



CarbonEnergy

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Carbon Energy Limited
ABN 56 057 552 137

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

1 June 2010

ASX Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

RE: Carbon Energy Limited – Section 708A(5)(e) Notice

Notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**).

1. Carbon Energy Limited (Company) advised on 26 May 2010 it allotted and issued 15,000,000 fully paid shares (Securities) were issued to Constellation Energy Pty Ltd in consideration for the supply of drilling services of \$3,000,000 by Constellation for the Bloodwood Creek Trial. The shares issued were in satisfaction of an obligation in an HOA announcement on 5 May 2008. Although the issue of shares to Constellation was previously approved by Shareholders on 23 June 2008 as the allotment did not occur within the 3 month period from Shareholder approval, this issue now falls within the allowable 15% annual limit.
2. The Company gives notice of the following under section 708(5)(e) of the Corporations Act:
 - (a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Corporations Act;
 - (b) as at the date of this notice, the Company has complied with:
 - (i) *the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and*
 - (ii) *section 674 of the Corporations Act; and*
 - (c) as at the date of this notice, the Company is not in possession of any "excluded information" within the meaning of subsections 708A(7) and 708A(8) of the Corporations Act, which is required to be disclosed under section 708A(6)(e) of the Corporations Act.

For and on behalf of the Board

Prem Nair
CFO & Company Secretary