



carbonenergy

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Carbon Energy Limited
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Carbon Energy (Operations) Pty Ltd
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ASX / Media Announcement

2 July 2014

Carbon Energy Secures \$1.5 million R&D Tax Offset Financing Facility

Carbon Energy (ASX:CNX, OTCQX:CNXAY) is pleased to announce that the Company has secured a \$1.5 million loan facility with Macquarie Bank Limited. The facility will provide the Company with the ability to drawdown up to \$1.5 million to assist in funding its working capital requirements should this be necessary prior to receipt of the FY2014 ATO R&D Rebate.

The financing provides a maximum five month secured term loan facility to be retired from the anticipated rebate within this term.

The Company is intending to lodge a rebate application for in excess of \$3 million with the ATO in Q1 of FY2015 following finalisation of its annual financial statements. It is anticipated that a rebate, for R&D expenditure incurred during 2013-14, will be received from the ATO during Q2 of FY2015.

ENDS

For and on behalf of the Board

Morné Engelbrecht
Managing Director & Chief Executive Officer

For more information please visit our website www.carbonenergy.com.au

About Carbon Energy

Carbon Energy is an emerging global energy technology provider and services company with expertise in unconventional syngas extraction through utilising its proprietary keyseam® underground coal gasification (UCG) technology.

Carbon Energy works with international partners to unlock new energy sources by converting deep, stranded, or otherwise uneconomical coal into a high-value gas, known as syngas, while it is still in-situ underground. Carbon Energy's market advantage lies in its proprietary keyseam UCG technology and its UCG technical and UCG engineering expertise.

The Company's keyseam UCG technology reached a proof of concept stage following 10 years of research by Australia's premier scientific research agency the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and more than 5 years of in-field trials.

keyseam produces a high-quality syngas which can be used for many purposes including power generation, fertilisers, and production of pipeline-quality gas. keyseam also maximises resource efficiency, while minimising surface disturbance and preserving groundwater quality.

Carbon Energy's three pillar growth strategy positions the Company to take advantage of a rising interest in UCG as a cleaner alternative to satisfy the world's growing energy needs; as well as optimising its Australian assets. The Company's core business strategy is to seek global opportunities to license its keyseam technology. Additionally, the Company holds significant coal and gas assets in Australia which offer the potential of long-term financial growth through commercialisation strategies.

The Company delivers end-to-end UCG services from initial project assessment through to commercial project development, operations, site decommissioning and rehabilitation. Carbon Energy is headquartered in Brisbane, Australia, is listed on the Australian Securities Exchange (ASX) as CNX and is quoted on the OTCQX International Exchange as CNXAY in the United States.

keyseam® is a registered Trademark of Carbon Energy Ltd