



**carbonenergy**

Carbon Energy Limited | ABN 56 057 552 137

## ASX / Media Announcement

Friday, 5 July 2013

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### Summa Resources Share Sale Agreement Update

Carbon Energy Limited (ASX:CNX; OTCQX:CNXAY) herewith provides an update on the Share Sale Agreement with Summa Resources Holdings LLC (Summa).

Carbon Energy entered a Share Sale Agreement with Summa (refer to ASX Announcement on 23 February 2011), pursuant to which it acquired two companies which held rights to projects in Wyoming (USA), North Dakota/Montana (USA) and Amasra (Turkey).

As reported by the Company in the Half Year Accounts for the period ending 31 December 2012, the Amasra project will not proceed due to the coal resources not meeting fundamental UCG requirements or representing a large enough coal resource to economically extract syngas, and it is proposed that the associated Joint Venture be terminated.

On 6 March 2013, Carbon Energy also announced it would not be seeking to commercialise any of the US resources within the short to medium term due to unfavourable project economics resulting from the current oversupply of gas in the US market.

At that time, the Company retained its contractual rights with Anadarko Land Corporation and Great Northern Properties (subsidiary of the Quintana Capital Group) to continue to explore and lease coal tenements in Wyoming, Montana and North Dakota.

The Wyoming exploration licence and the initial exploration period for the North Dakota and the Montana projects have recently expired.

As a result of further detailed analysis of the results of the technical assessments undertaken to date, further deterioration in market conditions, the write down of the value of the assets in the Half Year Accounts to 31 December 2012 and the substantial holding costs that would be incurred in order to retain an interest in the Wyoming, Montana and North Dakota projects, the Company has elected not to

enter into any further contractual commitments in relation to those projects, thereby relinquishing its rights to explore or lease those tenements.

Carbon Energy Chairman Dr Chris Rawlings said that this decision demonstrates the Company's commitment to achieving its core strategic objectives.

"Cessation of these activities allows Carbon Energy to focus on our key strategic objective to become a globally recognised provider of UCG technology and services. This decision will free up capital and resources to continue to pursue technology services and licensing opportunities worldwide." Dr Rawlings said.

**ENDS**

For and on behalf of the Board

Morné Engelbrecht  
Chief Executive Officer

**For more information please contact Andrew Crook on +61 419 788 431  
or refer to our website at [www.carbonenergy.com.au](http://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 or otherwise uneconomic coal resources into high-value fuels with lower carbon emissions.

Carbon Energy delivers end-to-end UCG services from initial project assessment through to commercial project development, operations, site decommissioning and rehabilitation.

Carbon Energy achieved Proof of Concept of its keyseam technology following 10 years of research by 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 for many purposes including power generation, fertilisers and production of pipeline quality gas. keyseam maximises resource efficiency, whilst minimising surface disturbance and preserving groundwater quality.

Carbon Energy also has previously announced the following assets:

- 2.0 Billion tonnes<sup>1</sup> of coal JORC Inferred Resource in southeast Queensland's Surat Basin; and
- 743PJ<sup>2</sup> of Certified 2P syngas reserves in southeast Queensland's Surat Basin.

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 and Chile.

<sup>1</sup> See CNX ASX/Media Announcement 2 April 2013. CNX is not aware of any new information that would materially affect the Resources stated.

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