



carbonenergy

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

ASX / Media Announcement

11 April 2016

Not for distribution in the United States

Carbon Energy raises a total of \$3.48 million under the rights issue

Carbon Energy (ASX:CNX, OTCQX:CNXAY) announces the entitlements accepted and top-up shares applied for under the rights issue (which closed on Monday 4 April 2016) represent total proceeds of \$1,682,757.

Acceptances of entitlements and under the top up facility under the rights issue announced on 11 March 2016 have been received from shareholders for a total of 129,442,859 New Shares or 32% of the New Shares offered under the rights issue.

As disclosed in the information booklet, APP Securities Pty Ltd has partially underwritten and the Company's cornerstone investor Kam Lung Investment Development Company Limited (**Kam Lung**) has sub-underwritten the rights issue to a maximum of \$1,800,000. In addition to the sub-underwriting, Kam Lung has taken up its full entitlement. This entitlement is included in the acceptances described above.

Kam Lung will, as sub-underwriter, be issued 138,461,538 New Shares (in addition to those it applied for under the rights issue) under the terms of the sub-underwriting agreement, representing \$1,800,000. This will bring Kam Lung's interest in the Company to 514,760,847 shares representing 29.19%.

The total amount raised under the rights issue and sub-underwriting was \$3,482,757 representing 267,904,397 New Shares or 66% of rights issue. The shortfall remaining from the rights issue after taking into account the acceptances received and the \$1,800,000 underwriting is \$1,820,340, representing 140,026,159 New Shares (**Shortfall**) or 34% of the rights issue. The Company and APP Securities Pty Ltd (the lead manager for the rights issue) are working together to seek to place the Shortfall.

Update to the rights issue timetable

Announcement of results of Entitlement Offer and under-subscriptions	11 April 2016
Settlement of New Shares under the Entitlement Offer	13 April 2016
Allotment of New Shares issued under the Entitlement Offer	13 April 2016
Normal ASX trading for New Shares issued under the Entitlement Offer commences	14 April 2016
Despatch of holding statements for New Shares issued under the Entitlement Offer	15 April 2016

The Company will proceed to allot and issue the New Shares in respect of the Rights Issue Subscriptions with effect from Wednesday 13 April 2016.

It is anticipated that the New Securities issued in respect of the Rights Issue Subscriptions will commence trading on the ASX on Thursday 14 April 2016 with despatch of transaction confirmation statements to occur on Friday 15 April 2016.

The Company wishes to thank Shareholders for their ongoing support and look forward to the year ahead as the Company focuses on delivering the first project from the JinHong Joint Venture, developing further technology licensing opportunities in China and elsewhere and continuing the monitoring and rehabilitation for Bloodwood Creek.

For and on behalf of the Board

Morné Engelbrecht
Managing Director & Chief Executive Officer

For more information please contact Marina Cid on +61 7 3156 7712 or refer to our website at www.carbonenergy.com.au