



CarbonEnergy

Carbon Energy Limited
ABN 56 057 552 137

Level 12, 301 Coronation Drive,
Milton QLD 4064

PO Box 2118,
Toowong DC, QLD 4066
AUSTRALIA

Tel: +61 7 3337 9944
Fax: +61 7 3337 9945
www.carbonenergy.com.au

13 May 2009

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

Dear Sir/Madam,

**RE: Carbon Energy Limited – MD’s Presentation at the Sydney
Resources Round - Up Conference**

A presentation to be delivered by Carbon Energy Limited’s Managing
Director, Andrew Dash at the Sydney Resources Round - Up Conference on
the 13th May 2009. A copy of the presentation is attached.

Yours Faithfully

Prem Nair
CFO & Company Secretary



CarbonEnergy

Resources Round-Up

Andrew Dash, Managing Director
Carbon Energy
13th May 2009



CarbonEnergy

Disclaimer

The information contained in this presentation is given without any liability whatsoever to Carbon Energy Ltd or any of its related entities or their respective directors or officers, and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information.

The information in this presentation has not been independently verified by Carbon Energy Ltd. Carbon Energy disclaims any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts set forth herein. No representation or warranty is made by or on behalf of Carbon Energy that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved.

Please note that, in providing this presentation, Carbon Energy has not considered the objectives, financial position or needs of the recipient. The recipient should obtain and rely on its own professional advice from its tax, legal, accounting and other professional advisers in respect of the addressee's objectives, financial position or needs.

This presentation does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Carbon Energy. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of Carbon Energy.



CarbonEnergy

Carbon Energy (CNX)

Recent History

Company restructured over the past year

- shift in strategic focus from diversified minerals exploration (Metex Resources) to dedicated UCG producer (Carbon Energy)
- acquired 100% of UCG joint venture with CSIRO in November 2007

Changed name to Carbon Energy

Ticker CNX (changed from MEE 15 July 2008)

New management team established in Brisbane during 2008

Registered office: Brisbane, QLD (transferred from Perth in January 2009)

Listed Status

Shares on issue 497.3 million

- Highly liquid with 140-150% turnover

Market Capitalisation: \$250 million (@ \$0.50 ps)

Admitted to S&P/ASX 300 Index September 2008

- S&P/ASX Materials Index
- S&P/ASX Metals and Minerals Index

Diverse and supportive shareholder base

- CSIRO 18%
- Corporate (IPL) 11%
- Institutional 9%
- Directors 4%



CarbonEnergy

Underground Coal Gasification (UCG)

UCG is the gasification of coal underground

- the energy in coal is extracted without the environmental impacts associated with coal mining

Gasification is a process where Oxygen and Steam react with coal at high temperatures

- an energy rich gas mixture is produced called **syngas**

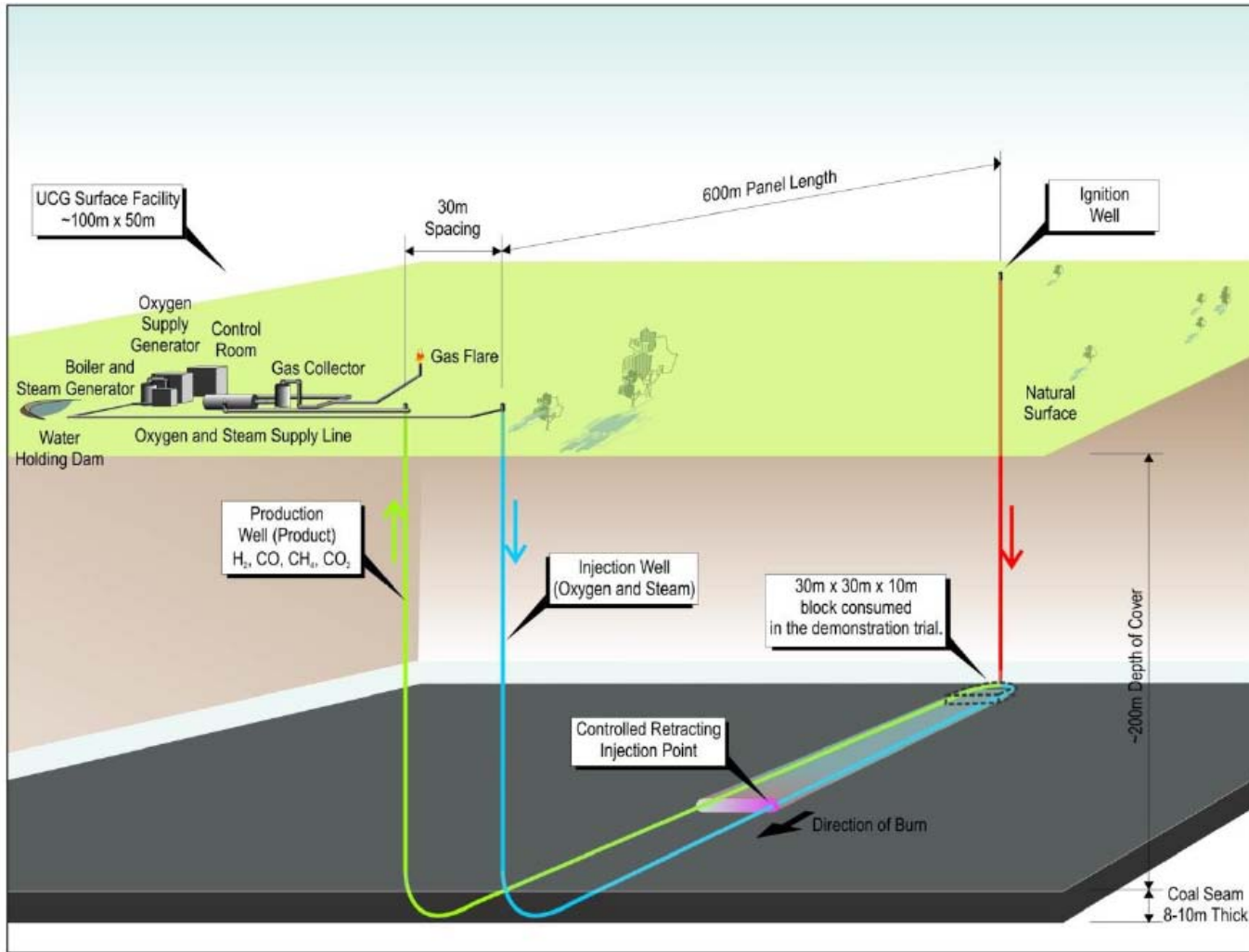
UCG syngas is comprised of four gases

- Hydrogen, Carbon Monoxide, Methane and Carbon Dioxide



Carbon Energy 1PJ UCG design

CarbonEnergy





CarbonEnergy

Carbon Energy Management Team





CarbonEnergy

Strategic Focus

“To produce clean energy (power generation & synthetic natural gas) and chemical feedstock from UCG syngas”

Transforming from a minerals focus to an energy focus

- Focusing on our UCG technology (developed through 10 years of research by the CSIRO into 50 yrs of operational data) and coal resource opportunities
- UCG technology can be applied to any suitable coal seam anywhere in the world
- Completed successful \$20m commercial trial
- Currently pursuing a number of commercialisation projects



Operational Milestones – Past 12 Months

- April '08 Key government approvals gained for \$20m commercial scale UCG Trial
- May MOU executed with Incitec Pivot to gain exclusive rights to technology for ammonia
- May Commencement of work at the Bloodwood Creek trial site
- July Directional drilling commenced
- Aug Construction of above ground infrastructure commenced**
- Aug Directional drilling completed
- Oct Construction completed and first Gasification (on air) achieved**
- Nov Commercial volumes achieved – 100 day trial commences
- Jan '09 Oxygen/steam gasification commences
- Feb Trial complete (gasification and data collection continues)**
- Mar Analysis & announcement of results



CarbonEnergy

Queensland

Interest in 2,000 km² of EPC's

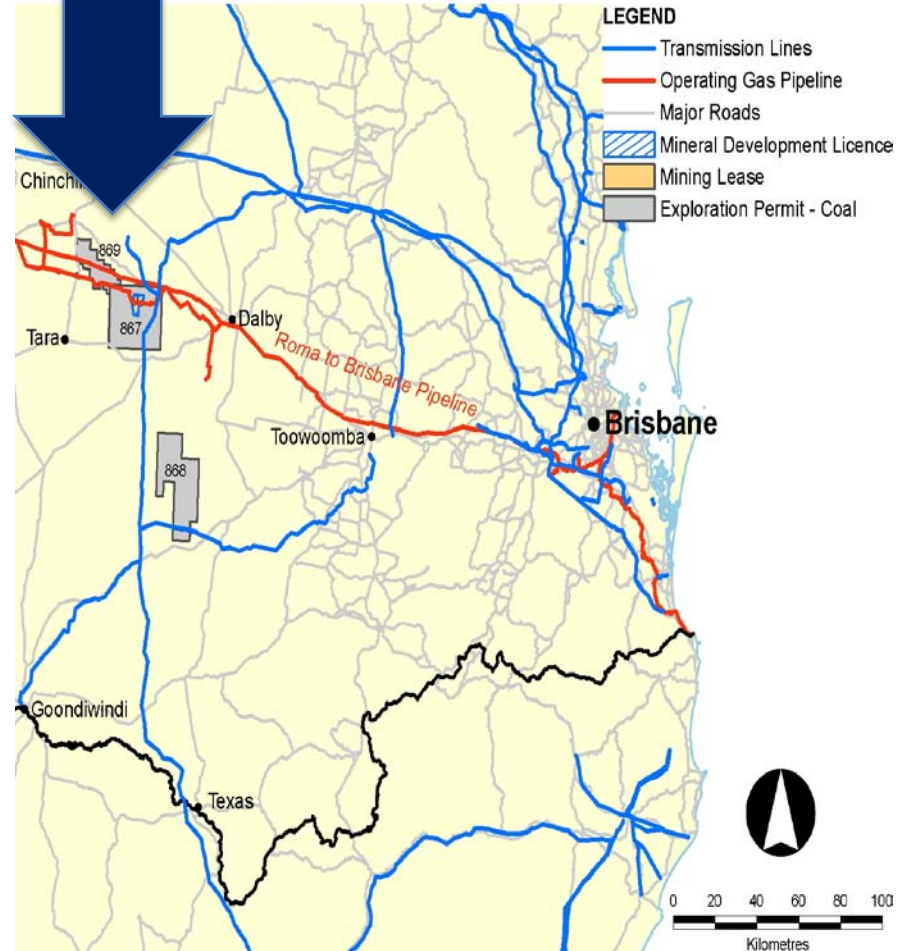
668 million tonnes Inferred and indicated) of JORC compliant coal resource (13,360 PJ of in-situ energy, of which at least 7,750 PJ is recoverable)

Short term commercialisation

- Power generation into the NEM
- Synthetic natural gas

Medium term commercialisation

- Chemicals (eg ammonia)
- Liquid fuels





CarbonEnergy

Commercial projects - Power Generation





CarbonEnergy

Power Generation

Phase 1

Size	5MW
Location	Bloodwood Creek
Network Connection	Local distribution system
Project – commit	Mid 2009
First Generation	Oct- Dec 09





CarbonEnergy

Power Generation

Phase 2

Size	20MW
Location	Bloodwood Creek
Network Connection	Local distribution system
Project – commit	Oct – Dec 2009
First Generation	Approx 12 months later





CarbonEnergy

Power Generation - Blue Gum

Phase

3





CarbonEnergy

Power Generation Blue Gum Energy Park

Phase

3



- 1 - Central gas processing and Gas Power-Station
- 2 - Ammonia Plant
- 3 - Chemical Plant
- 4 - Transport Fuel manufacture

- 5 - Synthetic Natural Gas manufacture
- 6 - Commercial and Administration Facilities
- 7 - Carbon Energy's existing UCG facility (Bloodwood Creek)



Western Australia

Executed HOA with Eneabba Gas Limited in March 2009 - targeting 300 million tonnes of JORC inferred coal resource (approx 6,000 PJ) by mid 09

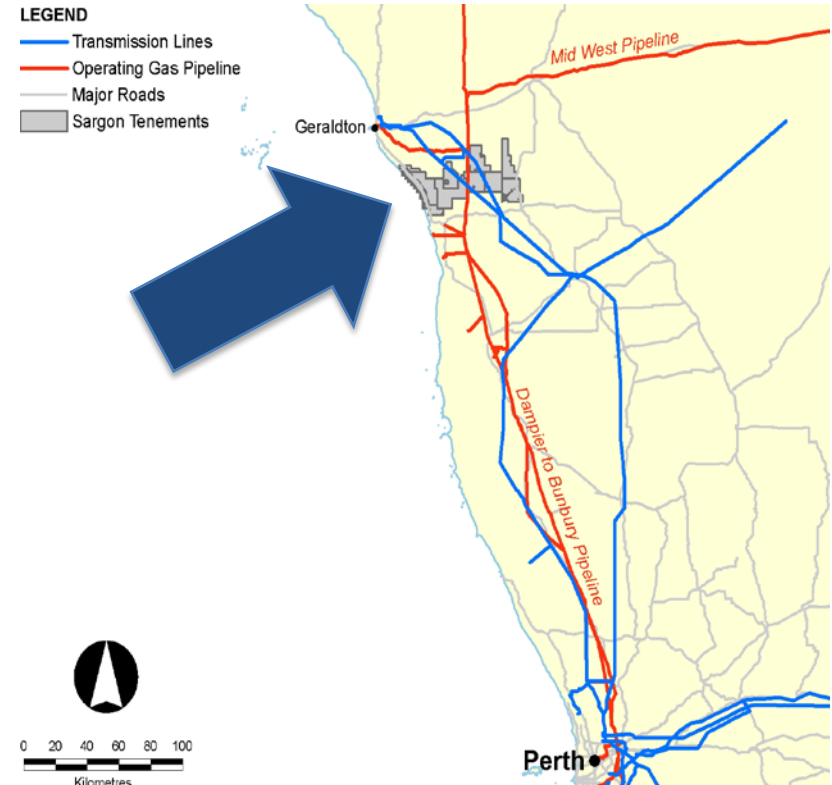
Negotiating Gas Sale Agreement to supply Eneabba's planned 168 MW power station

Short term commercialisation

- Power generation into the SWIS
- Synthetic natural gas

Medium term commercialisation

- Chemicals (eg ammonia)
- Liquid fuels





Commercialisation Strategy – International

India

- Existing JV with Singareni
- Currently in discussions with a number of major Indian corporates
- Exploring complementary business development partnerships with other Australian businesses for Indian projects

North America

- Currently assessing entry strategy
- Opportunities exist to secure coal resources in our own right or alternatively, farm-in opportunities by applying Carbon Energy technology



CarbonEnergy

Summary

Trial complete – demonstrating Carbon Energy’s world leading UCG technology

Market opportunities are significant

- power generation
- synthetic natural gas production
- chemical manufacture (fertiliser, industrial explosives, plastics)
- transport fuels

Significant interest in Carbon Energy’s technology in Australia and overseas

- currently assessing which opportunities are best for us

Qld Significant progress achieved in recent months at Bloodwood Creek

- land secured
- resource increased
- tenure security achieved
- Mining Lease Application submitted

WA Conducting Due Diligence and drilling – results expected mid 2009