



CarbonEnergy

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15 May 2009

ASX Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

RE: Carbon Energy Limited – Clarifying Statement to the announcement made on 13 May 2009 (MD's Presentation at the Sydney Resources Round-up Conference)

In slide (9), The 668 million tonnes of JORC compliant coal resource is made up of 450Mt Inferred and 218Mt Indicated with a 2 metre cut-off applied.

In slide (15), The executed HOA with Eneabba Gas Limited (ENB) in March 2009 is dependent on further exploration and ENB identifying 300Mt of JORC inferred coal resource (approx 6,000PJ) suitable for underground coal gasification by mid 09.

A competent person statement was to be attached to the slide 2 and also relates to this letter as follows:

The information in this clarifying statement and the 13 May 2009 presentation relate to resources is based on information compiled by Dr C.W. Mallett, Executive Director Carbon Energy Limited who is a member of the Australian Institute of Mining and Metallurgy. Dr Mallett has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Mallett consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Yours Faithfully

Prem Nair
CFO & Company Secretary