



MARKET RELEASE

21 October 2016

Carbon Energy Limited

TRADING HALT

The securities of Carbon Energy Limited (the “Company”) will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Tuesday, 25 October 2016 or when the announcement is released to the market.

Security Code: CNX

Joshua Strutt

ADVISER, LISTINGS COMPLIANCE



carbonenergy

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ABN 61 105 176 967

20 October 2016

Joshua Strutt
Adviser, Listings Compliance
ASX Compliance Pty Limited
20 Bridge Street,
Sydney NSW 2000
Email: Joshua.Strutt@asx.com.au, tradinghaltssydney@asx.com.au

Dear Joshua

Request for Trading Halt

In accordance with ASX Listing Rule 17.1 Carbon Energy Limited requests a Trading Halt in respect of its shares pre the commencement of trading on Friday, 21 October 2016, and advises as follows:

Reasons for the Trading Halt:

The Company is finalising a term sheet in relation to securing funding to refinance its \$10 million convertible note due for repayment in January 2017.

Length of Trading Halt:

Carbon Energy requests a trading halt effective from Friday, 21 October 2016 until the earliest of an announcement being made to the market concerning the execution of a term sheet dealing with refinancing the \$10 million convertible note or the opening of trade on Tuesday, 25 October 2016.

Event expected to happen to end the Trading Halt:

The Trading Halt will be lifted on the earlier of the Company making the announcement referred to above or the opening of trade on Tuesday, 25 October 2016.

Carbon Energy is not aware of any reason why the Trading Halt should not be granted.

Please call me should you have any questions regarding the above.

Yours sincerely

Catherine Costello
Chief Financial Officer & Company Secretary