



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

ASX Announcement

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Carbon Energy (Operations) Pty Ltd

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JINHONG JOINT VENTURE – PROGRESS UPDATE

- **Monthly pre-payment agreed for JV services**
- **Key priorities set to expedite progress on the JV**

Carbon Energy (ASX:CNX,OTCQX:CNXAY), and its joint venture (JV) partner, Beijing JinHong Investment Co. Ltd (JinHong) agree to monthly, pre-paid service fees to expedite progress of pre-JV activities following the JV's first strategic workshop in Beijing, China.

The agreement to pre-payment of service fees secures the Company an initial monthly cash flow for its contribution to JV specific activities required while the JV awaits Chinese Government approval. This approval process remains on-track with all documentation lodged with the relevant authorities and approval expected in the coming months.

In addition to the agreement of monthly pre-paid service fees, the JV also agreed its key priorities for the short-term. These include:

- securing a suitable coal field;
- engaging the in-country engineering and construction contractor;
- contracting an in-country drilling company; and
- commencing pre-engineering works.

Progress has been made in the following areas since entering into the JV Agreement:

- CNX Shareholder approval for entering into the JV Agreement;
- Pacific Road consent gained as required under the Convertible Note Facility;
- lodging the JV registration documents in China;
- setting the JV's strategic plan and priorities;
- assessing data of a number of coal field's for potential site suitability;
- setting up an office in Beijing, China for the JV; and
- filling key roles in the Joint Venture management team.

The JV working party is committed to ensuring the initial project commences as soon as possible.

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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).

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