



北京锦鸿投资发展有限公司

BEIJING JINHONG INVESTMENT DEVELOPMENT CO., LTD

17 July 2018

Australian Securities Exchange
Company Announcements Platform

Dear Sir / Madam

Carbon Energy Limited (ASX: CNX)

Mr HuiHai Zhuang has re-organised his affairs in relation to his indirect shareholding in Carbon Energy Limited (CNX). The CNX shares held by Kam Lung Investment Development Company Limited. (**Kam Lung**) were transferred to Beijing Jinhong Investment and Development Co., Ltd. (**Beijing Jinhong**). The enclosed Form 604 reflects this transaction.

Kam Lung and Beijing Jinhong are both entities that are, and remain, wholly owned and controlled by Mr Zhuang.

Following the transfer, Mr Zhuang and his associated companies continue to have a relevant interest in 80% of the CNX shares.

Yours sincerely

Mr HuiHai Zhuang

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Carbon Energy Limited (CNX)

ACN/ARSN ACN 057 552 137

1. Details of substantial holder (1)

Name Mr HuiHai Zhuang, Kam Lung Investment Development Company Limited. (Kam Lung), Beijing Jinhong Investment and Development Co., Ltd. (Beijing Jinhong), Beijing Haigang Investment and Development Co., Ltd (Beijing Haigang), Shenzhen Jinhong Mining Investment Co Ltd (Shenzen Jinhong) and their associates listed in this form

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on 16/07/2018

The previous notice was given to the company on 20/07/2017

The previous notice was dated 20/07/2017

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|----------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Fully paid ordinary shares | 51,946,721 | 80% | 51,946,721 | 80% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|---|---|---|-------------------------|
| 16/07/2018 | Beijing Jinhong | There was a change in the nature of Beijing Jinhong's relevant interest as a result of the intra-group transfer of fully paid ordinary shares from Kam Lung to Beijing Jinhong. Kam Lung and Beijing Jinhong are both entities that are, and remain, wholly owned and controlled by Mr Zhuang. | Intra-group transfer | 51,946,721 fully paid ordinary shares | 51,946,721 |
| 16/07/2018 | Kam Lung | There was a change in the nature of Kam Lung's relevant interest as a result of the transfer of fully paid ordinary shares from Kam Lung to Beijing Jinhong referred to above. | See above | 51,946,721 fully paid ordinary shares | 51,946,721 |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|---------------------------------|--|---|--------------------------------|----------------|
| Beijing Jinhong | Beijing Jinhong | Beijing Jinhong | Relevant interest pursuant to s608(1) of the <i>Corporations Act 2001</i> (Cth) as the holder of securities | 51,946,721 | 51,946,721 |
| Kam Lung | Beijing Jinhong | Beijing Jinhong | Relevant interest pursuant to s608(3)(a) of the <i>Corporations Act 2001</i> (Cth), as a person who has more than 20% voting power in Beijing Jinhong | 51,946,721 | 51,946,721 |
| Beijing Haigang | Beijing Jinhong | Beijing Jinhong | Relevant interest pursuant to s608(3)(a) of the <i>Corporations Act 2001</i> (Cth), as a person who has more than 20% voting power in Beijing Jinhong | 51,946,721 | 51,946,721 |
| Shenzen Jinhong | Beijing Jinhong | Beijing Jinhong | Relevant interest pursuant to s608(3)(a) of the <i>Corporations Act 2001</i> (Cth), as a person who has more than 20% voting power in Beijing Jinhong | 51,946,721 | 51,946,721 |
| Mr HuiHai Zhuang | Beijing Jinhong | Beijing Jinhong | Relevant interest pursuant to s608(3)(b) of the <i>Corporations Act 2001</i> (Cth) as a person who controls Beijing Jinhong | 51,946,721 | 51,946,721 |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A | N/A |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|---|--|
| Kam Lung | Flat/rm 7, block 1 4/F, Kwan Yick Building, 430-440A Des Voeux Road West, Hong Kong Special Administrative Region |
| Mr HuiHai Zhuang | 19th Floor, West Tower of World Finance Centre, No. 1 East 3rd Ring Middle Road, Chaoyang District, Beijing City, China. |
| Beijing Jinhong Investment and Development Co., Ltd | 19th Floor, West Tower of World Finance Centre, No. 1 East 3rd Ring Middle Road, Chaoyang District, Beijing City, China. |
| Beijing Haigang Investment and Development Co., Ltd | 19th Floor, West Tower of World Finance Centre, No. 1 East 3rd Ring Middle Road, Chaoyang District, Beijing City, China. |
| Shenzen Jinhong Mining Investment Co Ltd | 19th Floor, West Tower of World Finance Centre, No. 1 East 3rd Ring Middle Road, Chaoyang District, Beijing City, China. |

Signature

print name HuiHai Zhuang capacity Authorised Signatory
 sign here  date 17/07/2018

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.