a partnership, for U.S. federal income tax purposes. Because LINN's units are publicly traded, Section 7704 of the Internal Revenue Code requires that LINN derive at least 90% of its gross income each year from the marketing of oil and natural gas, or from certain other specified activities, in order to be treated as a partnership for U.S. federal income tax purposes. We believe that LINN has satisfied this requirement and will continue to do so in the future, so we believe LINN is and will be treated as a partnership for U.S. federal income tax purposes. However, we have not obtained a ruling from the U.S. Internal Revenue Service regarding LINN's treatment as a partnership for U.S. federal income tax purposes. Moreover, current law or the business of LINN may change so as to cause LINN to be treated as a corporation for U.S. federal income tax purposes or otherwise subject LINN to material entity-level U.S. federal income taxes, state income taxes or

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similar taxes. For example, one recent legislative proposal would eliminate the qualifying income exception upon which LINN relies for its treatment as a partnership for U.S. federal income tax purposes. Any modification to current law or interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible to meet the requirements for partnership status, affect or cause LINN to change its business activities, change the character or treatment of portions of LINN's income and adversely affect our investment in LINN units.

If LINN were treated as a corporation for U.S. federal income tax purposes, it would be subject to U.S. federal income tax at rates of up to 35% (and a 20% alternative minimum tax in certain cases), and to state income tax at rates that vary from state to state, on its taxable income. Distributions from LINN would generally be taxed again as corporate distributions, and no income, gain, loss, deduction or credit would flow through to LINN unitholders. Any income taxes or similar taxes imposed on LINN as an entity, whether as a result of LINN's treatment as a corporation for U.S. federal income tax purposes or otherwise, would reduce LINN's cash available for distribution to its unitholders. Any material reduction in the anticipated cash flow and after-tax return to LINN unitholders would reduce the value of the LINN units we own and the value of our shares. In addition, if LINN were treated as a corporation for U.S. federal income tax purposes, that would constitute a Terminal Transaction. See [Description of the Limited Liability Company Agreements](#) [Our Limited Liability Company Agreement](#) [Terminal Transactions Involving LINN](#).

Also, because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships and limited liability companies to entity level taxation through the imposition of state income, franchise or other forms of taxation. For example, LINN is required to pay Texas franchise tax at a maximum effective rate of 0.7% of its total revenue apportioned to Texas in the prior year. Imposition of a tax on LINN by any other state would reduce the amount of cash available for distribution to us.

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**USE OF PROCEEDS**

We will use the estimated net proceeds of approximately \$       million from this offering (\$       million if the underwriters exercise their option to purchase additional shares in full), after deducting underwriting discounts and the structuring fee, to purchase from LINN a number of LINN units equal to the number of shares sold in this offering. The per unit price we will pay for such LINN units will be equal to the net proceeds we receive on a per share basis. LINN will pay our expenses incurred in connection with this offering.

LINN intends to use the proceeds it receives from the sale of LINN units to repay debt outstanding under its revolving credit facility and pay estimated expenses of this offering.

<b>Intended Use</b>	<b>Intended Amount Dedicated to Such Use (in millions)</b>
Repay borrowings outstanding under LINN's revolving credit facility	\$
Pay estimated offering expenses	\$

In July 2012, LINN entered into an amendment to its revolving credit facility to increase the maximum commitment amount from \$2.0 billion to \$3.0 billion. As of August 31, 2012, LINN had approximately \$2.0 billion of indebtedness outstanding under its revolving credit facility, with a weighted average interest rate of 2.24%. The revolving credit facility matures in April 2017, and, at LINN's election, borrowings bear interest at either the London Interbank Offered Rate, plus an applicable margin between 1.5% and 2.5% per annum (depending on the then-current level of borrowings under the revolving credit facility), or at a base rate, plus an applicable margin between 0.5% and 1.5% per annum (depending on the then-current level of borrowings under the revolving credit facility). Borrowings made under LINN's revolving credit facility within the past twelve months were used primarily to finance LINN's acquisition strategy.

Affiliates of certain of the underwriters in this offering are lenders under LINN's Credit Facility and, accordingly, if LINN elects to use the proceeds it receives from LinnCo to repay debt outstanding under its Credit Facility, those lenders would indirectly receive a portion of the net proceeds from this offering. Please read Underwriting FINRA Rules.

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**CAPITALIZATION OF LINNCO**

The following table sets forth our capitalization as of June 30, 2012:

on an historical basis; and

on an adjusted basis to give effect to the sale of \_\_\_\_\_ shares offered by us at an assumed initial public offering price of \$ \_\_\_\_\_ per share (the last reported sales price of LINN units, as set forth on the cover page of this prospectus), after deducting underwriting discounts and the structuring fee, and the application of the net proceeds as described in Use of Proceeds.

You should read this table together with Use of Proceeds and Management's Discussion and Analysis of Financial Condition and Results of Operations.

	<b>At June 30, 2012</b>	
	<b>Historical</b>	<b>As Adjusted</b>
Equity		
Voting share	\$ 1,000	\$ 1,000
Non-voting shares		
Total capitalization	\$ 1,000	\$ _____

**Table of Contents****CAPITALIZATION OF LINN**

The following table sets forth the cash and cash equivalents and consolidated capitalization of Linn Energy, LLC at June 30, 2012:

on an historical basis;

on a pro forma basis to give effect to borrowings of approximately \$682 million for the Green River Acquisition that closed July 31, 2012, which excludes the deposit of approximately \$308 million borrowed in June 2012 and reported in credit facility on the LINN's historical balance sheet at June 30, 2012; and

on an adjusted basis to give effect to the offering and sale of LINN units to LinnCo at an assumed price of \$ per LINN unit (based on the last reported sales price of LINN units, as set forth on the cover page of this prospectus), after deducting estimated offering expenses, and the application of the net proceeds as described in Use of Proceeds.

The following table is unaudited and should be read together with Use of Proceeds, Management's Discussion and Analysis of Financial Condition and Results of Operations and LINN's historical financial statements and the related notes thereto included elsewhere in this prospectus.

	Historical	At June 30, 2012 Pro Forma (in thousands)	As Adjusted
Cash and cash equivalents(1)	\$ 1,883	\$ 1,883	\$
Long-term debt:			
Credit Facility(2)	\$ 1,150,000	\$ 1,832,291	\$
2017 notes, net	39,288	39,288	
2018 notes, net	13,926	13,926	
May 2019 notes, net	744,875	744,875	
November 2019 notes, net	1,799,808	1,799,808	
2020 notes, net	1,272,958	1,272,958	
2021 notes, net	984,692	984,692	
Total long-term debt, net	6,005,547	6,687,838	
Total unitholders' capital	4,131,663	4,131,663	
Total capitalization	\$ 10,137,210	\$ 10,819,501	\$

(1) As of August 31, 2012, LINN had cash and cash equivalents of approximately \$ million.

(2) In July 2012, LINN entered into an amendment to its Credit Facility to increase the maximum commitment amount from \$2.0 billion to \$3.0 billion. As of August 31, 2012, LINN had total borrowings of approximately \$2.0 billion outstanding under its Credit Facility.

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**OUR DIVIDEND POLICY**

*In addition to the following discussion of our dividend policy, please read [Forward-Looking Statements](#) and [Risk Factors](#) for information regarding statements that do not relate strictly to historical or current facts and certain risks inherent in LINN's business and our shares. For additional information regarding the historical operating results of LINN, you should refer to the historical financial statements of LINN included elsewhere in this prospectus.*

**Our Dividend Policy**

Within five business days after we receive a distribution on our LINN units, we will pay dividends on our shares of the cash we receive as distributions in respect of our LINN units, net of reserves for income taxes payable by us. Pursuant to the Omnibus Agreement, LINN has agreed to pay on our behalf or reimburse us for the costs and expenses of carrying out our activities. Please read [Certain Relationships and Related Transactions](#) Our Relationship with Linn Energy, LLC Omnibus Agreement. If distributions are made on the LINN units other than in cash, we will pay a dividend on our shares in substantially the same form, provided that if LINN makes a distribution on the LINN units in the form of additional LINN units, we would distribute an equal number of additional shares to our shareholders, such that, immediately following such distributions, the number of our shares outstanding is equal to the number of LINN units we hold.

Because we have elected to be treated as a corporation for U.S. federal income tax purposes, we are obligated to pay U.S. federal income tax on the net income allocated to us by LINN with respect to the LINN units we own, and we may be subject to a 20% alternative minimum tax on our alternative minimum taxable income to the extent that the alternative minimum tax exceeds our regular income tax. Please read [Material U.S. Federal Income Tax Consequences](#) LinnCo U.S. Federal Income Taxation. We are also classified as a corporation in most states in which LINN does business for state income tax purposes and will be subject to state income tax at rates that vary from state to state on the net income allocated to us by LINN with respect to the LINN units we own.

The reserves for income taxes payable by us will account for the U.S. federal income taxes, any alternative minimum taxes, and the state income taxes described in the preceding paragraph. We have estimated that for each of the periods ending December 31, 2012, 2013, 2014 and 2015 the amount of such taxes (and, therefore, the amount of such reserves) will be between 2% and 5% of the cash we receive as distributions in respect of our LINN units.

This estimate is based on a number of assumptions regarding LINN's earnings from its operations, the amount of those earnings allocated to us, our income tax liabilities and the amount of the distributions paid to us by LINN that may prove incorrect, including:

LINN will not significantly decrease its drilling activity;

there will not be an issuance of significant additional units by LINN without a corresponding increase in the aggregate tax deductions generated by LINN;

proposed legislation that would eliminate the current deduction of intangible drilling costs and other tax incentives to the oil and natural gas industry will not be enacted; and

there will not be a significant increase in oil and natural gas prices.

Events inconsistent with our assumptions could cause our tax liabilities to be substantially higher than estimated (and, therefore, cause our reserves for taxes to be higher than estimated and dividends on our shares to be lower than estimated). Please read [Material U.S. Federal Income Tax Consequences](#) Consequences to U.S. Holders Distributions on the Shares.

**LINN's Distribution Policy**

LINN will make quarterly distributions to its unitholders of all available cash.



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Available cash means, for each fiscal quarter, all cash on hand at the end of the quarter less the amount of cash reserves established by the LINN board of directors to:

provide for the proper conduct of business (including reserves for future capital expenditures, future debt service requirements and anticipated credit needs); and

comply with applicable laws, debt instruments or other agreements;

plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter for which the determination is being made. Working capital borrowings are borrowings that will be made under LINN's credit facility and in all cases are used solely for working capital purposes or to pay distributions to unitholders.

**LINN's Historical Distributions**

The following sets forth LINN's historical distributions for the years ended December 31, 2011 and 2010 and for the six months ended June 30, 2012. Distributions declared during each quarter are presented.

Quarter	Cash Distributions Declared Per Unit
<b>2012:(1)</b>	
April 1 - June 30	\$ 0.725
January 1 - March 31	\$ 0.725
<b>2011:</b>	
October 1 - December 31	\$ 0.69
July 1 - September 30	\$ 0.69
April 1 - June 30	\$ 0.66
January 1 - March 31	\$ 0.66
<b>2010:</b>	
October 1 - December 31	\$ 0.66
July 1 - September 30	\$ 0.63
April 1 - June 30	\$ 0.63
January 1 - March 31	\$ 0.63

(1) On July 24, 2012, LINN declared a cash distribution of \$0.725 per unit, which was paid on August 14, 2012, to unitholders of record at the close of business on August 7, 2012.



**Table of Contents****SELECTED HISTORICAL FINANCIAL AND OPERATING DATA OF LINN**

The following table shows summary historical financial and operating data of LINN as of the dates and for the periods indicated. The selected historical financial data presented for the years ended December 31, 2007 and 2008 are derived from LINN's historical audited financial statements. The selected historical financial data presented as of December 31, 2009, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 are derived from the historical audited financial statements that are included elsewhere in this prospectus. The selected historical financial data of LINN presented as of June 30, 2012 and for the six months ended June 30, 2011 and 2012 are derived from the unaudited historical financial statements that are included elsewhere in this prospectus. The following table should be read together with, and is qualified in its entirety by reference to, the historical and unaudited financial statements and the accompanying notes included elsewhere in this prospectus. The table should also be read together with Management's Discussion and Analysis of Financial Condition and Results of Operations.

Because of rapid growth through acquisitions and development of properties, LINN's historical results of operations and period-to-period comparisons of these results and certain other financial data may not be meaningful or indicative of future results. The results of LINN's Appalachian Basin and Mid Atlantic Well Service, Inc. operations, which were disposed of in 2008, are classified as discontinued operations, due to post-closing adjustments, for the years ended December 31, 2007 through December 31, 2009. Unless otherwise indicated, results of operations information presented herein relates only to continuing operations.

	At or for the Year Ended December 31,					At or for the Six Months Ended	
	2007	2008	2009	2010	2011	June 30, 2011	June 30, 2012
						(Unaudited)	
	(in thousands, except per unit amounts)						
<b>Statement of operations data:</b>							
Oil, natural gas and natural gas liquids sales	\$ 255,927	\$ 755,644	\$ 408,219	\$ 690,054	\$ 1,162,037	\$ 543,097	\$ 696,122
Gains (losses) on oil and natural gas derivatives	(345,537)	662,782	(141,374)	75,211	449,940	(163,961)	441,678
Depreciation, depletion and amortization	69,081	194,093	201,782	238,532	334,084	145,711	260,782
Interest expense, net of amounts capitalized	38,974	94,517	92,701	193,510	259,725	125,825	171,909
Income (loss) from continuing operations	(356,194)	825,657	(295,841)	(114,288)	438,439	(209,573)	230,884
Income (loss) from discontinued operations, net of taxes(1)	(8,155)	173,959	(2,351)				
Net income (loss)	(364,349)	999,616	(298,192)	(114,288)	438,439	(209,573)	230,884
Income (loss) per unit continuing operations:							
Basic	(5.17)	7.18	(2.48)	(0.80)	2.52	(1.25)	1.17
Diluted	(5.17)	7.18	(2.48)	(0.80)	2.51	(1.25)	1.16
Income (loss) per unit discontinued operations:							
Basic	(0.12)	1.52	(0.02)				
Diluted	(0.12)	1.52	(0.02)				
Net income (loss) per unit:							
Basic	(5.29)	8.70	(2.50)	(0.80)	2.52	(1.25)	1.17
Diluted	(5.29)	8.70	(2.50)	(0.80)	2.51	(1.25)	1.16
Distributions declared per unit	2.18	2.52	2.52				