



**carbonenergy**

resource. technology. markets.

Carbon Energy Limited | ABN 56 057 552 137

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](http://www.carbonenergy.com.au)

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

## ASX/Media Announcement

29 March 2012

# Conventional coal to fund future UCG development

## Announcement 4 of 4

Carbon Energy (ASX:CNX, OTCQX:CNXAY) today announced, as part of its strategic review, that it has been actively studying the substantial coal potential of its leases beyond the uses for UCG. The Company currently holds 1,400km<sup>2</sup> of coal tenements potentially suitable for open cut or underground mining in southern Queensland's Surat Basin. Of this 1,400 km<sup>2</sup>, only 29km<sup>2</sup> is contained within the Company's MDL374.

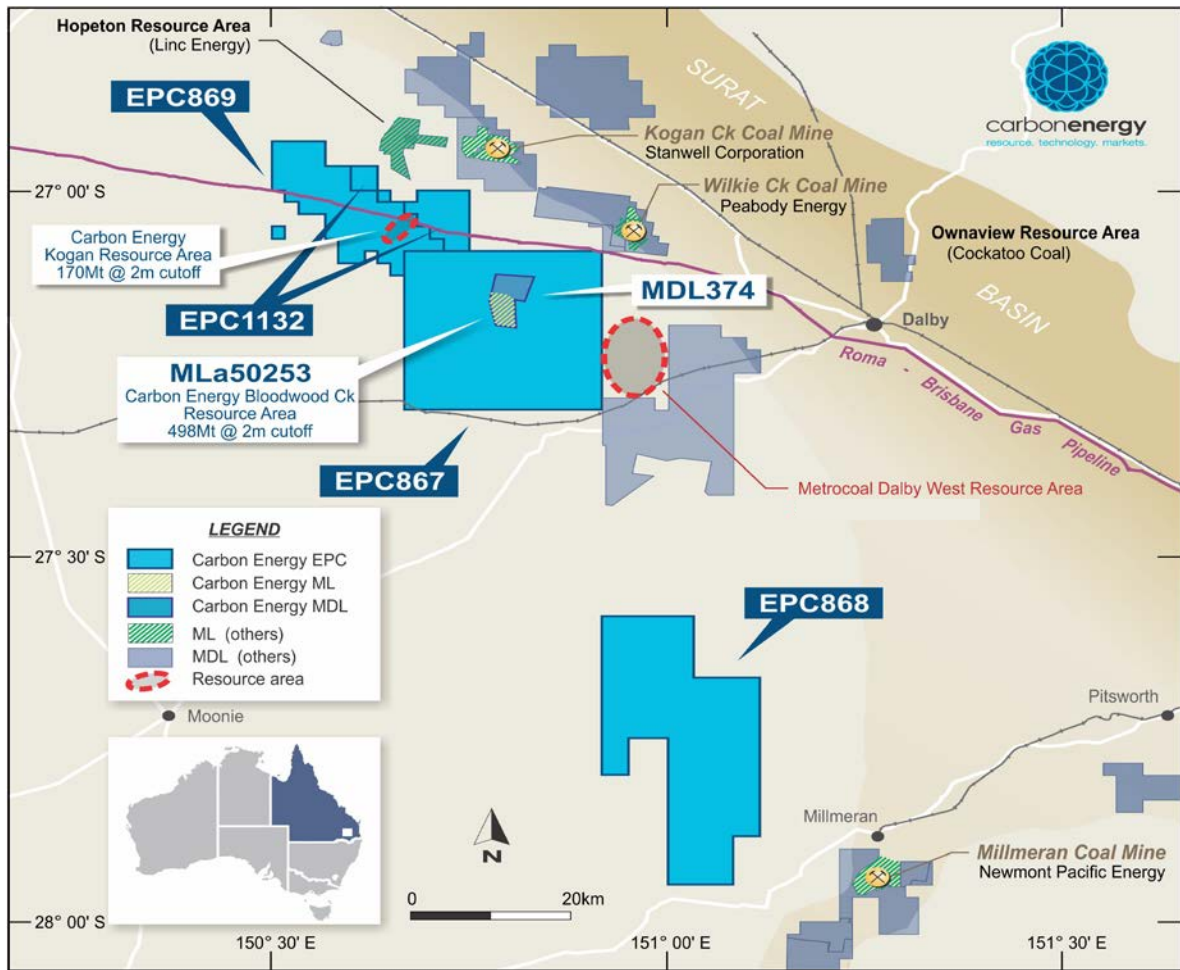
The Company has previously reported 668MT JORC Indicated and Inferred Resources (Refer to Appendix A – 218MT Indicated and 450MT Inferred at a 2m cut-off) within just 52 km<sup>2</sup> which includes the MDL area. Carbon Energy has engaged a third party resource consultant to independently assess the additional coal resources contained in these leases.

Results of this work are expected by the end of the financial year.

Details of the potential area to review are as follows:

- 1,400 km<sup>2</sup> of EPC's in Queensland's Surat basin
- Close to existing operating mines and proposed mines
- Close to rail infrastructure
- Existing export and domestic coal products from the Surat Basin

The following map indicates the proximity of Carbon Energy's Coal tenure in the Surat Basin in relation to surrounding projects, rail and other infrastructure.



**Carbon Energy Coal Tenure Surat Basin**

ENDS

For and on behalf of the Board

Andrew Dash  
Managing Director

## Appendix A

### Coal Resource Summary

Location	Coal Thickness Cut-Off (m)	Indicated (MT)	Inferred (MT)	TOTAL (MT)
Bloodwood Creek, Australia	2	218	280	498
Kogan, Australia	2	-	170	170
Total Resource	2	218	450	668

#### Competent Person Statement – Coal

The information in this report that relates to resources is based on information compiled by Dr C.W. Mallett, Technical Director Carbon Energy Limited who is a member of the Australian Institute of Mining and Metallurgy. Dr Mallett has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Mallett consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

## **About Carbon Energy**

Carbon Energy is a world leader of advanced coal technology. Our 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 the OTCQX International.

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 maximises resource efficiency, extracting up to 20 times more energy from the same resource than coal seam gas, whilst minimising 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 and the United States.