



CarbonEnergy

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Carbon Energy Limited
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Carbon Energy (Operations) Pty Ltd
ABN 61 105 176 967

ASX Announcement

10 May 2010

Pacific Road Completes Acquisition - Introduces New Institutional Investor

Carbon Energy (ASX: CNX) has been advised by Pacific Road Capital Management Pty Limited ("Pacific Road Capital") that it has completed its acquisition of a 10% interest in CNX from the CSIRO. As contemplated in the 29 March 2010 announcement, Pacific Road Capital has introduced one of their significant international investment fund shareholders in the Pacific Road Resources Fund to take a direct interest of 4.9% in CNX, with the Pacific Road Resources Fund holding the balance of 5.1%.

As previously announced, the transaction was completed at \$0.60 per share, with Pacific Road Capital holding an option over the CSIRO's remaining 4.8% interest in CNX at a price of \$0.93 per share.

For and on behalf of the Board

Andrew Dash
Managing Director

About Carbon Energy

Carbon Energy's purpose is to produce clean energy and chemicals feedstock from Underground Coal Gasification (UCG) Syngas.

Carbon Energy's unique approach to UCG and Syngas production produces a low cost option for capturing CO₂ making it a leader in clean coal technology.

Carbon Energy's ambition is for Syngas to become the preferred feedstock for producing clean coal power stations, and the production of synthetic natural gas, an alternative to oil-based fuel, agribusiness products (fertilisers & explosives), polyolefin products (such as plastics) and allowing for economic carbon capture.

Carbon Energy's technological advantage comes from its association with CSIRO including world class geotechnical, hydrological and gasification modeling capabilities.

Carbon Energy is building an international portfolio of coal assets, suitable for UCG with close proximity to markets.