



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

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ASX Market Announcements Platform
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Carbon Energy (Operations) Pty Ltd
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FOR ASX MARKET RELEASE

Company Update – Managing Director and CEO Appointment

Carbon Energy Limited (ASX: CNX) ('Carbon Energy' or 'Company') is delighted to announce the appointment of Bryan O'Donnell to the position of Chief Executive Officer and Managing Director to lead the company during its next exciting growth phase.

Mr O'Donnell is a seasoned oil & gas executive and brings a wealth of commercial, operating and project development experience to Carbon Energy at this critical point in its next phase of growth which is targeted to deliver new gas in 2018 to the commercial demonstration project by Beijing JinHong New Energy Co. Ltd, the joint venture between the Carbon Energy group and its partner Beijing JinHong Investment Co. Ltd ('JinHong Joint Venture').

Mr O'Donnell has extensive commercial and upstream petroleum development expertise from over 30 years managing oil, gas and CSG developments for ExxonMobil, Oil Search, Arrow Energy, Westside Corporation and BHP Petroleum. Prior to joining the Carbon Energy Limited, Mr O'Donnell was part of the Westside Executive Team as the Development Manager responsible for the Meridian Development. Previously, Mr O'Donnell was the General Manager Surat Development for Arrow Energy where he was responsible for managing the Surat upstream LNG development, domestic gas projects and the LNG ramp gas commercial strategy and the negotiation of a number of GSAs. Prior to that, Mr O'Donnell was the Manager of Projects for Oil Search Limited where he managed successful safe delivery of more than \$US800 Million of oil & gas development projects.

Mr O'Donnell has an engineering degree from UNSW (BE Civil Hons 1) and he is delighted to be joining Carbon Energy at such a pivotal point in the Company's development.

Mr O'Donnell's appointment is effective as of 2 January 2017.

Material terms of Mr O'Donnell's appointment are summarised below:

Appointment:	Managing Director and Chief Executive Officer. Mr O'Donnell will be appointed to the Board of Directors of Carbon Energy Limited.													
Term:	3 years commencing 2 January 2018 with a further 2 year extension option and subject to termination by either party.													
Remuneration:	Total fixed remuneration (TFR): Fixed cash remuneration in the form of a TFR package (inclusive of superannuation) at \$328,000.													
	Short term incentive (STI): Cash bonus of up to 30% of annual base salary at or around the end of each year of the Term, subject to the achievement of key performance indicators (KPI's).													
	<p>Long term incentive (LTI): Entitlement to participate in the Company's Long Term Incentive Plan and receive Performance Rights equivalent to 150% of annual base salary (subject to approval by members of the Company) over the Term.</p> <p>The Performance Rights will be split into three tranches of equal quantum (i.e. 50% of annual base salary each), subject to the following vesting conditions to be determined as at the relevant vesting determination dates:</p> <table border="1"> <thead> <tr> <th>Tranche</th> <th>Vesting Condition</th> <th>Vesting Determination Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Successful ignition of the Jinhong JV Demonstration Project and the issue of an exclusive licence being granted to the Joint Venture.</td> <td>30 September 2018</td> </tr> <tr> <td>2</td> <td>Securing at least one third party Licencing and Technical Services Agreement with a significant upfront cash component.</td> <td>30 June 2019</td> </tr> <tr> <td>3</td> <td>Securing one more third party Licencing and Technical Services Agreement with a significant upfront cash component.</td> <td>30 June 2020</td> </tr> </tbody> </table>		Tranche	Vesting Condition	Vesting Determination Date	1	Successful ignition of the Jinhong JV Demonstration Project and the issue of an exclusive licence being granted to the Joint Venture.	30 September 2018	2	Securing at least one third party Licencing and Technical Services Agreement with a significant upfront cash component.	30 June 2019	3	Securing one more third party Licencing and Technical Services Agreement with a significant upfront cash component.	30 June 2020
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	Upon Vesting, each Performance Right shall confer the right, upon exercise, to receive one share in the Company. The Performance Rights will be granted for nil cash consideration. The Expiry Date of each Performance Right will be 5 years after the vesting date.
	Termination: Mr O'Donnell may terminate the employment agreement by providing 6 months' notice or immediately if there occurs a significant diminution of job content, status, responsibilities or authority. The Company may terminate the employment agreement by providing 6 months' notice or immediately for any serious misconduct. Payment may be provided in lieu of the notice period. Resignation as director is effective immediately upon termination.

For and on behalf of the Board

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