



CarbonEnergy

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ASX Announcement

ASX: CNX

CARBON ENERGY GENERATES COMMERCIAL SCALE PRODUCTION VOLUMES OF UCG SYNGAS

Carbon Energy Limited (ASX:CNX) today generated the first commercial scale production volumes of underground coal gasification (UCG) syngas from its UCG plant at Bloodwood Creek, Queensland, and commenced a 100-day, A\$20 million trial to demonstrate the sustainability of its commercial scale UCG syngas production.

Carbon Energy's Chief Operating Officer Andrew Dash said the achievement represented another significant milestone in the company's UCG syngas commercialisation program developed in conjunction with the CSIRO.

Results from the trial will be used as part of feasibility studies to be undertaken with Incitec Pivot Limited to confirm the suitability of Carbon Energy's UCG syngas for ammonia production. The trial will be also used to study the syngas' suitability for methanol production as outlined in the company's recently signed Letter of Intent with LyondellBasell.

"With gas being produced at commercial volumes we have successfully demonstrated Carbon Energy's ability to realise the value of its substantial coal tenements," Mr Dash said. "During the 100 day trial, Carbon Energy will optimise quantity and quality, and minimise the cost of gas produced through controlled variation in the feed of air, oxygen, and steam."

Commercial scale production was achieved by switching product gas flow from the vertical ignition well to the horizontal in-seam product well and ramping up the airflow to achieve maximum gasification rates possible with air. This air blown gasification test represents the optimum gas for production of low cost electricity.

The next step in Carbon Energy's trial period is to use a mixture of oxygen and steam in the injection well which will demonstrate the maximum energy production rate of the panel design and the optimum syngas feedstock for ammonia, methanol and chemicals manufacture.

It is the use of oxygen and steam in the gasification process together with Carbon Energy's unique panel design developed by the CSIRO that differentiates the company from other UCG projects currently being undertaken in Australia. It is this process and the resultant ability to economically remove CO₂ from the UCG Syngas that puts Carbon Energy in the lead as a provider of clean energy and chemicals from coal.

Syngas from the 1 Petajoule (PJ) UCG panel is currently being flared (pictures attached).

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For and on behalf of the Board



Andrew Dash
Chief Operating Officer

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COMPANY PROFILE

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, 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 modelling capabilities.

Located at the hub of the Surat Basin's energy infrastructure, Carbon Energy's energy resources are perfectly positioned to provide the basis for future energy, industrial and agricultural chemicals, and liquid fuels for export and to the growing local industrial hub.



