



CarbonEnergy

Carbon Energy Limited
ABN 56 057 552 137

Registered Office:
Level 12, 301 Coronation Drive
Milton, Brisbane
QLD 4064

PO Box 2118
Toowong DC Brisbane
QLD 4066

Tel: +61 (07) 3337 9944
Fax: +61 (07) 3337 9945

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ASX Announcement

ASX: CNX

Government Policy Delivers Certainty of Tenure for CNX

The Queensland Government yesterday announced a new policy in relation to overlapping tenements between Underground Coal Gasification (UCG) and Coal Seam Gas (CSG) producers that clarifies the issue of priority access to resources and provides a clear pathway for all parties to move to production.

The key outcome for Carbon Energy is that the policy provides priority and certainty of tenure for Carbon Energy for the resource contained within its existing Mineral Development Licence area (MDL 374).

Andrew Dash, Carbon Energy's Managing Director commented on the recent policy decision by saying "This policy ends months of speculation as to the competing rights between UCG and CSG players. For Carbon Energy this means that we have exclusive rights to at least 224 million tonnes of coal (approximately 75% of our recently announced resource upgrade) contained within our MDL which is suitable for UCG.

Based on our recent trial results, which demonstrated we produce 20 GJ for each tonne of coal gasified, we have at least 4,480 PJ of energy in situ. We believe that by applying our world leading UCG syngas technology and panel design that in excess of **2,500 PJ of UCG syngas is recoverable**.

This is a huge resource in gas industry terms and can support more than 6 world scale manufacturing plants for over 30 years. In addition, the northern half of our MDL is relatively unexplored and is prospective for coal suitable for UCG; consequently further exploration in this area is likely to add substantially to our resource availability in the future.

This policy decision will now enable us to execute our plans for the development of this resource with full confidence".

The announcement also outlined the requirement that each UCG syngas trial project be subject to monitoring conditions, including meeting stringent environmental standards, by the EPA (Environmental Protection Agency). "Such requirements exist now and as such were not unexpected. Indeed, we welcome the Government's commitment to continued environmental monitoring as this goes to the heart of our process and is one of the key benefits our technology" said Mr Dash.

Carbon Energy believes it is prudent to follow appropriate review processes for all major projects, including UCG syngas projects. Carbon Energy's technology and process is the result of rigorous scientific development by Australia's premier research organisation over 10 years, the CSIRO, and Carbon Energy welcomes any appropriate review of its world leading technology.

For and on behalf of the Board



Andrew Dash
Managing Director

For Further information please contact:

Investors

Andrew Dash, Managing Director
Carbon Energy
Ph: 07 3337 9944

Media

Greg Flynn
Channel Financial Communication
Ph: 02 9221 0008
M: 0400 225 115

COMPETENT PERSON STATEMENT

The information in this release that relates 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 this release of the matters based on his information in the form and context in which it appears.

COMPANY PROFILE

Carbon Energy's purpose is to produce clean energy and chemicals feedstock from Underground Coal Gasification (UCG) syngas.

Carbon Energy's unique approach to UCG and syngas production produces a low cost option for capturing CO₂ making it a leader in clean coal technology.

Carbon Energy's ambition is for syngas to become the preferred feedstock for producing clean coal power stations, an alternative to oil-based fuel, agribusiness products (fertilisers & explosives), polyolefin products (such as plastics) and allowing for economic carbon capture.

Carbon Energy's technological advantage comes from its association with CSIRO including world class geotechnical, hydrological and gasification modelling capabilities.

Located at the hub of the Surat Basin's energy infrastructure, Carbon Energy's energy resources are perfectly positioned to provide the basis for future energy, industrial and agricultural chemicals, and liquid fuels for export and to the growing local industrial hub.