

**CLAYTON UTZ**

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**Fax**

24 January 2011

**No of pages 7**

Companies Announcement Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**By facsimile: 1300 135 638**

Mr Prem Nair  
Company Secretary  
Carbon Energy Limited  
Level 12  
310 Coronation Drive  
MILTON QLD 4064

**By facsimile: 07 3337 9945**

Our ref 14258/15458/80105173

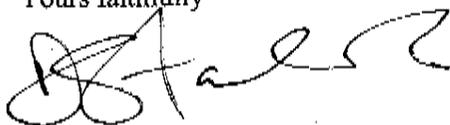
Dear Sirs

**NOTICE OF CHANGE OF INTERESTS OF SUBSTANTIAL HOLDER**

We act for Pacific Road Capital A Pty Limited, Pacific Road Capital B Pty Limited and Pacific Road Capital Management G.P. Limited and lodge an executed ASIC Form 604, 'Notice of Change of Interests of Substantial Holder' on behalf of:

1. Pacific Road Capital A Pty Limited and Pacific Road Capital B Pty Limited; and
2. Pacific Road Capital Management G.P. Limited.

Yours faithfully



**David Stammers, Partner**  
+61 2 9353 4180  
dstammers@claytonutz.com

**Attach**

**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  
ACN/ARSN (if applicable) As above

There was a change in the interests of the substantial holder on 20/01/2011  
The previous notice was given to the company on 07/05/2010  
The previous notice was dated 07/05/2010

**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	58,436,269	9.9%	88,739,299	13.2%

**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
20/01/2011	Pacific Road Capital A Pty Limited	Allotment	\$0.33 per ordinary share	3,009,091	3,009,091
20/01/2011	Pacific Road Capital B Pty Limited	Allotment	\$0.33 per ordinary share	3,009,091	3,009,091
20/01/2011	Pacific Road Capital Management G.P. Limited	Allotment	\$0.33 per ordinary share	24,284,848	24,284,848

**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 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)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032
Pacific Road Capital A Pty Limited	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	5,629,592 ordinary shares in Carbon Energy Limited	5,629,592
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)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032

Pacific Road Capital B Pty Limited	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Relevant Interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	5,629,592 ordinary shares in Carbon Energy Limited	5,629,592
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 Management G.P. Limited	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	22,716,797 ordinary shares in Carbon Energy Limited	22,716,797

**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 (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

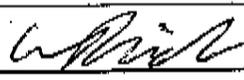
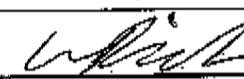
Name and ACN/ARSN (if applicable)	Nature of association
Pacific Road Capital A Pty Limited	Associates of each other by virtue of s12(2) of the Corporations Act.
Pacific Road Capital B Pty Limited	
Pacific Road Capital Management G.P. Limited	
PRCM Nominees Pty Limited ACN 123 215 681	
Pacific Road Carbon 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 Carbon Energy NV	Avenue Louise 331-333, 1050 Brussels, Belgium
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Riverside Corporate Park, 5 Julius Avenue, North Ryde, 2113

**Signature**

print name	Greg Dick	capacity	Secretary, Pacific Road Capital A Pty Limited
sign here		date	24/1/11
	Greg Dick	capacity	Secretary, Pacific Road Capital B Pty Limited
sign here		date	24/1/11

## 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 LimitedACN/ARSN ACN 057 552 137**1. Details of substantial holder (1)**Name Pacific Road Capital Management G.P. LimitedACN/ARSN (if applicable) N/AThere was a change in the interests of the  
substantial holder on20/01/2011

The previous notice was given to the company on

07/05/2010

The previous notice was dated

07/05/2010**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	68,436,289	9.8%	68,799,299	13.2%

**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
20/01/2011	Pacific Road Capital Management G.P. Limited	Allotment	\$0.33 per ordinary share	24,284,848	24,284,848
20/01/2011	Pacific Road Capital A Pty Limited	Allotment	\$0.33 per ordinary share	3,009,091	3,009,091
20/01/2011	Pacific Road Capital B Pty Limited	Allotment	\$0.33 per ordinary share	3,009,091	3,009,091

**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 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 G.P. Limited	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Relevant Interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	22,716,797 ordinary shares in Carbon Energy Limited	22,716,797

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)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032
Pacific Road Capital A Pty Limited	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	5,629,592 ordinary shares in Carbon Energy Limited	5,629,592
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)	11,994,032 ordinary shares in Carbon Energy Limited	11,994,032
Pacific Road Capital B Pty Limited	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Relevant interest in ordinary shares in Carbon Energy Limited under s608(3) Corporations Act 2001 (Cth)	5,629,592 ordinary shares in Carbon Energy Limited	5,629,592

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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 (9) 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 123 215 681	
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 Carbon Energy NV	Avenue Louise 351-335, 1050 Brussels, Belgium
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Riverside Corporate Park, 5 Julius Avenue, North Ryde, 2113

#### Signature

print name *E. C. BURTON* capacity Director, Pacific Road Capital Management G.P. Limited

sign here *[Signature]* date 21 11 2011

#### 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.