HALF YEARLY REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2015

carbonenergy

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DIRECTORS' REPORT

BOARD INFORMATION

Your Directors present their report together with the consolidated financial statements of the Company and its controlled entities (Consolidated Group), for the half-year ended 31 December 2015, made in accordance with a resolution of the Board. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report as follows:

DIRECTORS

The names of Directors of the Company who held office during and since the end of the half-year are:

Dr Chris Rawlings	Chairman and Non-Executive Director
Mr Morné Engelbrecht	Managing Director & Chief Executive Officer
Dr Helen Garnett	Non-Executive Director
Mr Peter Hogan	Non-Executive Director
Mr Louis Rozman	Non-Executive Director
Mr Huihai Zhuang	Non-Executive Director (appointed on 29 October 2015)
Mr George Su	Alternative Director to Mr Zhuang (appointed on 4 December 2015)

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Group during the period were:

- To successfully prove its proprietary underground coal gasification (UCG) technology, keyseam.
- To establish keyseam as the UCG technology of choice for UCG projects worldwide.
- To prove keyseam's environmental credentials as part of responding to the findings of the Independent Scientific Panel (ISP) in its report on UCG issued by the Queensland Government.

There were no significant changes in those activities during the period.

CONSOLIDATED RESULT

The loss after tax of the Consolidated Group for the half-year ended 31 December 2015 was $2,319,489 (2014: loss $2,797,236).

REVIEW OF OPERATIONS

The following review is to assist readers to better understand the financial performance of the consolidated group's operations which are based around its current demonstration site, technical services and business development opportunities.

OVERVIEW

During the half year the Consolidated Group made important progress towards achieving its strategic objectives as outlined in the 2015 Annual Report, specifically setting up the foundation for further international licencing opportunities and projects in China, through the establishment of the JinHong Joint Venture.

Locally, the Company remains committed to progressing commercial operations at its project site in the Surat Basin, and awaits a decision from the Queensland Government to move forward.

KEY ACTIVITIES

The key activities during the period were:

- The Consolidated Group undertook a transformational step with the signing of a Joint Venture (JV) Agreement with Beijing JinHong Investment Co., Ltd (JinHong) to develop the first commercial Demonstration Project of its keyseam technology in China. JinHong is committed to providing US$30 million in capital required for the commissioning of a commercial Demonstration Project in China. Shareholder's approved the formation of the JV with JinHong at the Company's Annual General Meeting (AGM);
- The Consolidated Group received $1.9 million from Kam Lung Investment Development Consolidated Group Ltd ("Kam Lung"), the Consolidated Group's largest shareholder, increasing its interest in the Consolidated Group to 19.99%. Under the terms of the private placement Mr Huihai Zhuang was appointed a Non-Executive Director as nominee for Kam Lung. Additionally Mr George Su, who is based in Australia, was also appointed by Mr Zhuang as his alternate Director.
- The Consolidated Group received $2.5 million as a research and development (R&D) tax incentive cash rebate from the Australian Taxation Office for R&D expenditure in the 2015 financial year. The Consolidated Group used some of these funds to repay a $1.2 million short-term R&D finance facility.
- The Consolidated Group submitted its first Rehabilitation Status Report for its Bloodwood Creek trial site to the Department of Environment and Heritage Protection (DEHP). The report concluded rehabilitation remains on track.
- Carbon Energy has been granted renewal of its Mineral Development License (MDL) by the Department of Natural Resources and Mines (DNRM), until 31 January 2018. The renewal is based on an updated Work Plan provided by the Consolidated Group to DNRM in October 2015. The original renewal application was lodged with DNRM in July 2012. The Work Plan states that no further Panels will be initiated until the Government finalises its policy in relation to Underground Coal Gasification and the necessary approvals are gained to support a commercial project, which is reflected in the renewal documents.
- Carbon Energy held its Annual General Meeting of Shareholders on 30 November 2015 and all Resolutions were passed.
- The Consolidated Group has been served with Proceedings that have been filed by Summa Resource Holdings in the United States District Court of Northern California. The Consolidated Group will vigorously defend the claims and has filed motions to dismiss each of the eight claims in the Complaint and to strike out a number of the allegations.

FINANCIAL REVIEW

The net operating loss of $2,319,489 (2014: loss $2,797,236) included revenue for the year from government grants of $2,490,344 (2014: $3,698,596) for the research and development (R&D) tax incentive from the Australian Tax Office and export market development grant from Austrade. The grants received relate to eligible R&D activities and overseas marketing activities incurred in the prior year.

The Company continued to invest in business development activities and enhancement of its technology. Resources have been focused on securing licensing opportunities in China, resulting in the execution of the JinHong JV agreements. Other licencing opportunities within and outside of China continue to present and are prioritised and evaluated as resources permit.

At the Consolidated Group's trial site, activities included environmental monitoring & reporting and general care & maintenance while the Consolidated Group awaits a response from the Queensland Government in relation to its proposed Rehabilitation Plan, lodged with the government in October 2014, and a decision on the path forward for UCG in Queensland. The Company continues to utilise data from the site to further enhance its ongoing investment in developing its technology assets.

CAPITAL STRUCTURE

The Consolidated Group had $1,930,668 in cash and cash equivalents as at 31 December 2015, a net increase of $241,360 from the prior period. Operating cash outflows were $388,901 (2014: $867,405) with receipts from government grants $2,490,344 (2014: $3,698,596) largely funding operating expenses.

Following receipt of the government grant for the R&D tax incentive in August 2015, the Consolidated Group repaid the $1,165,937 short-term R&D financing facility, established and drawn down during the 2015 financial year.

The Consolidated Group secured $1,924,081 through a private placement of capital to Kam Lung Investment Development Company, showing continued support by the Consolidated Group's largest shareholder.

STRATEGY

PRIORITY 1: THE JINHONG JOINT VENTURE

The Company's priorities were re-focused over the first half of FY16 with the commencement of the JinHong Joint Venture becoming the key priority.

Currently China has supportive policies for keyseam style technologies and has included cleaner coal to energy production as an area of focus in its next five-year-plan, commencing in March 2016.

China's demand for cleaner energy is set to increase heavily over the next decade and its limited access to low cost oil and gas has seen coal used more broadly and with greater diversity than other nations. China is looking for innovative technology solutions to utilise its abundant deep coal resources and has included UCG as a pillar for cleaner more efficient use of its resources in its up coming 5 year plan.

During the period the Consolidated Group laid the foundation for strong growth in China by entering into a Joint Venture agreement with Beijing JinHong Investment Development Co. (JinHong) with the exclusive focus of building a vertically integrated gas business. The formation of the Beijing JinHong New Energy Development Co. (JV) was approved by shareholders on 30 November at the Company's Annual General Meeting.

The approval of the JV will introduce a transformational shift for your Company and acknowledges a long term future into non-Australian markets.

Carbon Energy's contribution to the JV is initially a non-exclusive license that becomes exclusive upon successful commissioning of the JV's first commercial Demonstration Project. The JV will be funded by JinHong to US$30 million over three years which is estimated to be sufficient to develop a commercial demonstration project.

The Joint Venture partners are actively pursing the establishment of the Joint Venture and concurrently are engaged with appropriate business and government parties to secure coal resources and project approvals.

Subsequent to the Half Year end, the company announced progress to expedite pre-JV activities following the JV's first strategic workshop in Beijing for which the Company will be paid technical services fees.

These activities will commence concurrently, while the JV awaits Chinese government approval. The approval process remains on-track with all documentation lodged with the relevant authorities.

PRIORITY 2: FURTHER LICENSING OF PROJECTS INTERNATIONALLY

As part of the Company's re-focused on priorities further development of licencing opportunities internationally has become the next priority. Work continues to progress on business development opportunities in China that sit commercially separate to the JV as well as opportunities in other newly industrialised countries (NIC). NIC's typically are experiencing unprecedented growth with high demand for low cost cleaner energy. These markets are extremely price sensitive and open to new technologies that help them achieve greater energy independence. keyseam is very attractive to these markets especially when compared to other gas alternatives.

PRIORITY 3: QUEENSLAND STATE GOVERNMENT

It is now over 12 months since the Company received confirmation that it had completed the final stage of the five year long review process and keyseam's environmental credentials had been demonstrated.

Whilst the Company remains in regular communication with the Government, a policy for the future of use of keyseam technology is still being decided.

In December 2015 the Department of Natural Resources and Mines renewed the Company's Mineral Development License until 31 January 2018, based off a Work Plan submitted to Government in October 2015. The renewal provides the basis for the Company to continue to progress the activities including the continuation of the Company's groundwater monitoring program.

Carbon Energy continues to work openly and transparently with the Queensland Government which includes providing the Queensland Government with alternative options to help monetise the Queensland investment and create jobs for Queenslanders.

The progression of the project is currently delayed while the Company awaits a response from DNRM as to its instructions for commencing an Environmental Impact Statement. Carbon Energy remains committed to helping industrial gas users find reliable low cost gas feedstock and is well positioned to supply gas to local industry subject to government policy, approvals and funding.

RISK MANAGEMENT AND CORPORATE GOVERNANCE

Carbon Energy understands that effective management of risk is critical to the achievement of its business objectives, and undertakes to manage risk in a manner that maximises opportunities, protects against harm and minimises loss events.

As a company reliant on its unique technological advantage, Carbon Energy anticipates and considers risk in everything it does and in every decision made in order to create and protect value for shareholders.

The Consolidated Group's management of financial risk is aimed at ensuring net cash flows are sufficient to meet all its financial targets and maintain the capacity to fund the Consolidated Group's growth activities. Management and the Board continually review the Consolidated Group's liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. During the reporting period the Company secured additional capital of $1.9 million through a private placement to maintain its liquidity position and repaid a $1.2 million short term financing facility. The Company has a $10 million convertible note due for repayment on or before 18 January 2017. The Company is actively pursuing opportunities to secure revenue and/or capital streams and/or refinancing options.

Risks and opportunities are reviewed and monitored regularly by Management and the Board with appropriate actions taken to reduce the residual risk. Risks being managed include: liquidity risk in relation to the $10 million convertible note due for repayment on or before 18 January 2017, delays experienced on the Queensland government decision to progress the approvals for the Blue Gum Gas Project, progressing negotiations to execute potential licencing and technical services agreements, and engaging appropriate litigation support to defend the Summa litigation and mitigate the risk of an adverse outcome.

Throughout the period the Company continued to monitor and implement cost savings initiatives these included optimising the organisation structure following executive resignations, limiting use of external contractors and the reinforcement of a cost conscious culture.

LEGAL MATTERS - SUMMA SHARE SALE AGREEMENT

On 27 November 2015 the Company advised it had been served with proceedings filed by Summa Resource Holdings LLC (Summa) against it in the United States District Court for the Northern District of California (Complaint).

Carbon Energy maintains its position announced on 6 March 2013 that relevant milestones under the Agreement with Summa had not been met, notwithstanding Carbon Energy having taken all required steps and having used its best endeavours. Accordingly, Carbon Energy is not obliged to issue further tranches of shares to Summa[1].

In response to Summa's Complaint, Carbon Energy filed motions to dismiss each of the eight claims in the Complaint and to strike out a number of the allegations. Carbon Energy's motions are scheduled to be heard in court in late March 2016. The Company will continue to defend the Complaint and any claims made in respect of the allegations made by Summa.

KEY EVENTS SUBSEQUENT TO HALF YEAR

- On 11 March 2016 the Company announced a 3 for 11 partially underwritten renounceable rights issue to eligible shareholders at 1.3 cents per share to raise up to approximately $5.3 million (before costs). Any Shortfall to the Offer is partially underwritten by APP Securities Pty Ltd (Underwriter) for an amount of $1.8 million The Underwriter has entered into sub-underwriting arrangements with the Company's major shareholder (and a related party) Kam Lung Investment Development Co. Ltd for $1.8 million.

  Funds raised under the Offer will be used for:
  - pursuing International and Australian business development opportunities;
  - progressing the activities of the Work Plan for MDL374, which include the continuation of the Company's ground water monitoring program under its Environmental Authority which form part of its comprehensive Rehabilitation Plan for the UCG trial site near Dalby, in South East Queensland (UCG Trial Site);
  - general working capital; and
  - offer costs.

- On the 29 February 2016, Carbon Energy announced it had agreed to monthly pre-paid service fees from its JV partner JinHong, for its contribution to pre-JV activities to expedite progress of the JV while it awaits Chinese Government approval.

- On the 26 February 2016 the Company announced that it had agreed with the Pacific Road Group that the terms of the security against the $10 million Convertible Loan Facility (Facility)

[1] See ASX announcement 23 February 2011 and 6 March 2013

between the Company and the Pacific Road Resources Funds be varied to allow the Company to enter into the JinHong Joint Venture agreement as approved by shareholders at the Company's 2015 AGM. The agreement provides for the use of the technology secured by the Facility and in consideration the Pacific Road Group has been granted additional security over other assets of the company, being 100% of the shares in Carbon Energy (Operations) Pty Limited, the subsidiary that owns the UCG technology and software transferred from CSIRO and secured by the Facility.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporation Act 2001 is included on page 9 of the half-year report.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors:

Dr Chris Rawlings
Chairman

Morné Engelbrecht
Managing Director

Brisbane, Queensland
11 March 2016

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The Board of Directors
Carbon Energy Limited
Level 9, 301 Coronation Drive
Milton QLD 4064

10 March 2016

Dear Board Members

Independence Declaration

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Carbon Energy Limited.

As lead audit partner for the review of the financial statements of Carbon Energy Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Stavrou
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED GROUP	
		Half-year ended	
	Notes	Dec'15 $	Dec'14 $
Revenue and other income			
Technology service fee revenue		47,618	112,937
Other income	3(a)	2,529,824	3,774,989
Total revenue and other income		**2,577,442**	**3,887,926**
Employee benefits expense		(1,511,974)	(2,486,516)
Administration, legal and corporate costs		(1,037,887)	(937,744)
Consultancy costs		(225,088)	(1,137,371)
Operating expenditure		(146,919)	(137,339)
Share-based payments		(130,480)	(186,630)
Depreciation expense		(75,371)	(137,050)
Finance costs	3(b)	(913,145)	(924,133)
Movement in fair value of derivatives	5	9,020	(727,085)
Impairment expense	3(c)	(860,326)	-
Loss before income tax expense		**(2,314,727)**	**(2,785,943)**
Income tax expense		(4,762)	(11,293)
Loss for the period		**(2,319,489)**	**(2,797,236)**
Other comprehensive income for the period (net of tax)			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period (net of tax)		**-**	**-**
Total Loss and comprehensive income for the period		**(2,319,489)**	**(2,797,236)**
Loss attributable to Owners of the Parent		**(2,319,489)**	(2,797,236)
Total Loss and comprehensive income attributable to Owners of the Parent		**(2,319,489)**	(2,797,236)
Earnings per share from continuing operations			
Basic loss per share (cents per share)		(0.16)	(0.22)
Diluted loss per share (cents per share)		(0.16)	(0.22)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		CONSOLIDATED GROUP	
	Notes	Dec'15 $	Jun'15 $
Assets			
Current Assets			
Cash and cash equivalents		1,930,668	1,688,736
Trade and other receivables		41,626	51,878
Other current assets		77,613	65,424
Total Current Assets		**2,049,907**	**1,806,038**
Non-Current Assets			
Trade and other receivables		267,553	267,553
Construction work in progress		2,555,334	2,555,334
UCG panel assets		1,785,796	1,786,888
Property, plant & equipment		765,435	834,191
Other non-current asset		-	860,326
Deferred exploration and evaluation costs		90,429,448	90,376,990
Intangible assets		47,961,354	47,902,732
Total Non-Current Assets		**143,764,920**	**144,584,014**
Total Assets		**145,814,827**	**146,390,052**
Liabilities			
Current Liabilities			
Trade and other payables		475,547	435,158
Deferred revenue		-	-
Loans and borrowings	4	-	1,165,937
Derivative financial liability	5	-	9,020
Provisions		284,463	386,699
Total Current Liabilities		**760,010**	**1,996,814**
Non Current Liabilities			
Provisions		3,819,627	3,727,577
Financial liabilities	6	8,623,086	8,029,675
Total Non Current Liabilities		**12,442,713**	**11,757,252**
Total Liabilities		**13,202,723**	**13,754,066**
Net Assets		**132,612,104**	**132,635,986**
Equity			
Issued capital	7	240,780,103	238,614,976
Reserves		20,058,501	19,928,021
Accumulated losses		(128,226,500)	(125,907,011)
Total Equity		**132,612,104**	**132,635,986**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued Capital	Options Reserve	Share-Based Payments Reserve	Other Reserve	Foreign Currency Reserve	Accumulated Losses	Total
	$	$	$	$	$	$	$
Balance at 1 Jul 2014	235,606,127	1,650,453	15,983,667	2,101,590	-	(119,736,246)	135,605,591
Shares issued during the period	3,004,619						3,004,619
Transaction Costs	(240,267)						(240,267)
Options exercised during the period		(47)	(14,735)				(14,782)
Movement in share option reserve on recognition of share based payments			136,339				136,339
Translation of Foreign Operations							
Losses attributable to member of parent entity						(2,797,236)	(2,797,236)
Balance at 31 Dec 2014	**238,370,479**	**1,650,406**	**16,105,271**	**2,101,590**	**-**	**(122,533,482)**	**135,694,264**
Balance at 1 Jul 2015	238,614,976	1,650,406	16,176,025	2,101,590	-	(125,907,011)	132,635,986
Shares issued during the period	2,176,137						2,176,137
Transaction Costs	(11,010)						(11,010)
Options exercised during the period							-
Movement in share option reserve on recognition of share based payments			130,480				130,480
Translation of Foreign Operations							-
Losses attributable to member of parent entity						(2,319,489)	(2,319,489)
Balance at 31 Dec 2015	**240,780,103**	**1,650,406**	**16,306,505**	**2,101,590**	**-**	**(128,226,500)**	**132,612,104**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED GROUP Half-year ended	
	Notes	Dec'15 $	Dec'14 $
Cash flows from Operating activities			
Receipts from customers		40,746	-
Payments to suppliers and employees		(3,054,171)	(4,916,081)
Receipt of government grants	3(a)	2,490,344	3,698,596
Interest received		32,203	46,168
Taxes and duties paid		(9,069)	-
GST receipts from Australian Taxation Office		105,714	282,363
Other receipts		5,332	21,549
Net cash flows used in Operating activities		**(388,901)**	**(867,405)**
Cash flows from Investing activities			
Payments for property, plant and equipment		(5,814)	(7,572)
Proceeds from disposal of property, plant and equipment		3,818	-
Payments for exploration & evaluation costs		(52,458)	(198,618)
Payments for intangible assets		(45,925)	(27,302)
Net cash flows used in Investing activities		**(100,379)**	**(233,492)**
Cash flows from Financing activities			
Proceeds from issues of shares		1,924,081	2,566,152
Proceeds from short term loan facility		-	1,500,000
Repayment of short term loan facility	4	(1,165,937)	(1,500,000)
Loan facility costs	4	(16,493)	(102,873)
Capital raising and financing costs		(11,010)	(238,534)
Net cash flows provided by Financing activities		**730,640**	**2,224,745**
Net increase in cash and cash equivalents held		**241,360**	**1,123,848**
Cash and cash equivalents at the beginning of the period		1,688,736	2,387,114
Effects of exchange rates changes on cash and cash equivalents		572	-
Cash and cash equivalents at the end of the period		**1,930,668**	**3,510,962**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The interim financial report covers the consolidated group of Carbon Energy Limited and its controlled entities (the Consolidated Group). Carbon Energy Limited is a listed public company, incorporated and domiciled in Australia.

1.1 Statement of Compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB134, *Interim Financial Reporting*. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS34, *Interim Financial Reporting*. The interim report does not include notes of the type normally included in an annual financial report.

It is recommended that this interim financial report be read in conjunction with the most recent annual financial report and any public announcements made by Carbon Energy Limited during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The interim financial report was authorised for issue by the Directors on 11 March 2016.
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1.2 Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's 2015 annual financial report for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

1.3 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Consolidated Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half-year.

The tables below outlines the new and revised accounting pronouncements that either are to be applied for the first time at 31 December 2015, or which may be early adopted at that date.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Impact
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards [Part E – Financial Instruments], AASB 2014-7 'Amendments to Australian Accounting Standards arising from AASB 9' (December 2014)	1 January 2018	30 June 2019	No impact based on current financial instruments
AASB 14 'Regulatory Deferral Accounts', AASB 2014-1 'Amendments to Australian Accounting Standards [Part D – Consequential Amendments Arising from AASB 14 Regulatory Deferral Accounts]'	1 January 2016	30 June 2017	Not applicable
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	30 June 2019	No impact to current contracts
AASB 16 Leases	1 January 2019	30 June 2019	No impact to current contracts
AASB 1056 Superannuation Entities	1 July 2016	Not applicable	Not applicable
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions if Interests in Joint Operations'	1 January 2016	Not applicable	Not applicable
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation '	1 January 2016	30 June 2017	No impact
AASB 2014-6 'Amendments to Australian Accounting Standards - Agriculture: Bearer Plants'	1 January 2016	Not applicable	Not applicable
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	Not applicable	Not applicable
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017	No impact based on current business timeframes
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017	Not material
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017	Enhanced disclosure
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016	Enhanced disclosure
AASB 2015-4 ' Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	Not applicable	Not applicable
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	Not applicable	Not applicable
AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Non-for-Profit Public Sector Entities'	1 July 2016	Not applicable	Not applicable
AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector	1 July 2016	Not applicable	Not applicable

1.4 Going Concern

The half-year financial report has been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

In concluding that the going concern basis is appropriate, a cash flow forecast for twelve months from the signing of the financial report was considered. A renounceable rights Issue to raise approximately $5.3 million of capital, if fully subscribed, was announced on 11 March 2016. The rights issue is partially underwritten to $1.8 million (before direct offer costs including fees paid to the Underwriter and advisers and to providers of specific services to cover share registry, printing and postage costs). The rights issue is due to close on 5 April 2016.

The ability of the Consolidated Group to continue as a going concern, fund the development and commercialisation of its keyseam UCG technology and repay the $10 million convertible note due in January 2017 is dependent upon the receipt of at least the partially underwritten amount of the renounceable rights issue and securing additional funds in the coming months from amongst a range of sources/opportunities including:

- the placement of additional equity from any rights Issue shortfall;
- receipt of the R&D cash incentive to be lodged with the ATO in or around July 2016;
- the receipt of fees for services provided to the JinHong Joint Venture in China;
- the further licensing and services relating to the Company's keyseam UCG technology;
- issuing new equity;
- progress towards the utilisation of its gas reserves; and/or
- entering into or refinancing debt facilities.

Factors which can influence these opportunities include, but are not limited to, progress of current development and licensing activities, approval of the utilisation of the Company's keyseam technology in Queensland by the Queensland Government and general market sentiment.

Notwithstanding this, as a technology development and exploration company with start-up projects and a dependency upon continuing support from current shareholders and financiers and on securing additional sources of funds, should the Consolidated Group not receive the forecast cash inflows and additional funding referred to above there are material uncertainties as to whether the Consolidated Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

The half-year financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Consolidated Group not continue as a going concern.

NOTE 2 – SEGMENT INFORMATION

The Consolidated Group operates in one segment, being development of clean energy and chemical feedstock from UCG syngas and reports to the chief operating decision-maker on this basis. As such one reportable segment has been identified and this basis is consistent with the current reporting structure.

NOTE 3 – RESULTS FOR THE PERIOD

	CONSOLIDATED GROUP Half-year ended	
	Dec'15 $	Dec'14 $
The following significant transactions are relevant in explaining the financial performance:		
(a) Other Income		
Operating activities:		
- Government Grants	2,490,344	3,698,596
- Interest Received	29,530	54,844
Non-operating activities:		
- Other Receipts	9,950	21,549
TOTAL	**2,529,824**	**3,774,989**

The Consolidated Group receives a research and development tax incentive (R&D) from the Australian Taxation Office and an export market development grant (EMDG) from Austrade. The R&D tax incentive is equivalent to 45% of eligible research and development expenditure while the EMDG scheme reimburses up to 50% of eligible export promotion expenses. As the Consolidated Group recognises rebates upon receipt this income relates to expenditure incurred in the prior financial year.

In the 2015-16 Budget released on 12 May 2015, the Government reiterated its intention to change the rates of assistance under the R&D tax incentive from 45% to 43.5% for expenditure incurred from 1 July 2014. Legislation has been introduced into parliament however awaits Senate approval and final assent.

	Dec'15 $	Dec'14 $
(b) Finance costs:		
Pacific Road Convertible Note accretion expense	(593,411)	(483,500)
Interest Expense	(267,688)	(315,905)
Finance facility fees	(4,893)	(87,481)
Rehabilitation provision accretion expense	(44,149)	(34,018)
Other	(3,004)	(3,229)
TOTAL	**(913,145)**	**(924,133)**
(c) Impairment expense: Other non-current asset – Chile Mulpun project (To reflect the increased uncertainty around the timing of the project commencing)	(860,326)	-

NOTE 4 – LOANS AND BORROWINGS

	CONSOLIDATED GROUP	
	Dec '15 $	Jun '15 $
Current		
Loan Facility (Secured)	-	1,165,937
Closing balance	**-**	**1,165,937**

	Dec '15 $	Jun '15 $
Opening balance	1,165,937	-
Loan proceeds	-	2,665,937
Less Repayment	(1,165,937)	(1,500,000)
Secured Loan Debt outstanding at balance date	**-**	**1,165,937**

NOTE 4 – LOANS AND BORROWINGS (continued)

On 29 January 2015 the Company secured a new facility with Macquarie bank for $1.2 million to assist in funding its short term working capital requirements prior to the receipt of the 2015 Research and Development tax incentive rebate. The facility was drawn down on 30 January 2015 and subsequently repaid in full during August 2015, upon receipt of the Research and Development rebate from the Australian Taxation Office. Total financing costs incurred for this facility were $16,493

NOTE 5 – DERIVATIVE FINANCIAL LIABILITY

	CONSOLIDATED GROUP	
	Dec '15 $	**Jun '15 $**
Current		
Derivative out of Credit Suisse loan facility	-	9,020
Closing Balance	**-**	**9,020**

As part of the finalisation of the Credit Suisse loan facility, 61,728,395 options were issued to Credit Suisse at a strike price of $0.081. The 2013 rights issue resulted in a recalculation of the strike price which has reduced to $0.061. The Company had the discretion to settle the net gain (per market/share price) either in cash or equity at the time that Credit Suisse exercises the options. The issue of these options was treated as an embedded derivative and accordingly the value was classified as a derivative financial liability and measured at fair value.

The options expired on 15 November 2015 without being exercised by Credit Suisse. The derivative financial liability value was reduced to Nil resulting in a credit to the profit and loss of $9,020 for period from extinguishment of the liability.

The reconciliation of the derivative financial liability is as follows:

	CONSOLIDATED GROUP	
	Dec '15 $	**Dec '14 $**
Opening balance, 1 January	737,989	134,838
Fair value adjustment recognised in the profit and loss		
- Movement in fair value of derivatives	(728,969)	(123,934)
30 June	9,020	10,904
Fair value adjustment recognised in the profit and loss:		
- Movement in fair value of derivatives	(9,020)	727,085
Closing balance, 31 December	**-**	**737,989**

NOTE 6 – FINANCIAL LIABILITIES

	CONSOLIDATED GROUP	
	Dec '15 $	**Jun '15 $**
Non-Current		
Convertible note facility (secured)	8,623,086	8,029,675
TOTAL FINANCIAL LIABILITIES	**8,623,086**	**8,029,675**

	Dec '15 $	**Jun '15 $**
Opening balance	8,029,675	6,972,442
Accretion	593,411	1,057,233
Closing facility balance	**8,623,086**	**8,029,675**

The total secured Pacific Road Capital "Pacific Road" convertible note outstanding at 31 December 2015 is $10,000,000. A reconciliation of the financial liability to the convertible note is as follows:

	2015 $
Financial liability as at 31 December 2015	8,623,086
Fair value discount to unwind in future periods	1,376,914
Convertible note outstanding as at 31 December 2015	10,000,000
Future interest payments at 5%	526,027

The Equity component of $2,101,590 has been credited to equity (Other Reserve). 35,000,000 options were issued with a strike price at a 25% premium over the term of the Facility Agreement which expires on 18 January 2017.

An additional 9,645,845 unlisted options were issued to Pacific Road Capital Management Pty Ltd (Pacific Road) on 16 November 2012 with an exercise price of $0.081 and an expiry date of 15 November 2015. These options were issued in accordance with the non-dilution clause in the Pacific Road Facility Agreement whereby the convertible note has provision to prevent any further capital raising from diluting Pacific Road's share holding in Carbon Energy. The 2013 rights issue resulted in a recalculation of the exercise price of these options which reduced to $0.061. These options expired on 15 November 2015 without being exercised by Pacific Road.

Pacific Road may convert all or part of the Facility amount to shares in the Company at any time during the term at a conversion price of $0.14. If the share price exceeds $0.40 for continuous 60 day VWAP period the Company can request the conversion of the Facility in full. The Facility repayment date is 18 January 2017 and any part of the Facility amount not converted into shares on that date is repayable in cash by the Company on that date. The Pacific Road Convertible Note Facility is secured by a mortgage over the UCG technology and software transferred from CSIRO to Carbon Energy and 100% of the shares in Carbon Energy (Operations) Pty Limited, the subsidiary that owns the UCG technology and software transferred from CSIRO.

The fair value of the financial liability approximates its carrying value. Interest on the convertible note facility is paid through the issue of shares.

As noted, the Facility is to be repaid by 18 January 2017, less than 12 months from the date of signing the financial report. This note should be read in conjunction with Note 1.4 *Going Concern*.

NOTE 7 – ISSUES OF EQUITY INSTRUMENTS

Ordinary shares

Issued capital as at 31 December 2015 amounted to $240,780,103 representing 1,487,938,870 fully paid ordinary shares (30 June 2015: $238,614,976 representing 1,345,742,829 fully paid ordinary shares).

On 28 September 2015 the Company's largest shareholder, Kam Lung Investment Development Company Ltd (Kam Lung) subscribed for an additional 123,845,128 shares at a price of $0.016 cents, representing a 14% premium to the closing price as at 25 September 2015 (Placement). The total value of the Placement was $1,924,081. These monies were received on 30 September 2015 increasing Kam Lung's holding in the Company at that time to 19.99%.

The Company has a secured convertible note with Pacific Road Capital Management Pty Ltd (Pacific Road), refer to Note 6. Under the terms of the Pacific Road Convertible Note Facility Agreement interest is paid through the issue of shares, 3 months in arrears. During the half-year 18,350,913 ordinary shares were issued representing $252,056 of interest.

Total costs associated with all share issues during the half year were $11,010. There were no further movements in the ordinary share capital of the Company.

Listed Options

As at 31 December 2015 the Company has on issue 443,694,404 listed options exercisable at $0.06 and expiring on 31 July 2016.

Unlisted Options

As at 31 December 2015 the Company has on issue 84,910,151 unlisted options and 7,500,000 performance rights. 51,576,818 unlisted options have vested and are exercisable. Exercise prices for unlisted options range from $0.026 to $0.1678. The 7,500,000 performance rights have a nil exercise price.

During the half-year, 71,374,240 unlisted options held by Credit Suisse and Pacific Road expired on 15 November 2015 and 3,084,000 unlisted options issued under the executive share plan for the FY2012 expired on 31 December 2015.

NOTE 8 – KEY MANAGEMENT PERSONNEL

During the half year, Mr Justin Haines resigned from the position of General Manager Technical Services, effective 14 August 2015, and Ms Tracy Bragg resigned from the position of General Counsel & Company Secretary, effective 30 September 2015.

Ms Catherine Costello, the Company's Chief Financial Officer, took over the role of Company Secretary in addition to her existing duties, effective from 30 September 2015. Mr Stuart MacKenzie was appointed to the position of General Counsel on a casual, as required basis effective from 27 November 2015.

The Company appointed Mr Huihai Zhuang to the position of Non-Executive Director as nominee for Kam Lung Investment Development Company following the increase in its shareholding to 19.99%. Additionally Mr George Su, who is based in Australia, was appointed by Mr Zhuang's as his alternate Director and translator.

NOTE 9 – COMMITMENTS, CLAIMS, GUARANTEES, CONTINGENT ASSET, CONTINGENT LIABILITIES & CREDIT FACILITIES

(a) Exploration Commitments

The Consolidated Group is required to perform ongoing exploration expenditure and has certain statutory obligations to perform minimum exploration work on its tenements. No provision has been made in the financial statements for these amounts as the amounts are expected to be fulfilled in the normal course of the operations of the Consolidated Group.

Applications have been lodged with the Department of Natural Resources & Mines (DNRM) for extensions to a number of tenements and consequently the statutory exploration commitments for these tenements are deferred and awaiting decision. The Statutory expenditure requirements may be renegotiated with the State's Mineral and Energy Departments and expenditure commitments may be varied between tenements, reduced subject to exploration area or relinquished for non- prospective tenements.

During the period the DNRM granted renewal of Mineral Development Licence 374 (MDL 374) through until 31 January 2018 following the lodgement of an updated Work Plan in October 2015. The Work Plan states that no further Panels will be initiated until the Government finalises its policy in relation to Underground Coal Gasification and the necessary approvals are gained to support a commercial project, which is reflected in the renewal documents. The original renewal application was lodged with DNRM in July 2012.

	CONSOLIDATED GROUP	
	Dec '15 $	**Jun '15 $**
These obligations which are not provided for in the financial statements and are payable:		
• not later than one year	1,047,610	84,839
• later than one year but not later than five years	1,677,125	908,611
TOTAL EXPLORATION COMMITMENTS	**2,724,735**	**993,450**

(b) Operating Lease Commitment

	CONSOLIDATED GROUP	
	Dec '15 $	**Jun '15 $**
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
• not later than one year	411,441	404,284
• later than one year but not later than five years	902,577	1,109,652
TOTAL OPERATING LEASE COMMITMENTS	**1,314,018**	**1,513,936**

The Consolidated Group leases assets for operations including equipment and office premises. The leases have a life of between 17 months and 3 years.

The lease for the Brisbane office commenced on 1 February 2013 for a term of 6 years and expires on 31 January 2019 with a further 5 year option. Rent increases are set at a 4% increase per annum.

NOTE 9 – COMMITMENTS, CLAIMS, GUARANTEES, CONTINGENT ASSET, CONTINGENT LIABILITIES & CREDIT FACILITIES (continued)

(c) Claims of Native Title and Cultural Heritage

Mineral exploration

The Company is aware of native title claims made in accordance with the Native Title Act 1993 (NTA) that was enacted to accommodate the decision of the High Court in Mabo v Queensland (No2) (1992) 175 CLR 1, which recognised the rights and interests of the Aboriginal and Torres Strait Islanders as a form of common law native title.

The main objectives of the NTA are to:

- provide for the recognition and protection of native title;
- establish ways in which future dealings affecting native title may proceed and to set standards for those dealings; and
- establish a mechanism for determining claims to native title; and provide for, or permit, the validation of past acts invalidated because of the existence of native title.

Exploration and UCG

A Cultural Heritage Management Plan (CHMP) has been developed in partnership with the Aboriginal traditional owners of the lands the subject of the UCG demonstration trial. The CHMP is registered under the provisions of the Aboriginal Cultural Heritage Act and ensures that there is minimal impact or damage caused to Aboriginal cultural heritage items, materials or values during the exploration and UCG activities on mining and petroleum tenements owned by Carbon Energy.

(d) Bank Guarantees

	CONSOLIDATED GROUP	
	Dec '15 $	**Jun '15 $**
Standby arrangements with banks to provide funds and support facilities for bank guarantees relating to rehabilitation bonds.		
These facilities are secured by fixed term cash deposits		
Bank Credit Facility – Deposit	32,500	32,500
Amount Utilised	(32,500)	(32,500)
Unused Bank Credit Facility	-	-
Interest rates on these credit facilities are variable and subject to adjustment.		
Bank Guarantee in relation to Environmental bonds	53,140	53,140
Bank Guarantee in relation to the entity's share of guarantee for Lease of office premises	181,913	181,913

(e) Contingent Liabilities

Summa Resources Holdings LLC (Summa)

On 27 November 2015 the Company advised it had been served with proceedings filed by Summa Resource Holdings LLC (Summa) against it in the United States District Court for the Northern District of California (Complaint).

The Complaint alleges:

- Fraudulent inducement to enter into contract;
- Breach of fiduciary duty and constructive fraud;
- Common law fraud and deceit;
- Intentional interference with prospective economic advantage;
- Conversion;
- Alternative claim for negligent misrepresentation and concealment;
- Unfair competition; and
- Breach of written contract and breach of implied covenant of good faith and fair dealing.

NOTE 9 – COMMITMENTS, CLAIMS, GUARANTEES, CONTINGENT ASSET, CONTINGENT LIABILITIES & CREDIT FACILITIES (continued)

(e) Contingent Liabilities (continued)

The quantum of damages sought is no less than US$70,000,000 plus interest, costs and exemplary damages in an unquantified amount. Further, Summa is also seeking the imposition of a trust or equitable lien over assets of or under the control of Carbon Energy.

Carbon Energy maintains its position announced on 6 March 2013 that relevant milestones under the Agreement with Summa had not been met, notwithstanding Carbon Energy having taken all required steps and having used its best endeavours. Accordingly, Carbon Energy is not obliged to issue further tranches of shares to Summa[2] and no contingent liability is deemed necessary.

In response to Summa's Complaint, Carbon Energy filed motions to dismiss each of the eight claims in the Complaint and to strike out a number of the allegations. Carbon Energy's motions are scheduled to be heard in court in late March 2016. The Company will continue to defend the Complaint and any claims made in respect of the allegations made by Summa.

(f) Other Credit Facilities

	CONSOLIDATED GROUP	
	Dec '15 $	**Jun '15 $**
Pacific Road Convertible note Facility[1]	10,000,000	10,000,000
Macquarie Bank Finance Facility	-	1,165,937
TOTAL	**10,000,000**	**11,165,937**
Unused Credit Facility	**-**	**34,063**

[1] The Pacific Road Convertible Note Facility is secured by a first ranking registered fixed and floating charge over the initial technology transferred from CSIRO to Carbon Energy and 100% of the shares in Carbon Energy (Operations) Pty Limited. The Facility is due to be repaid on/before 18 January 2017. Refer to Note 1.4 *Going Concern* and Note 6 *Financial Liabilities* for additional information.

NOTE 10 – EVENTS SUBSEQUENT TO THE REPORTING DATE

On 11 March 2016 the Company announced a 3 for 11 partially underwritten renounceable rights issue to eligible shareholders at 1.3 cents per share to raise up to approximately $5.3 million (before costs). Any Shortfall to the Offer is partially underwritten by APP Securities Pty Ltd (Underwriter) for an amount of $1.8 million. The Underwriter has entered into sub-underwriting arrangements with the Company's major shareholder (and a related party) Kam Lung Investment Development Co. Ltd for $1.8 million.

Funds raised under the Offer will be used for:

- pursuing International and Australian business development opportunities;
- progressing the activities of the Work Plan for MDL374, which include the continuation of the Company's ground water monitoring program under its Environmental Authority which form part of its comprehensive Rehabilitation Plan for the UCG trial site near Dalby, in South East Queensland (UCG Trial Site);
- general working capital; and
- offer costs.

[2] See ASX announcement 23 February 2011 and 6 March 2013

On the 29 February 2016, Carbon Energy announced it had agreed to monthly pre-paid service fees from its JV partner JinHong, for its contribution to pre-JV activities to expedite progress of the JV while it awaits Chinese Government approval.

On the 26 February 2016 the Company announced that it had agreed with the Pacific Road Group that the terms of the security against the $10 million Convertible Loan Facility (Facility) between the Company and the Pacific Road Resources Funds be varied to allow the Company to enter into the JinHong Joint Venture agreement as approved by shareholders at the Company's 2015 AGM. The agreement provides for the use of the technology secured by the Facility and in consideration the Pacific Road Group has been granted additional security over other assets of the company, being 100% of the shares in Carbon Energy (Operations) Pty Limited, the subsidiary that owns the UCG technology and software transferred from CSIRO and secured by the Facility.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

a) in the Directors' opinion, the financial statements and notes, as set out on pages 10 to 23, are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the Consolidated Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Dr Chris Rawlings
Chairman

Morné Engelbrecht
Managing Director

Brisbane, Queensland
11 March 2016

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Independent Auditor's Review Report to the Members of Carbon Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carbon Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit and loss and other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 25.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Carbon Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Carbon Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Carbon Energy Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1.4 in the half-year financial report which indicates that the ability of the Consolidated Entity to be able to continue as a going concern is dependent upon securing additional funds.

The matters set out in Note 1.4 indicate the existence of a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Stavrou
Partner
Chartered Accountants
Brisbane, 11 March 2016

Corporate Directory

Directors

Dr Chris Rawlings
Non-Executive Chairman
Mr Morné Engelbrecht
Managing Director & Chief Executive Officer
Dr Helen Garnett
Non-Executive Director
Mr Peter Hogan
Non-Executive Director
Mr Louis Rozman
Non-Executive Director
Mr Huihai Zhuang
Non-Executive Director
Mr George Su
Alternate Director to Mr Zhuang

Executive Management Team

Morné Engelbrecht
Managing Director & Chief Executive Officer
Catherine Costello
Chief Financial Officer & Company Secretary
Stuart MacKenzie
General Counsel
Dr Cliff Mallett
Technical Director
Terry Moore
General Manager Operations

Carbon Energy Limited

ABN 56 057 552 137

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