



CarbonEnergy

ASX Announcement

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Australia`s first UCG syngas Power Station - Commissioning Update

Carbon Energy (ASX: CNX) advises that final stages of the construction and commissioning of its 5 MW power station is expected to be delayed a number of weeks. Due to delays in the delivery of key plant items required for commissioning Carbon Energy's construction partner Pangea Partners has requested and has been granted an extension for the completion of the power station of up to 6 weeks.

Carbon Energy will be using this time to undertake remediation and expansion of the gas injection well capacity for the existing UCG panel, ready for commissioning the gas engines, once construction is finalised.

In addition, planning and procurement for the construction of a second UCG panel is well advanced in accordance with Carbon Energy's development plans. Horizontal drilling is expected to commence in March. The 2nd panel will provide additional gas production capability and some future operational redundancy.

As previously advised, in July last year, Carbon Energy signed an off-take agreement with Ergon Energy, a Queensland Government owned electricity provider, for electricity produced at this facility. Whilst the first revenue from the project will be slightly delayed there is no financial penalty to Carbon Energy associated with the date change.

Further updates on the construction progress will be provided as the project proceeds.

For and on behalf of the Board

Andrew Dash
Managing Director

About Carbon Energy

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, and the production of synthetic natural gas, 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 modeling capabilities.

Carbon Energy is building an international portfolio of coal assets, suitable for UCG with close proximity to markets.