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Carbon Energy Limited

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ASX Announcement

18 January 2012

Appointment of Merriman Capital, Inc. as Principal American Liaison

Australia's leading advanced clean coal technology company and the developer of Australia's first syngas-fuelled Power Station - Carbon Energy (ASX: CNX) (OTCQX: CNXAY) is pleased to advise that it has appointed Merriman Capital, Inc. as its Principal American Liaison ("PAL") to sponsor its American Depositary Receipt ("ADR") program on OTCQX International ("OTCQX").

Managing Director Mr. Andrew Dash said, "Carbon Energy's quotation on OTCQX provides the Company with greater exposure to North American investors and we are looking forward to working with Merriman Capital, who have been retained to provide a suite of investor and market making services including the PAL compliance function".

Investors can find real-time quotes, disclosure and financial information about Carbon Energy at www.otcqx.com. OTCQX allows for the trading of ADRs by which foreign companies can have their shares traded in the US market. International companies quoted on OTCQX include BG Group plc, Air France, BNP Paribas, Allianz, Adidas and Deutsche Telekom. Twenty Carbon Energy ASX shares represent one ADR on OTCQX.

ENDS

For and on behalf of the Board



Andrew Dash
Managing Director

About Carbon Energy Ltd.

Carbon Energy is a world leader in advanced coal technology. The Company's business is transforming stranded coal resources into high-value fuels with lower carbon emissions to meet the increasing global demand for new, low cost, alternative energy sources.

Carbon Energy is headquartered in Brisbane, Australia and listed on the Australian Securities Exchange (ASX). The Company also has an office in New York and is quoted on OTCQX International (CNXAY).

The Company's proprietary technology, keyseam® is an innovation in underground coal gasification (UCG), incorporating a unique site selection methodology and advanced geological and hydrological modelling. Keyseam® maximizes resource efficiency, extracting up to 20 times more energy from the same resource than coal seam gas, while minimizing surface disturbance and preserving groundwater quality.

Carbon Energy's technological advantage comes from its association with Australia's premier research agency, CSIRO, which includes world-class geotechnical, hydrological and gasification modelling capabilities.

Carbon Energy is building an international portfolio of coal assets suitable for keyseam® and accessible to high-value markets. The Company has resources and rights to coal assets in projects across Australia, Chile, United States and Turkey.

About Merriman Capital Inc.

Merriman Capital, Inc. is an investment banking firm providing equity and options execution services, market making, and differentiated research for high growth companies. They also provide capital raising, advisory, and M&A services. Merriman Capital, Inc. is a wholly owned subsidiary of Merriman Holdings, Inc. (OTCQX: MERR) and is the leading investment banking firm for OTCQX companies. For more information, please go to <http://www.merrimanco.com/>.

Merriman Capital, Inc. is a registered broker-dealer and member of The Financial Industry Regulatory Authority (FINRA) <http://www.finra.org/> and the Securities Investor Protection Corporation (SIPC) <http://www.sipc.org/contact.cfm>.

About OTCQX

The OTCQX marketplace is the premier tier of the U.S. OTC market. Investor-focused companies use the quality-controlled OTCQX platform to offer investors transparent trading, superior information, and easy access through their regulated U.S. broker-dealers. The innovative OTCQX platform offers companies and their shareholders a level of marketplace services formerly available only on a U.S. stock exchange. For more information and to view a full list of OTCQX companies, visit www.otcqx.com.