



**carbonenergy**

Carbon Energy Limited | ABN 56 057 552 137

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ASX Market Announcements Platform  
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**FOR ASX MARKET RELEASE**

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## **CNX Company Updates**

### **Operational update**

Carbon Energy Limited (ASX: CNX) ("Carbon Energy" or "Company") advises that the Beijing JinHong New Energy Co. Ltd joint venture (JV) between Carbon Energy group and its partner Beijing JinJHong Investment Co. Ltd has advanced some of the critical milestones toward developing a commercial demonstration project. Three coal deposits have been assessed as suitable for continued activity to develop UCG by Carbon Energy and the JV and third parties are working to obtain the permits to commence site characterisations required to develop the initial UCG panels.

### **Management update**

Carbon Energy is pleased to announce that Ms Ye-Fei Guo has joined the Company as Chief Financial Officer, bringing over 13 years of experience across a number of sectors including asset and funds management, real estate, energy and financial services.

The Board continues with its search for a permanent Chief Executive Officer and Managing Director. In the interim, the Board is pleased to announce that Mr George Su has been appointed in an interim executive role of the Company effective from 19 July 2017. The terms of Mr Su's appointment is a total fixed remuneration of \$60,000 per annum.

### **Reporting update**

On 22 May 2017 Carbon Energy was granted relief by ASIC from its financial reporting obligations.

The relief was granted due to the unreasonable burdens that compliance with the Company's financial reporting obligations would have imposed as a result of the uncertainty surrounding the modified recapitalisation proposal under a DOCA (deed

of company arrangement) and the potential for the Company to be put into liquidation if the DOCA was not approved.

ASIC's relief provided that the deferral period would last for the shorter period of five months from the date relief was granted (to 22 October 2017); or until the date that Carbon Energy ceases to be under external administration (18 July 2017).

Carbon Energy is no longer under external administration and its financial reporting obligations fell due on 29 September 2017.

During the period of the Company's external administration and following completion of the DOCA, the Company underwent a number of key management resignations.

The Company's capacity to comply with its financial reporting obligations has been severely diminished as a result of these resignations. The impact of the changes has been further exacerbated by the number and complexity of the transactions entered into as part the DOCA. The Company did not have sufficient time to coordinate the completion of the 2017 financial report in time for lodgement by 29 September 2017, in accordance with the ASX Listing Rules.

This means that Carbon Energy's securities are suspended from Official Quotation as from the commencement of trading on 2 October 2017, in accordance with Listing Rule 17.5.

The Company sought clarification from ASIC regarding its 29 September 2017 financial reporting obligation, to clarify whether the Company could obtain further relief. The Company understands receiving further relief is unfortunately unlikely.

Concurrent with approaching ASIC, the Company is accelerating its financial reporting process, and will lodge its 2017 financial report as soon as possible.

Carbon Energy will continue to keep the market informed, and notify the market of the expected lodgement date in due course.

For and on behalf of the Board

**ENDS**