

ASX Announcement

22nd January 2010

Level 12, 301 Coronation Drive, Milton QLD 4064 Australia PO Box 2118, Toowong DC QLD 4066 Australia phone +61 (0) 7 3337 9944 fax +61 (0) 7 3337 9945 www.carbonenergy.com.au

Carbon Energy Limited ABN 56 057 552 137 Carbon Energy (Operations) Pty Ltd ABN 61 105 176 967

Carbon Energy appoints a General Manager -Technical Services to pursue new coal resources in Australia and overseas

Carbon Energy has appointed a new General Manager Technical Services, Mr Andrew Mifflin to evaluate and develop coal resources suitable for underground coal gasification both in Australia and overseas.

This new role is part of Carbon energy's strategy to increase its coal resources both in Australia and internationally and expand the ability to deliver cheaper, cleaner fuel from coal to Australian and International energy markets.

This comes on the back of announcements late last year of new opportunities for the Company in Chile that will include: power generation and synthetic natural gas projects.

Andy is a professional mining engineer with over 30 years experience in senior management roles in the coal industry in Australia and the UK. He has significant experience in the development and operation of underground coal mines having held senior roles with AMCI/Vale Australia, Centennial Coal and Xstrata/MIM.

Andy holds a Bachelors Degree in Science, Mining Engineering (Hons.) and a Master of Business Administration.

Andrew Dash, Carbon Energy's Managing Director said "We are very pleased that Andy has joined the Carbon Energy team. His knowledge and experience will complement our existing expertise in underground coal gasification as we move from our trial project to commercial gas production in Australia and around the world."

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.