

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity Carbon Energy Limited
ABN 56 057 552 137

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Morné Engelbrecht
Date of last notice	4 November 2014

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Not applicable
Date of change	(1) N/A (2) N/A (3) 1 December 2014
No. of securities held prior to change	(1) 4,546,109 Ordinary Shares (2) 355,093 Listed Options (3) 71,854,543 Unlisted Options Total: 76,755,745
Class	(1) Ordinary (2) Listed Options (3) Unlisted Options
Number acquired	(1) Nil (2) Nil (3) 5,541,564 Total: 5,541,564 Unlisted Options

+ See chapter 19 for defined terms.

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Number disposed	(1) Nil (2) Nil (3) Nil Total: Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	(1) N/A (2) N/A (3) \$50,000 (Nil cash consideration. CEO incentive entitlement calculated using Black Scholes valuation of 0.9 cent per option). Total: \$50,000
No. of securities held after change	(1) 4,546,109 Ordinary Shares (2) 355,093 Listed Options (3) 71,854,543 Unlisted Options Total: 77,396,107
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	(1) N/A (2) N/A (3) Unlisted Options issued in return for the achievement of CEO Key Performance Indicators for 2013-14 Financial Year, approved at the Annual General Meeting on 20 November 2014.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Nil
Nature of interest	Not applicable
Name of registered holder (if issued securities)	Not applicable
Date of change	Not applicable
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	Not applicable
Interest acquired	Not applicable

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Interest disposed	Not applicable
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	Not applicable
Interest after change	Not applicable

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺ closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	Not applicable
If prior written clearance was provided, on what date was this provided?	Not applicable

1 December 2014

⁺ See chapter 19 for defined terms.