

TENEMENT SCHEDULE

As at 30 June 2011

Tenement Number	Grant Date	Expiry Date	Holder	% of interest held	Sub-blocks as at June 2011
EPC 867	18/02/2005	17/02/2015	Carbon Energy (Operations Pty Ltd)	100%	191
EPC 868	18/02/2005	17/02/2015	Carbon Energy (Operations Pty Ltd)	100%	177
EPC 869	14/10/2004	13/10/2014	Carbon Energy (Operations Pty Ltd)	100%	64
EPC 1109	14/02/2007	13/02/2012	Carbon Energy (Operations Pty Ltd)	100%	65
EPC 1132	21/06/2007	20/06/2012	Carbon Energy (Operations Pty Ltd)	100%	23
EPC 1741 Kogan West	Application	-	Carbon Energy (Operations Pty Ltd)	100%	35
MLA50253	Application	-	Carbon Energy (Operations Pty Ltd)	100%	1342 ha
MDL374	01/02/08	31/01/2013	Carbon Energy (Operations Pty Ltd)	100%	2687 ha

In accordance with Society of Petroleum Engineers (SPE) guidelines, the reserves in these properties are:

Area	Category	Gross Gas Volumes (PJ)
Bloodwood Creek EPC 867 (including MDL 374)	1P Reserve (Proven)	11
	2P Reserve (Proven + Probable)	743
	3P Reserve (Proven + Probable + Possible)	1,042

The reserve estimates used in this document were compiled by Mr Timothy Hower of MHA Petroleum Consultants, Colorado, USA, a qualified person under ASX Listing Rule 5.11. Mr Hower has consented to the use of the reserve information contained within this document in the form and context in which it appears.

Coal resource summary

As at 30 June 2011

Location	Seam Thickness Cut-off	Indicated (Mt)	Inferred (Mt)	TOTAL (Mt)
Bloodwood Creek	2	218	280	498
	5 ¹	158	57	215
Kogan	2		170	170
	5 ¹		149	149
Mulpun, Chile ²	2	36.7	40.1	76.8
	5 ¹	19	39.3	58.3
TOTAL RESOURCE	2	254.7	490.1	744.8
	5 ¹	177	245.3	422.3

Notes:

- Optimal target for Underground Coal Gasification
- Carbon Energy has the right to a 30% contributing interest in the Chile deposit upon completion of agreed milestones

Competent person's statement

Coal Tenements

The information in this table relates to resources based on information compiled by Dr C.W. Mallett, Technical Director Carbon Energy Limited who is a member of the Australian Institute of Mining and Metallurgy. Dr Mallett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Mallett consents to the inclusion in the table of the matters based on his information in the form and context in which it appears.