



12 January 2012

Mr. Simon O'Brien  
Senior Adviser, Listings (Brisbane)  
Australian Stock Exchange  
(Sent by email)

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Carbon Energy Limited  
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Carbon Energy (Operations) Pty Ltd  
ABN 61 105 176 967

## Re: ASX Price Query

I refer to your email dated 11 January 2012 regarding the increase in price and volume of Carbon Energy securities over the past few days, we advise the following:

1. The Company is not aware of any information concerning it that has not been announced and which could be an explanation for the recent trading in securities of the Company.
2. Not Applicable.
3. The Company has no other explanation for the price and volume change in the securities.
4. The Company is in compliance with the listing rules and, in particular, listing rule 3.1.

For and on behalf of the Board



Morné Engelbrecht  
CFO & Company Secretary



11 January 2012

Mr Morne Engelbrecht  
CFO & Company Secretary  
Carbon Energy Limited  
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MILTON QLD 4064

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Dear Mr Engelbrecht

### Carbon Energy Limited (the "Company")

#### PRICE QUERY

We have noted an increase in the price of the Company's securities from a close of 9.3 cents on Monday, 9 January 2012 to an intraday high of 13.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at [simon.obrien@asx.com.au](mailto:simon.obrien@asx.com.au) or by facsimile on (07) 3832 4114. It should not be sent to the Market Announcements Office (formerly Company Announcements Office).

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, by **8.30am (Brisbane time) tomorrow, Thursday, 12 January 2012.**

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

*[Sent electronically without signature]*

Simon O'Brien  
**Senior Adviser, Listings (Brisbane)**