

CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Fax

30 March 2012

Companies Announcement Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000**No of pages 10****By facsimile: 1300 135 638**Mr Morné Engelbrecht
Chief Financial Officer & Company Secretary
Carbon Energy Limited
Level 12
301 Coronation Drive
MILTON QLD 4066**By facsimile: (07) 3337 9945**

Our ref 13530/14604/80125547

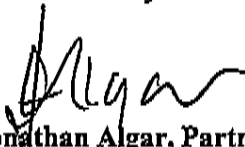
Dear Sirs

Notice of change of interests of substantial holder

We act for Pacific Road Capital Management G.P. Limited, Pacific Road Capital A Pty Limited ACN 123 091 976, Pacific Road Capital B Pty Limited ACN 123 091 930 and Pacific Road Capital Management Pty Ltd ACN 117 934 586. We lodge:

- (a) an executed ASIC Form 604, 'Notice of change of interests of substantial holder' on behalf of Pacific Road Capital Management G.P. Limited (and its related bodies corporate);
- (b) an executed ASIC Form 604, 'Notice of change of interests of substantial holder' on behalf of Pacific Road Capital A Pty Limited ACN 123 091 976 and Pacific Road Capital B Pty Limited ACN 123 091 930 (and their related bodies corporate); and
- (c) an executed ASIC Form 604, 'Notice of change of interests of substantial holder' on behalf of Pacific Road Capital Management Pty Ltd.

Yours faithfully


Jonathan Algar, Partner
+61 2 9353 4632
jalgar@claytonutz.com

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

The Company Name/Schema Carbon Energy Limited

ACN/ARSN ACN 057 552 137

1. Details of substantial holder (1)

Name Pacific Road Capital Management G.P. Limited (and related bodies corporate)

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

26/03/2012

The previous notice was given to the company on

15/11/2011

The previous notice was dated

15/11/2011

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (6)
Ordinary Shares	88,739,299	11.6%	84,559,575	8.4%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
26/03/2012	Pacific Road Capital Management G.P. Limited	Expiry of option over issued shares with the Commonwealth Scientific and Industrial Research Organisation	n/a	22,716,797	22,716,797
26/03/2012	Pacific Road Capital A Pty Limited		n/a	5,629,592	5,629,592
26/03/2012	Pacific Road Capital B Pty Limited		n/a	5,629,592	5,629,592
18/01/2012	Pacific Road Capital Management Pty Ltd	Issue of securities in lieu of fee owing (as described in the Appendix 3B dated 23 January 2012)	\$100,000	833,333	833,333
29/02/2012	Pacific Road Capital Management Pty Ltd	Issue of securities in lieu of fee owing (as described in the Appendix 3B dated 6 March 2012)	\$400,000	3,333,333	3,333,333

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Pacific Road Capital Management G.P. Limited	Pacific Road Carbon Energy NV	Pacific Road Carbon Energy NV	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	48,388,878 ordinary shares in Carbon Energy Limited	48,388,878
Pacific Road Capital A Pty Limited	PRCM Nominees Pty Limited ACN 123 215 88	PRCM Nominees Pty Limited ACN 123 215 88	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032
Pacific Road Capital B Pty Limited	PRCM Nominees Pty Limited ACN 123 215 88	PRCM Nominees Pty Limited ACN 123 215 88	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032
Pacific Road Capital Management Pty Ltd	Pacific Road Capital Management Pty Ltd ACN 117 934 888	Pacific Road Capital Management Pty Ltd ACN 117 934 888	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	4,188,888 ordinary shares in Carbon Energy Limited	4,188,888

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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (8) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Pacific Road Capital Management G.P. Limited	Associates of each other by virtue of s12(2) of the Corporations Act.
Pacific Road Capital A Pty Limited	
Pacific Road Capital B Pty Limited	
PRCM Nominees Pty Limited ACN 123 215 881	
Pacific Road Capital Management Pty Ltd ACN 117 934 888	
Pacific Road Carbon Energy NV	

6. Addresses

The addresses of persons named in this form are as follows:

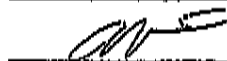
Name	Address
Pacific Road Capital Management G.P. Limited	89 Nexus Way, Camana Bay, Grand Cayman KY1, Cayman Islands
Pacific Road Capital A Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital B Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
PRCM Nominees Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital Management Pty Ltd	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Carbon Energy NV	Avenue Louise 331-333, 1050 Brussels, Belgium

Signatureprint name **Evan Burton**

capacity

**Director, Pacific Road
Capital Management
G.P. Limited**

sign here



date

28/03/2012**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg, if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Carbon Energy Limited

ACN/ARSN ACN 057 552 137

1. Details of substantial holder (1)

Name Pacific Road Capital A Pty Limited ACN 123 091 976 and Pacific Road Capital B Pty Limited ACN 123 091 930 (and their related bodies corporate)

ACN/ARSN (if applicable) As above

There was a change in the interests of the substantial holder on

26/03/2012

The previous notice was given to the company on

16/11/2011

The previous notice was dated

14/11/2011

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	88,738,289	11.6%	64,559,576	8.4%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
26/03/2012	Pacific Road Capital Management G.P. Limited	Expiry of option over issued shares with the Commonwealth Scientific and Industrial Research Organisation	n/a	22,716,797	22,716,797
26/03/2012	Pacific Road Capital A Pty Limited		n/a	5,629,592	5,629,592
26/03/2012	Pacific Road Capital B Pty Limited		n/a	5,629,592	5,629,592
18/01/2012	Pacific Road Capital Management Pty Ltd	Issue of securities in lieu of fee owing (as described in the Appendix 3B dated 23 January 2012)	\$100,000	833,333	833,333
29/02/2012	Pacific Road Capital Management Pty Ltd	Issue of securities in lieu of fee owing (as described in the Appendix 3B dated 6 March 2012)	\$400,000	3,333,333	3,333,333

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (8)	Class and number of securities	Person's votes
Pacific Road Capital A Pty Limited	PRCM Nominees Pty Limited ACN 123 215 68	PRCM Nominees Pty Limited ACN 123 215 68	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	11,894,032 ordinary shares in Carbon Energy Limited	11,894,032
Pacific Road Capital B Pty Limited	PRCM Nominees Pty Limited ACN 123 215 68	PRCM Nominees Pty Limited ACN 123 215 68	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	11,894,032 ordinary shares in Carbon Energy Limited	11,894,032
Pacific Road Capital Management G.P. Limited	Pacific Road Carbon Energy NV	Pacific Road Carbon Energy NV	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	48,398,878 ordinary shares in Carbon Energy Limited	48,398,878
Pacific Road Capital Management Pty Ltd	Pacific Road Capital Management Pty Ltd ACN 117 934 586	Pacific Road Capital Management Pty Ltd ACN 117 934 586	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	4,166,666 ordinary shares in Carbon Energy Limited	4,166,666

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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (8) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

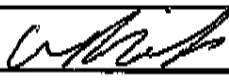
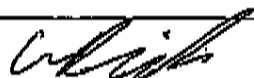
Name and ACN/ARSN (if applicable)	Nature of association
Pacific Road Capital A Pty Limited	Associates of each other by virtue of s12(2) of the Corporations Act.
Pacific Road Capital B Pty Limited	
Pacific Road Capital Management G.P. Limited	
PRCM Nominees Pty Limited ACN 123 215 661	
Pacific Road Capital Management Pty Ltd ACN 117 934 586	
Pacific Road Carbon Energy NV	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Pacific Road Capital A Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital B Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital Management G.P. Limited	89 Nexus Way, Camana Bay, Grand Cayman KY1, Cayman Islands
PRCM Nominees Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital Management Pty Ltd	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Carbon Energy NV	Avenue Louise 331-333, 1050 Brussels, Belgium

Signature

print name	Greg Dick	capacity	Secretary, Pacific Road Capital A Pty Limited
sign here		date	29/03/12
	Greg Dick	capacity	Secretary, Pacific Road Capital B Pty Limited
sign here		date	29/03/12

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Carbon Energy Limited

ACN/ARSN ACN 057 552 137

1. Details of substantial holder (1)

Name Pacific Road Capital Management Pty Ltd

ACN/ARSN (if applicable) ACN 117 934 588

There was a change in the interests of the substantial holder on 28/03/2012

The previous notice was given to the company on n/a

The previous notice was dated n/a

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	88,739,299	11.8%	64,559,578	8.4%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
28/03/2012	Pacific Road Capital Management G.P. Limited	Expiry of option over issued shares with the Commonwealth Scientific and Industrial Research Organisation	n/a	22,716,797	22,716,797
28/03/2012	Pacific Road Capital A Pty Limited		n/a	5,829,592	5,829,592
28/03/2012	Pacific Road Capital B Pty Limited		n/a	5,829,592	5,829,592
18/01/2012	Pacific Road Capital Management Pty Ltd	Issue of securities in lieu of fee owing (as described in the	\$100,000	833,333	833,333
29/02/2012	Pacific Road Capital Management Pty Ltd	Issue of securities in lieu of fee owing (as described in the	\$400,000	3,333,333	3,333,333

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (B)	Nature of relevant interest (B)	Class and number of securities	Person's votes
Pacific Road Capital Management Pty Ltd	Pacific Road Capital Management Pty Ltd ACN 117 934 686	Pacific Road Capital Management Pty Ltd ACN 117 934 686	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	4,166,666 ordinary shares in Carbon Energy Limited	4,166,666
Pacific Road Capital Management G.P. Limited	Pacific Road Carbon Energy NV	Pacific Road Carbon Energy NV	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	48,398,878 ordinary shares in Carbon Energy Limited	48,398,878
Pacific Road Capital A Pty Limited	PRCM Nominees Pty Limited ACN 123 215 88	PRCM Nominees Pty Limited ACN 123 215 88	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032
Pacific Road Capital B Pty Limited	PRCM Nominees Pty Limited ACN 123 215 88	PRCM Nominees Pty Limited ACN 123 215 88	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032

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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (B) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
Pacific Road Capital Management G.P. Limited	Associates of each other by virtue of s12(2) of the Corporations Act.
Pacific Road Capital A Pty Limited	
Pacific Road Capital B Pty Limited	
PRCM Nominees Pty Limited ACN 123 215 881	
Pacific Road Capital Management Pty Ltd	
Pacific Road Carbon Energy NV	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Pacific Road Capital Management G.P. Limited	89 Nexus Way, Camana Bay, Grand Cayman KY1, Cayman Islands
Pacific Road Capital A Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital B Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
PRCM Nominees Pty Limited	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Capital Management Pty Ltd	Level 23, Gold Fields House, 1 Alfred Street, Sydney NSW 2000
Pacific Road Carbon Energy NV	Avenue Louise 331-333, 1050 Brussels, Belgium

Signature

print name	Greg Dick	capacity	Secretary, Pacific Road Capital Management Pty Ltd
sign here		date	29/03/2012

03

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustees of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 8 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.