



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

ASX Announcement

10 December 2015

Level 9, 301 Coronation Drive,
Milton QLD 4064 Australia
PO Box 2118, Toowong DC
QLD 4066 Australia
phone + 61 (0) 7 3156 7777
fax + 61 (0) 7 3156 7776

www.carbonenergy.com.au

Carbon Energy Limited
ABN 56 057 552 137
Carbon Energy (Operations) Pty Ltd
ABN 61 105 176 967

MINERAL DEVELOPMENT LICENCE RENEWAL GRANTED

- MDL renewal granted by DNRM until 31 January 2018
- MDL contains 1.1tcf of 2P Gas Reserve and proposed area for next development
- Carbon Energy Work Plan submitted forms basis for renewal

Carbon Energy (ASX:CNX, OTCQX:CNXAY) has been granted a renewal of its Mineral Development Licence (MDL) by the Queensland Department of Natural Resources and Mines (DNRM) to 31 January 2018 for the area which contains the Company's 2P Gas Reserveⁱ earmarked for the Blue Gum Gas Project - MDL 374. The application was lodged by the Company on 17 July 2012.

The renewal provides the basis for the Company to continue to progress the activities of the Work Plan for MD L374, which include the continuation of the Company's ground water monitoring program under its Environmental Authority as well as forming part of its comprehensive Rehabilitation Plan.

As part of the Work Plan the Company has also indicated that, subject to available funding, it may submit a Terms of Reference to the Department of Environment and Heritage Protection to initiate an Environmental Impact Statement for a mid-scale commercial development while a policy decision is pending.

As stated in the Work Plan Carbon Energy will not initiate any further Panels until the Government finalises its policy in relation to Underground Coal Gasification and the necessary approvals are gained to support a commercial project.

ENDS

For and on behalf of the Board

Morné Engelbrecht
Managing Director & CEO

About Carbon Energy

Carbon Energy (ASX: CNX) is building a gas business, utilising its unique keyseam technology.

The Company is committed to providing industrial gas users with an affordable and secure source of high quality feedstock, as gas prices remain strong, through increased demand across our key markets.

Carbon Energy is the only company to complete a full-lifecycle, commercial scalable underground gasification trial. The Company's keyseam technology has successfully accomplished all the recommendations outlined by the Queensland government's Independent Scientific Panel (ISP) which included intense, independent environmental scrutiny.

This highly controlled, proven technology enables access to gas resources that were previously considered too deep or uneconomic to reach.

keyseam maximises resource efficiency while minimising surface disturbance and preserving regional groundwater use. Originally developed by Australia's leading research and scientific body, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) it has been operationally proven through six years of field trials.

Alongside its Australian operations, Carbon Energy is working with international partners to unlock new energy resources offshore. The Company can deliver end-to-end services from initial project assessment through to commercial project development, operations, site decommissioning and rehabilitation.

Carbon Energy is headquartered in Brisbane, Australia and is listed on the Australian Securities Exchange (ASX).

keyseam® is a registered Trademark of Carbon Energy Ltd

ⁱ 2P Reserves = Proved + Probable

All Reserve and Resource estimates (**Estimates**) in this document are reported in accordance with the requirements of ASX Listing Rules 5.25 to 5.28. It is noted in particular that:

- (a) This document refers to Estimates reported on 19 September 2014 and released to the market on 22 September 2014 (**Updated Reserves Statement**);
- (b) All Estimates are based on the deterministic method for estimation of petroleum resources at the field and project levels and are attributable to the gross (100 percent) ownership interest of Carbon Energy in certain coal properties located in MDL374 located in the Surat Basin of Queensland, Australia;
- (c) All Estimates are reported using the following conversion factors as relevant:
 - i. UCG Energy conversion factor is 16.73 GJ of syngas per tonne of coal gasified;
 - ii. UCG syngas to Synthetic Natural Gas (SNG) conversion factor is 38.5 to 25;
 - iii. 1,055 Petajoule (PJ) = 1 Trillion cubic feet (Tcf); and
 - iv. 1 barrel of oil equivalent (boe) = 6,000 cubic feet.

Further, for the purposes of ASX Listing Rule 5.43, Carbon Energy confirms that it is not aware of any new information or data that materially affects the information included in the Updated Reserves Statement and that all material assumptions and technical parameters underpinning the estimates in the Updated Reserves Statement continue to apply and have not materially changed.