



carbonenergy

ABN 56 057 552 137

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
ASX Code: CNXO

Website: www.linkmarketservices.com.au

NAME AND ADDRESS OF OPTIONHOLDER

Exercise Price:

\$0.05941

Expiry Date:

31 July 2016

SRN/HIN

NOTICE OF EXERCISE OF OPTIONS

PLEASE COMPLETE BELOW (using block letters) – refer overleaf for details and further instructions on how to complete this form.
I/We apply to exercise the following number of options and make payment in Australian currency drawn on an Australian branch of a financial institution for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one (1) Ordinary Share for every one (1) Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Carbon Energy Limited.

A NUMBER OF OPTIONS EXERCISED

(Exercise all or part of CNXO Options)

B TOTAL PAYMENT REQUIRED

(\$0.05941 per CNXO Option exercised)

at \$0.05941 per
Option Exercised \$A

C PLEASE INSERT YOUR CHEQUE/BANK DRAFT OR MONEY ORDER DETAILS

Cheques must be drawn on an **Australian branch** of a financial institution in **Australian currency** and made payable to “Carbon Energy Limited” and crossed “Not Negotiable”.

Cheque Number

BSB

Account Number

The application for Shares on exercise of the Options with the appropriate remittance should be lodged with Carbon Energy Limited at its registered address Level 9, 301 Coronation Drive, Milton QLD 4064.

D YOUR CONTACT DETAILS

Telephone Number

() _____

Telephone Number – after hours

() _____

Contact Name (PRINT)

E SIGNATURE OF OPTIONHOLDER(S) – this MUST be signed

Optionholder 1

Sole Director and Sole Company Secretary

Optionholder 2

Director/Company Secretary

Optionholder 3

Director

Date

____/____/____

This form should be signed by the optionholder(s). Where the optionholder is an individual, a single signature is required. In the case of a joint holding, the signatures of each holder are required. Where the notice is signed by an attorney under power of attorney, please print the name of the attorney and state that the notice is signed under power of attorney and produce the power of attorney for noting purposes. Companies need to sign in accordance with their constitution, and the *Corporations Act 2001* (Clth).

CNXO OPT001



Rights and liabilities of the New Options

The New Options will be issued on the following terms and conditions:

Consideration

The New Options are issued as part of the Offer on the basis of 1 New Option for each New Share issued. No further consideration other than the payment of the Offer Price will be payable by Eligible Shareholders for the New Options.

Terms of Exercise

The exercise price of each New Option is \$0.05941 (**Exercise Price**).

The New Options will expire on 31 July 2016 (**Expiry Date**).

Subject to and conditional upon any adjustment in accordance with the terms and conditions of the New Options as set out in the Prospectus dated 25 July 2013, each New Option entitles the holder to subscribe for one fully paid share upon payment of the Exercise Price prior to the Expiry Date.

The New Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per New Option to the Company at any time on or after the date of issue and allotment of the New Options, on or before the Expiry Date.

On the valid exercise of the New Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

Further details of the terms and conditions of the New Options were set out in the Prospectus dated 25 July 2013.