



CarbonEnergy

# MEDIA RELEASE

8 December 2009

## Carbon Energy confirms UCG syngas reserves

Carbon Energy today confirmed that the underground coal gasification (UCG) syngas reserves contained at their Bloodwood Creek site in Queensland's Surat Basin has the capacity to support their following projects for the next 15 years:

- A 300 MW base load power station;
- A world scale ammonia plant; and
- A 20 PJ p.a synthetic natural gas plant.

In a world first move, Carbon Energy obtained independent certification of its UCG reserves using Society of Petroleum Engineers (SPE) guidelines, with MHA Petroleum Consultants (MHA) certifying 2p reserves at approximately 744 PJ.

Independent certification is a major step forward for Carbon Energy, with results confirming the large energy potential from the Bloodwood Creek UCG syngas reserves and establishing the potential for UCG syngas to be a major energy source for Queensland and Australia.

"This is an important step in the development of a national UCG market as it is the first time that UCG syngas volumes have had independent third party certification under the SPE guidelines anywhere in the world," commented Carbon Energy Managing Director Andrew Dash.

"This is our first resource statement of this kind and clearly establishes Carbon Energy as a major energy player.

"We are confident that we can add significantly to this over time through further exploration of our tenements and the establishment of major commercial contracts." Mr Dash said.

Traditionally, syngas reserves have been estimated using the Joint Oil Reserves Committee (JORC) code that measures available coal reserves. SPE, on the other hand, assesses the available syngas volumes and is used extensively by the major coal seam gasification players.

The 2P reserves identified by MHA were centered on the southern half of one of Carbon Energy's tenements and contained within an area approximately 20 percent of the site.

With 744 PJ already identified within this small area, there is significant potential for Carbon Energy to add to these reserves within the tenement through additional exploration drilling.



CarbonEnergy

MHA identified 1042.8 PJ of 3P reserves and, in addition, a further 1,927.7 PJ of contingent resources within the Bloodwood Creek and Kogan areas, capacity that will support Carbon Energy's goal to develop the region into a major energy and industrial hub.

This announcement follows a string of good news for Carbon Energy.

Earlier this month, Carbon Energy launched Australia's first UCG powered plant, currently being constructed at Bloodwood Creek.

This 5 MW station will see electricity flow into the local grid by early next year.

Plans are also well underway to build an additional 20-25 MW power station on the same site, a project that will incorporate carbon capture and storage (CCS) techniques, through a partnership with Queensland based ZeroGen.

Last Friday, the company announced an agreement with Antofagasta Minerals S.A. to jointly assess and develop a coal deposit in Mulpun, Chile using Carbon Energy's Underground Coal Gasification (UCG) technology.

The agreement represents Carbon Energy's first international project and is consistent with the company's strategy to build a portfolio of coal resources throughout the world by leveraging its UCG technology.

ENDS

**Media contacts**

Simone Holzapfel  
Leigh Exelby

0417 656 668 (07) 5532 0157  
0422 396 111 (07) 5532 0157

simone@shaccommunications.com  
leigh@shaccommunications.com



CarbonEnergy

# FACT SHEET

## About Carbon Energy

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 CO<sub>2</sub> 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 and 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.

Carbon Energy is building an international portfolio of coal assets, suitable for UCG with close proximity to markets.