



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

ASX / Media Announcement

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

17 December 2012

CARBON ENERGY RECEIVES \$7 MILLION R&D TAX INCENTIVE CASH REBATE

Carbon Energy Limited (ASX: CNX; OTCQX:CNXAY) ("the Company") is pleased to advise it has received A\$7,002,767 as a research and development ("R&D") tax incentive cash rebate for eligible 2011/2012 R&D expenditure in relation to the development of its keyseam® UCG Technology at BloodwoodCreek, near Dalby in South-East Queensland.

Changes to the Federal R&D legislation were introduced for 2011/2012 and resulted in a tax cash rebate for eligible R&D being paid to the Company.

The keyseam R&D activities continue and are focussed on ensuring that the company remains at the forefront of UCG technology.

The proceeds from the R&D tax incentive will be used to repay part of the Credit Suisse \$10 million Senior Secured Funding Facility, which will leave an outstanding balance of \$3 million on the Facility. This facility was introduced to provide bridging finance to cash liquidity events such as this R&D tax incentive rebate.

ENDS

For and on behalf of the Board

Andrew Dash
Managing Director

**For more information please contact Andrew Crook on +61 419 788 431
or refer to our website at www.carbonenergy.com.au**

About Carbon Energy

Carbon energy specialises in underground coal gasification (UCG). Our proprietary keyseam technology is the key to unlocking new energy sources, transforming stranded, deep coal resources into high-value fuels with lower carbon emissions.

Carbon Energy's complete end-to-end UCG services deliver world-class gas projects from initial project assessment through to commercial project development, operations, site decommissioning and rehabilitation.

Carbon Energy achieved Proof of Concept of its technology following 10 years of research with Australia's premier scientific research agency, the Commonwealth Scientific and Industrial Research organisation (CSIRO), 5 years of in-field trials and over \$100 million investment in technology development.

By successfully proving our keyseam technology, we have earned a reputation for delivering consistent, high quality product gas which can be used to produce power, fertilisers and pipeline quality gas. keyseam maximises resource efficiency, extracting up to 20 times more energy from the same resource than coal seam gas (CSG), whilst minimising surface disturbance and preserving groundwater quality.

Carbon Energy also has previously announced two wholly-owned assets in southeast Queensland's Surat Basin:

- 1.4 billion tonnes¹ of coal JORC Inferred Resource which is part of a 4 to 8 billion tonnes of coal Exploration target; and
- 743PJ² of Certified 2P syngas reserves.

The Company is headquartered in Brisbane, Australia, listed on the Australian securities Exchange (ASX) as CNX and is quoted on the OTCQX International Exchange as CNXAY in the united states. Carbon Energy has UCG projects in Australia, China, Chile, Turkey and the United States.

¹ See CNX ASX/Media Announcement 10 September 2012. CNX is not aware of any new information that would materially affect the Resources stated.

² See CNX ASX/Media Announcement 8 December 2009. CNX is not aware of any new information that would materially affect the Reserves stated.