



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

ASX / Media Announcement

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

Carbon Energy announces CEO appointment

The Board of Carbon Energy Limited (ASX: CNX, OTCQX: CNXAY) is pleased to announce the appointment of Mr Kerry Parker to the position of Chief Executive Officer & Managing Director.

Kerry is a well regarded executive with a 20 year history of significant contribution to junior resources companies, having held Chief Financial Officer and Managing Director roles in various unlisted and ASX listed resource companies, including those engaged in the energy business. He has had significant experience in the management of Joint Ventures through CH4 Gas, Arrow Energy, Panax Geothermal, Inova Resources, Discovery Metals and Unity Mining across Australia, India, China, Indonesia, Botswana and Vietnam.

He is a Chartered Accountant by profession.

“We are delighted to welcome Kerry to the leadership role in Carbon Energy” said Chairman, Dr Chris Rawlings. “His experience, energy and drive will propel the Company to the next stage of its development”, he added

Mr Parker said he was delighted to be appointed Chief Executive Officer and Managing Director of Carbon Energy.

“I look forward to leading Carbon Energy into the next stage of its development and growth through the use of its proprietary keyseam UCG technology in China and other jurisdictions.

The appointment becomes effective as of 1 September 2016.

ENDS

For and on behalf of the Board

Dr Chris Rawlings
Chairman of the Board

Summary of key terms:**Appointment:**

The appointment is to the position of Chief Executive Officer and Managing Director of Carbon Energy Limited. He will be appointed to the board of directors of Carbon Energy Limited.

Term:

Mr Parker will commence in the position on 1 September 2016 and is appointed for an initial term of 3 years with a 2 year extension option and subject to termination by either party (see below).

Remuneration:

- Total Fixed Remuneration: Mr Parker will be paid a fixed cash remuneration in the form of a Total Fixed Remuneration (TFR) package (inclusive of super) subject to annual review. His TFR will initially be \$315,000.
- Short Term Incentive: Mr Parker will be entitled to a maximum potential short-term incentive of 30% of his base salary per annum. Payout of any performance bonus is at the discretion of the Board and meeting performance targets and priorities set by the Board in consultation with Mr Parker.
- Long Term Incentive: Mr Parker will be entitled to participate in the Carbon Energy executive long-term incentive scheme in accordance with the rules of the schemes and any applicable Carbon Energy policy. Mr Parker will be entitled to a total long-term incentive grant.
- Subject to Shareholder approval at the next AGM, performance rights in Carbon Energy will be issued to Mr Parker equivalent to 180% of his TFR. The performance rights will be split into three tranches of equal quantum (i.e. 60% of TFR) subject to the following vesting conditions to be determined as at the relevant Vesting Determination Date as follows:

Tranche	Vesting Condition	Vesting Determination Date
1	Successful ignition of the Jinhong JV Demonstration Project and the issue of an exclusive licence being granted to the Joint Venture.	30 June 2017
2	Securing at least one third party Licencing and Technical Services Agreement with a significant up front cash component.	30 June 2018
3	Securing one more third party Licencing and Technical Services Agreement with a significant up front cash component.	30 June 2019

Upon Vesting, each Performance Right shall confer a right, upon exercise, to receive one Carbon Energy Limited share.

The Performance Rights are granted to Mr Parker for nil cash consideration. The Expiry Date of each Performance Right will be 5 years after the vesting date.

Termination:

The employment agreement may be terminated as described below:

- Resignation by Mr Parker with six months notice.
- Termination by Carbon Energy Limited with 6 months notice. In addition to accrued legal entitlements (such as accrued salary and annual leave up to termination), a severance payment of all accrued short and long term incentive payments.