



Continuous Disclosure Policy - Summary

This document sets out the policies and procedures that Carbon Energy Limited (“**CEL**” or the “**Company**”) will comply with in relation to continuous disclosure.

The objectives of this policy are to:

- (a) establish procedures for the reporting of price sensitive information to the Company Secretary for review;
- (b) establish procedures for the preparation, approval and release of announcements containing price sensitive information or potentially price sensitive information to the ASX; and
- (c) establish procedures to enable compliance by the Company with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.

Continuous Disclosure Obligation

Disclosure obligation

- (a) Legal obligation of disclosure

CEL has continuous disclosure obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of any price sensitive information relating to the Company.

ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of any information that it becomes aware of, concerning the Company that a reasonable person would expect to have a material effect on the price or value of any securities issued by CEL (“**Material Information**”).

- (b) Material effect on the price of securities

A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

The Company keeps a list of matters for the purposes of continuous disclosure.

- (c) Information in CEL's knowledge

CEL becomes aware of information if any of its officers has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of the Company.

An officer includes a director or secretary of CEL and a person who makes, or participates in making, decisions that affect the whole or a substantial part of the business of the Company.

- (d) Release of information to others

CEL must not release Material Information to any person (e.g. brokers, analysts, the media, professional bodies or any other person) until it has given the information to the ASX and has received an acknowledgement that the ASX has



released the information to the market.

Requirement to disclose information 'immediately'

Under ASX Listing Rule 3.1, Material Information must be disclosed to the ASX immediately upon CEL becoming aware of the information, unless it falls within the exception to disclosure in Listing Rule 3.1A (see below).

ASX considers the word "immediately" should not be read as meaning "instantaneously", but rather as meaning "promptly and without delay".

Factors that the ASX will take into account in assessing whether CEL has complied with its obligations to disclose information promptly and without delay include:

- (a) where and when the information originated;
- (b) the forewarning (if any) CEL had of the information;
- (c) the amount and complexity of the information concerned;
- (d) the need in some cases to verify the accuracy or bona fides of the information;
- (e) the need for an announcement to be carefully drawn so that it is accurate, complete and not misleading;
- (f) the need in some cases for an announcement to comply with specific legal or ASX Listing Rule requirements; and
- (g) the need in some cases for an announcement to be approved by CEL's Board.

Exceptions to disclosure

ASX Listing Rule 3.1A provides that Material Information will not need to be provided to the ASX in certain circumstances. The application of ASX Listing Rule 3.1A will be determined on a case-by-case basis.

Material Information will not need to be provided to ASX if all of the following exceptions apply in respect of the Material Information:

If one or more of the following five situations applies:

- (i) it would be a breach of the law to disclose the Material Information;
 - (ii) the Material Information concerns an incomplete proposal or negotiation;
 - (iii) the Material Information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the Material Information is generated for the internal management purposes of the entity; or
 - (v) the Material Information is a trade secret; and
- (a) the information is confidential and ASX has not formed the view that the information has ceased to be confidential;



and

- (b) a reasonable person would not expect the information to be disclosed.

Procedure for disclosure

The following procedures apply to the preparation, approval and release of continuous disclosure announcements to the ASX:

- (a) senior management must notify the Company Secretary as soon as they become aware of information that may be Material Information (see below);
- (b) the Company Secretary will:
 - (i) review the Material Information reported by senior management;
 - (ii) determine in consultation with the CEO (or in his absence, the Chairman), whether any of the Material Information is required to be disclosed to the ASX;
- (c) if disclosure is required,
 - (i) prepare the form of announcement to the ASX, for approval by the CEO and Chairman and, if the CEO considers it necessary and possible without contravention of Listing Rule 3.1, the Board of Directors;
 - (ii) once approved, lodge the announcement with the ASX; and
 - (iii) ensure the announcement is placed on the Company's website after receiving confirmation from the ASX that it has been released to the market.

Obligations of Senior Managers

As soon as a senior manager becomes aware of information that may be Material Information, the senior manager must provide it and supporting information to the Company Secretary
The determination of whether certain information is Material Information necessarily involves the use of judgement.

Analyst/media briefings

Information provided to, and discussions with, analysts are also subject to the continuous disclosure policy. Only the Chairman, CEO and Corporate Affairs Manager are authorised to issue statements or make comments to the media or to speak on behalf of CEL to analysts or journalists unless prior approval is obtained from the Chairman or CEO. The CFO is authorised to speak to analysts and proxy advisers about matters specific to the financial reports of the Company.

Interview/briefing black-out period



During the period from the end of the financial year or half-year and the release to the ASX of the financial results of the Company for the relevant period, no employee of CEL may discuss financial performance or forecasts with any analyst, investor or the media, unless the information has already been disclosed to the ASX.

Market rumours and correcting a false market

Listing Rule 3.1B provides that if the ASX considers that there is, or is likely to be, a false market in the Company's securities, and requests information from the Company to correct or prevent the false market, the Company must immediately give that information to the ASX.

Unless disclosure is required to correct or prevent a false market, the Company has a general "no comment" policy in relation to market speculation and rumours.

Social Media

Monitoring of social media will be limited to investor blogs, chat-sites and other social media the entity is aware of that regularly include postings about the entity.

Trading halts and suspensions

In order to facilitate an orderly and informed market, it may be necessary to request a trading halt or voluntary suspension of trading in the Company's shares from the ASX, for example:

- (a) to manage unexplained material price and/or volume change;
- (b) if confidential information about the Company is inadvertently disclosed;
- (c) prior to a press conference or briefing being held in advance of a formal announcement; or
- (d) to prevent an uninformed market pending the announcement of price sensitive information.

The CEO is authorised to request a trading halt or voluntary suspension. In the absence of the CEO, the Company Secretary is authorised to make a decision to request a trading halt or voluntary suspension.

Relationship between continuous disclosure and other disclosure obligations

In addition to complying with its continuous disclosure obligations, the Company is required to disclose other types of information under the ASX Listing Rules and the Corporations Act. The Company acknowledges that compliance with its obligations to prepare such documents does not affect the Company's continuous disclosure obligations under ASX Listing Rule 3.1.

Communication with shareholders

CEL acknowledges that effective communication with shareholders assists the creation and maintenance of an informed market in the Company's securities and enhances corporate governance by encouraging a culture of transparency in relation to the Company's activities. CEL seeks to:



- (a) provide a comprehensive and up-to-date website, which includes copies of all Material Information lodged with the ASX (including announcements and financial information) as well as relevant and non-confidential policies and charters and other Company information;
- (b) place all relevant announcements, briefings and speeches made to the market or the media on the website; and
- (c) place full text of annual reports, notices of meetings of shareholders and accompanying explanatory notes on the website.

Management of the Policy

CEL has nominated the Company Secretary as the person with primary responsibility for all communication with the ASX.

The Company Secretary is responsible for:

- (a) liaising with the ASX in relation to continuous disclosure issues;
- (b) ensuring that the system for the disclosure of all Material Information to the ASX in a timely fashion is operating;
- (c) co-ordinating the actual form of disclosure, including reviewing proposed announcements by CEL to the ASX and liaising with the CEO or Chairman in relation to the form of any ASX releases;
- (d) liaising with the Board of Directors (where necessary) in relation to the disclosure of information;
- (e) keeping a record of all ASX and other releases that have been made;
- (f) periodically reviewing CEL's disclosure procedures in light of changes to the ASX Listing Rules or to the Corporations Act and recommending to the Board of Directors any necessary changes to the procedures;
- (g) preparing regular disclosure reports to the Board of Directors, which advise of:
 - (i) material matters considered and the form of disclosure (if any); and
 - (ii) any material changes to CEL's continuous disclosure process.

Contraventions

The Company takes continuous disclosure very seriously. CEL contravenes its continuous disclosure obligations if it fails to notify the ASX of the information required by the ASX Listing Rules.