



CarbonEnergy

- ▶ Carbon Energy completes \$32 million capital raising
- ▶ First commercial contract announced with Ergon Energy and construction of 5MW power station commences
- ▶ Agreements with Queensland company ZeroGen - first step in the production of clean coal
- ▶ Agreement signed with Liberty Resources giving Carbon Energy access to huge coal resource in Queensland's Galilee Basin.



Managing Director's List



Managing Director
Andrew Dash

"As you can see by the topics in this newsletter, there are a lot of things happening as we move along our path to full commercialisation. When I wrote my last article in late May, the company was in final planning and negotiations for our 5 megawatt power plant and since then even bigger things have been happening."



Even bigger things are happening

During June and July the team have put a number of significant actions in place. Firstly in early June we went to the investing community and outlined our plans for:

- The construction of a 5MW power project in Queensland
- The expansion of our resources in Qld, WA and possibly the US
- To kick off the FEED (Front End Engineering & Design) study for our 20MW power facility that will incorporate Carbon Capture and Storage (CCS) technology.

I am pleased to announce that the investing public supported our vision and we were successful in raising \$32 million.

[view pdf](#)



Capital availability kick-starts projects

Now the capital is available we have been able to push on with the construction of our planned 5MW power plant and the generating equipment is now on its way from Victoria to Queensland. Whilst having the capital to commence the project is important, the need to secure a revenue contract prior to making the final commitment is of equal significance. On the 17th July we secured an Off-take Agreement with Ergon Energy, a Queensland Government owned electricity provider.



Contract will deliver \$2 million revenue per year

The contract, worth approximately \$2 million per year, will see the electricity produced at Carbon Energy's 5MW syngas-powered electricity production facility flow into the local area grid around the end of this calendar year.

[view pdf](#)



The quest for Low Emission Coal (Clean Coal) Technology

Running parallel with planning of the 5MW we are working on the next stage, an additional 20MW at the Bloodwood creek site, where we plan to demonstrate the first UCG powered electricity facility that incorporates Carbon Capture and Storage (CCS).

These plans gained a major step forward recently, with the announcement of a signed agreement with Queensland based ZeroGen. The agreement between our two organisations will see us start the scoping study (expected to be completed prior to Christmas) to design the first phase of a CO2 injection test program. This project once underway, will demonstrate the technical viability of producing low emission electricity from UCG .

[view PDF](#)



Access to additional coal resources

In keeping with Carbon Energy's stated strategy to increase our access to suitable coal resources, on the 27th July we announced the signing of a Heads of Agreement (HoA) with Liberty Resources Limited to establish a joint venture to develop Liberty's thermal coal in the Galilee Basin. We will hold 80% of the Joint Venture and will be the operator. Carbon Energy will contribute its expertise in Underground Coal Gasification to assess the optimal development of the resource and to execute the required development plan.

The Galilee Basin has been identified by many companies as the next major energy province in Queensland. The Liberty held tenements are in close proximity to recently announced resource projects. Such projects will create the need for additional infrastructure such as road, rail and port facilities which, once in place, will open up domestic market opportunities for electricity, synthetic natural gas and chemical feedstock.

[view PDF](#)

"So as you can see it's been a busy but exciting time for the team and myself, as we move forward to realise our commercialisation strategy, I would like to take this opportunity to thank you again for your interest and support."

Regards

Andrew