

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To_ Company Name/Scheme Carbon Energy Limited ("CNX")

ACN/ARSN 057 552 137

1. Details of substantial holder(1)

Name This notice is given by Incitec Pivot Limited on behalf of itself and each of its controlled bodies corporate ("IPL Subsidiaries"), as its associates, named in the list of 2 pages annexed to this notice and Marked A ("Annexure A")

ACN/ARSN (if applicable) 004 080 264

There was a change in the interests of the substantial holder on 07/10/2015

The previous notice was given to the company on 17/10/2013

The previous notice was dated 17/10/2013

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 fully paid shares	75,556,040	6.565%	75,556,040	5.108%

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	Nature of change (6)	Consideration given in relation	Class and number of securities affected	Person's votes affected
06/12/2013	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 6.044% following issue of shares by CNX in relation to executive incentive plan and in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
11/03/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 6.010% following issue of shares by CNX in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
29/05/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.968% following issue of shares by CNX in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
01/09/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.942% following issue of shares by CNX in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
15/10/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.469% following issue of shares by CNX in relation to executive incentive plan	N/A	75,556,040 fully paid ordinary shares	75,556,040
16/10/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.462% following issue of shares by CNX on the exercise of options	N/A	75,556,040 fully paid ordinary shares	75,556,040

31/10/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Increase to 5.665% at the close of the share purchase plan which was not fully subscribed and on the exercise of options. No change to relevant interest	N/A	75,556,040 fully paid ordinary shares	75,556,040
01/12/2014	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.653% following issue of shares by CNX in consideration of interest costs and on the exercise of options	N/A	75,556,040 fully paid ordinary shares	75,556,040
02/03/2015	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.635% following issue of shares by CNX in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
02/06/2015	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.614% following issue of shares by CNX in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
28/08/2015	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.575% following issue of shares by CNX in consideration of interest costs	N/A	75,556,040 fully paid ordinary shares	75,556,040
07/10/2015	Incitec Pivot Limited and each of the IPL Subsidiaries	Dilution to 5.108% following issue of shares by CNX under a placement	N/A	75,556,040 fully paid ordinary shares	75,556,040

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
Incitec Pivot Limited	Incitec Pivot Limited	Incitec Pivot Limited	Registered holder for the purposes of section 608(1)	75,556,040 fully paid shares	75,556,040

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
Not applicable	Not applicable

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Incitec Pivot Limited	Level 8, 28 Freshwater Place, Southbank, Victoria 3006
Each of the IPL Subsidiaries	See Annexure A

Signature

print name Daniella Pereira capacity Company Secretary
sign here  date 14/ 10/2015

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 of 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.

Annexure A

This is Annexure A of 2 pages referred to in form 604 Notice of change of interests of substantial holder by Incitec Pivot Limited ACN 004 080 264



Name: Daniella Pereira
Capacity: Company Secretary
Date: 14 October 2015

IPL Subsidiaries

Name of Entity	Country of incorporation
Incitec Fertilizers Limited	Australia
TOP Australia Ltd	Australia
Southern Cross Fertilisers Pty Ltd	Australia
Southern Cross International Pty Ltd	Australia
Incitec Pivot LTI Plan Company Pty Limited	Australia
Incitec Pivot Holdings (Hong Kong) Limited	Hong Kong
Incitec Pivot Explosives Holdings Pty Limited	Australia
TinLinhe Nitrogen Limited	Hong Kong
Quantum Fertilisers Limited	Hong Kong
Coltivi Insurance Pte Limited	Singapore
Queensland Operations Pty Limited	Australia
Incitec Pivot Investments 1 Pty Ltd	Australia
Incitec Pivot Investments 2 Pty Ltd	Australia
Incitec Pivot US Investments	USA
Incitec Pivot US Holdings Pty Ltd	Australia
Incitec Pivot Management LLC	USA
Incitec Pivot Finance LLC	USA
Incitec Pivot Finance Australia Pty Ltd	Australia
Dyno Nobel Pty Limited	Australia
Dyno Nobel Australia LLC	USA
Prime Manufacturing Ltd	New Zealand
The Dyno Nobel SPS LLC	USA
Dyno Nobel Europe Pty Ltd	Australia
Dyno Nobel Management Pty Limited	Australia
Industrial Investments Australia Finance Pty Limited	Australia
Dyno Nobel Holdings IV LLC	USA
Dyno Nobel Holdings USA III Inc.	USA
Dyno Nobel Holdings USA II	USA
Dyno Nobel Holdings USA II Inc.	USA
Dyno Nobel Holdings USA Inc.	USA
Dyno Nobel Inc	USA
Dyno Nobel Transportation Inc.	USA
Simsbury Hopmeadow Street LLC	USA
Dyno Nobel Holdings V LLC	USA
Tradestar Corporation	USA
Dyno Nobel Explosivos Chile Limitada	Chile

Name of Entity	Country of incorporation
CMMPM, LLC	USA
CMMPM Holdings L.P.	USA
Dyno Nobel Peru S.A.	Peru
Dyno Nobel Mexico, S.A. de C.V.	Mexico
Dyno Nobel Canada Inc.	Canada
Dyno Nobel Transportation Canada Inc.	Canada
Dyno Nobel Nunavut Inc.	Canada
Incitec Pivot Finance Canada Inc.	Canada
Polar Explosives 2000 Inc.	Canada
Polar Explosives Ltd	Canada
Dyno Nobel Asia Pacific Pty Limited	Australia
Dampier Nitrogen Pty Ltd	Australia
DNX Australia Pty Ltd	Australia
DNX Papua New Guinea Ltd	PNG
Dyno Nobel Moranbah Pty Ltd	Australia
Dyno Nobel Moura Pty Limited	Australia
PT DNX Indonesia	Indonesia
Nitromak DNX Kimya Sanayii A.S.	Turkey
SC Romnitro Explosives Srl.	Romania
DNX Nitro Industrial Kimike Sh.p.k	Albania
Dyno Nobel Louisiana Ammonia, LLC	USA
Dyno Nobel Waggaman Inc	Canada