



carbonenergy

Carbon Energy Limited | ABN 56 057 552 137

ASX / Media Announcement

26 August 2013

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

Carbon Energy raises a total of \$3.64 million

Carbon Energy (ASX:CNX, OTCQX:CNXAY) is pleased to announce the Entitlements accepted and Additional Securities applied for under the Prospectus (**Rights Issue Subscriptions**) represent total proceeds of \$2,639,984.90.

The Rights Issue Subscriptions, together with the \$1 million Private Placement to Holder East Capital (**HEC**) on the same terms as the Rights Issue (refer announcement 25 July 2013) constitute total funds raised of \$3.64 million.

Acceptances of Entitlements under the rights issue announced on 25 July 2013 have been received from shareholders for a total of 91,128,282 New Shares and 91,128,282 New Options (raising \$1,822,565.64), giving rise to a rights issue shortfall of \$6,046,331.42, representing 302,316,571 New Shares and 302,316,571 New Options.

In addition, under the rights issue prospectus dated 25 July 2013 (**Prospectus**), Shareholders have applied for a further 40,870,963 New Shares and 40,870,963 New Options (\$817,419.26). The Company intends to issue all Additional Securities applied for under the Prospectus.

The Company advises that directors have taken up their full Entitlements as indicated in the Prospectus.

Accordingly, the Company is pleased to advise that the capital raising conditions of the HEC Placement will be satisfied on issue of the securities in respect of the Rights Issue Subscriptions.

The Company will proceed to allot and issue the New Shares and New Options in respect of the Rights Issue Subscriptions today and the New Shares and New Options in respect of the HEC Placement on Tuesday, 27 August 2013.

It is anticipated that the New Securities issued in respect of the Rights Issue Subscriptions will commence trading on the ASX on Wednesday 28 August 2013 with despatch of transaction confirmation statements to occur on Thursday 29 August 2013.

The shortfall now remaining from the Rights Issue is \$5,228,912.16, representing 261,445,608 New Shares and 261,445,608 New Options (**Remaining Shortfall**). The Company and Patersons Securities Limited (the lead manager for the Rights Issue) will continue to work together in order to seek to place the Remaining Shortfall.

The Company wishes to thank Shareholders for their ongoing support and look forward to the year ahead as the Company focuses on delivering the technology services for the Inner Mongolia UCG Project to project partners, Zhengzhou Group, developing further technology licensing opportunities in China and elsewhere, advancing the development of a rehabilitation plan for Bloodwood Creek and achieving monetisation of its Surat Basin Coal Leases.

For and on behalf of the Board

Morné Engelbrecht
Managing Director & Chief Executive Officer

**For more information please contact Jodie Springer on +61 7 3156 7712
or refer to our website at www.carbonenergy.com.au**

About Carbon Energy

Carbon Energy is an emerging global energy technology provider and services company with expertise in unconventional syngas extraction through utilising its proprietary keyseam® underground coal gasification (UCG) technology.

Carbon Energy works with international partners to unlock new energy sources by converting deep, stranded, or otherwise uneconomical coal into a high-value gas, known as syngas, while it is still in-situ underground. Carbon Energy's market advantage lies in its proprietary keyseam UCG technology and its UCG technical and UCG engineering expertise.

The Company's keyseam UCG technology reached a proof of concept stage following 10 years of research by Australia's premier scientific research agency the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and more than 5 years of in-field trials.

keyseam produces a high-quality syngas which can be used for many purposes including power generation, fertilisers, and production of pipeline-quality gas. keyseam also maximises resource efficiency, while minimising surface disturbance and preserving groundwater quality.

Carbon Energy's three pillar growth strategy positions the Company to take advantage of a rising interest in UCG as a cleaner alternative to satisfy the world's growing energy needs; as well as optimising its Australian assets. The Company's core business strategy is to seek global opportunities to license its keyseam technology. Additionally, the Company holds significant coal and gas assets in Australia which offer the potential of long-term financial growth through commercialisation strategies.

The Company delivers end-to-end UCG services from initial project assessment through to commercial project development, operations, site decommissioning and rehabilitation. Carbon Energy is headquartered in Brisbane, Australia, is listed on the Australian Securities Exchange (ASX) as CNX and is quoted on the OTCQX International Exchange as CNXAY in the United States.

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