



CarbonEnergy

Carbon Energy Limited
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27 July 2009

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

RE: Carbon Energy Limited – Section 708A(5)(e) Notice

Notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act).

1. Carbon Energy Limited (**Company**) advises that on 23 July 2009 it allotted and issued 24,418,605 fully paid shares (**Securities**) at an issue price of \$0.43 per share to institutional, sophisticated and professional investor clients of Southern Cross Equities, being the second tranche of the placement announcement on 5 June 2009. This first and second tranches of the placement raised gross proceeds of \$32 million.
2. Pursuant to shareholder approval granted at the general meeting on 20 July 2009, the Company also allotted and issued 4,629,630 fully paid shares to Dr Mallett's nominee.
3. Pursuant to Listing Rules and shareholder approval granted at General Meeting on 23 June 2008, the Company has allotted and issued 2,777,778 fully paid shares to Mr Mark's nominee within the 15% annual limit as residual component relating to the acquisition of Carbon Energy (Operations) Pty Ltd.
4. The Company gives notice of the following under section 708(5)(e) of the Corporations Act:
 - (1) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Corporations Act;
 - (2) as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act; and
 - (3) as at the date of this notice, the Company is not in possession of any "excluded information" within the meaning of subsections 708A(7) and 708A(8) of the Corporations Act, which is required to be disclosed under section 708A(6)(e) of the Corporations Act.

For and on behalf of the Board

Prem Nair
CFO & Company Secretary