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ALICE SPRINGS PROJECT

FINAL REPORT

AMADEUS EAST, NORTH ANGELA

Exploration Licence 25266

for the period 19/01/2007 to 10/02/2009

Date of Report: April 2009
Tenement Holder: Carbon Energy Ltd
Operator: Carbon Energy Ltd
Prepared By: P. Sauter (Sauter Geological Services Pty Ltd)
Authorised By: B. Tavčar
Map References: Alice Springs (SF5314) 1:250,000
Alice Springs (5650), Undoolya (5750) 1:100,000
Distribution:
1. NT Department of RDPIFR
2. Carbon Energy Ltd

Bibliographic Data Sheet

Project Name: Amadeus East, North Angela

Tenement Number: EL 25266

Tenement Operator: Carbon Energy Ltd

Tenement Holder: Carbon Energy Ltd

Report Type: Final Report

Report Title: Alice Springs Project, Final Report, Amadeus East, North Angela, Exploration Licence 25266, for the period 19/01/2007 to 10/02/2009.

Report Period: 19/01/2007 to 10/02/2009

Author: P. Sauter, Sauter Geological Services Pty Ltd

Date of Report: April 2009

1:250 000 map sheet: Alice Springs (SF5314)

1:100 000 map sheet: Alice Springs (5650), Undoolya (5750)

Target Commodity: U

Keywords: Uranium, data review

Prospects Drilled: n/a

ABSTRACT:

Location: 10km SE of Alice Springs, Northern Territory

Geology: NE margin of Amadeus Basin, Neoproterozoic to Silurian sediments

Work done: Open file report review; reprocessing of open file magnetics, gravity and Landsat. Final data evaluation.

Results/Conclusions: The tenement has been surrendered..

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1 SUMMARY

Exploration Licence 25266 (Amadeus East / North Angela) is owned and operated by Carbon Energy Ltd. (“Carbon”). The company changed to this name from Metex Resources Ltd (“Metex”) on the 23rd June 2008. The tenement is part of the Company’s “Alice Springs” Project, and is located 10 km southeast of Alice Springs in the Northern Territory.

EL 25266 was acquired following an Australia-wide generative program targeting uranium mineralisation. The tenement was granted on 19th January 2007, for a period of six years. The eastern portion of the tenement was surrendered on 18/1/2009.

Work by Carbon on the tenement during 2007 and 2008 included:

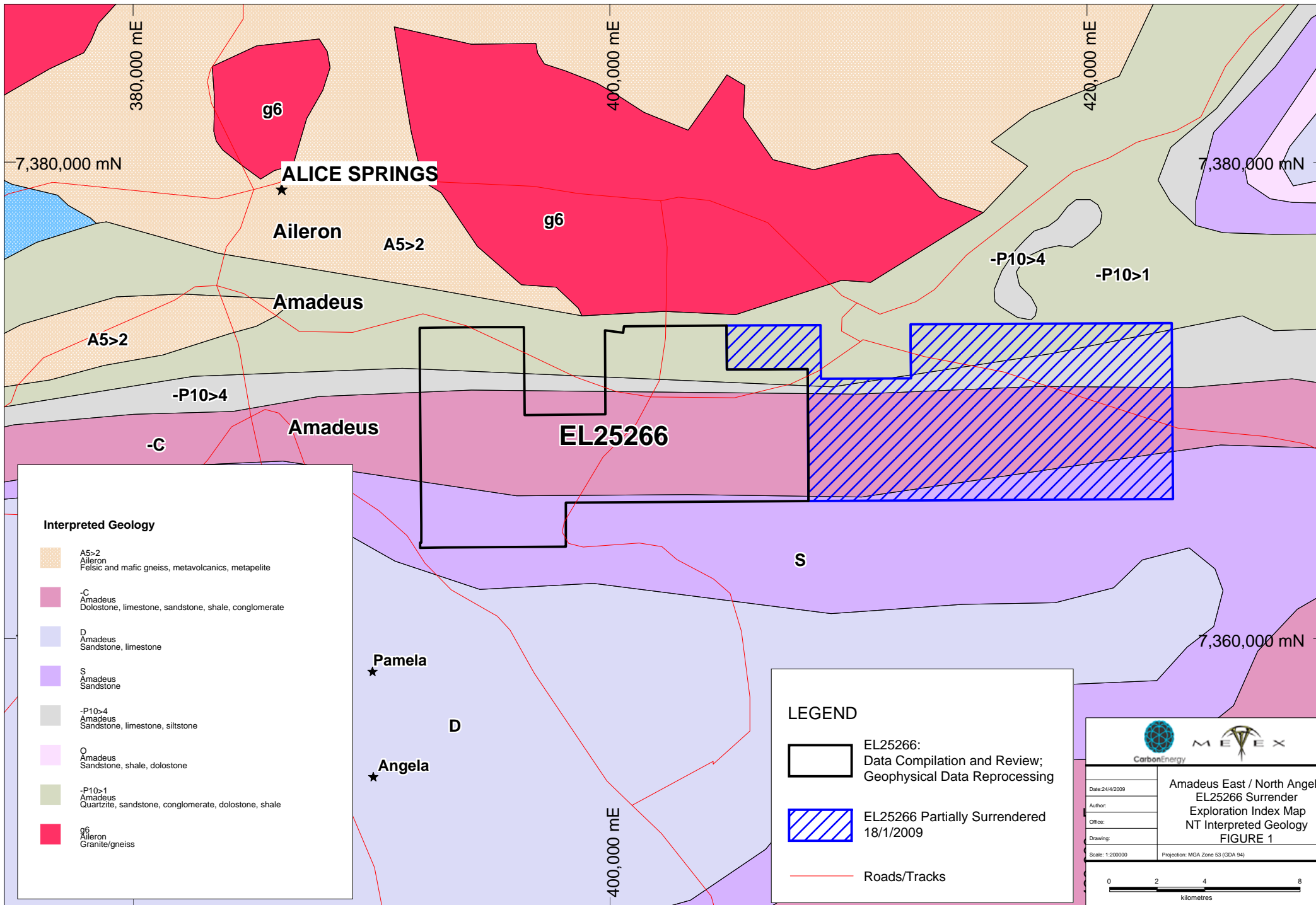
- Open-file report and data review;
- Acquisition, reprocessing and interpretation of available digital geophysics data by Southern Geoscience Consultants.
- Final data evaluation.

It was recommended to surrender the tenement.

Table 1: Summary of Exploration

Tenement	Activities
EL 25266	Open file data compilation and review Compilation and reprocessing of available geophysical data Final data evaluation

Areas of exploration during the reporting period are shown in the Exploration Index Map, Figure 1.



Amadeus East / North Angela EL25266 Surrender Exploration Index Map NT Interpreted Geology FIGURE 1	
Date: 24/4/2009	Author:
Office:	Drawing:
Scale: 1:200000	Projection: MGA Zone 53 (GDA 94)

2 LOCATION AND ACCESS

EL 25266 is situated approximately 10 km southeast of Alice Springs, on the Alice Springs (SF5314) 1:250,000 scale and the Alice Springs (5650) and Undoolya (5750) 1:100,000 scale map sheets. The tenement lies approximately 5 km east of the Alice Springs airport.

Access to the tenement is via sealed road from Alice Springs and a series of smaller unsealed tracks.

The project area location is shown in Figures 1 and 2.

3 TENEMENT DETAILS

EL 25266 was held and managed by Carbon Energy Ltd. The company changed to this name from Metex Resources Ltd (“Metex”) on the 23rd June 2008. The eastern portion of the tenement was surrendered on 18/1/2009, and the remaining part on 10/2/2009, which is the purpose of this report. Tenement details are listed in Table 1 and the location is shown in Figures 1 and 2.

Table 2: Tenement Details

Tenement No	Holder	Grant Date	Surrender Date	Area Surrendered km ²
EL 25266	Carbon Energy Ltd	19/01/2007	10/02/2009	112.6

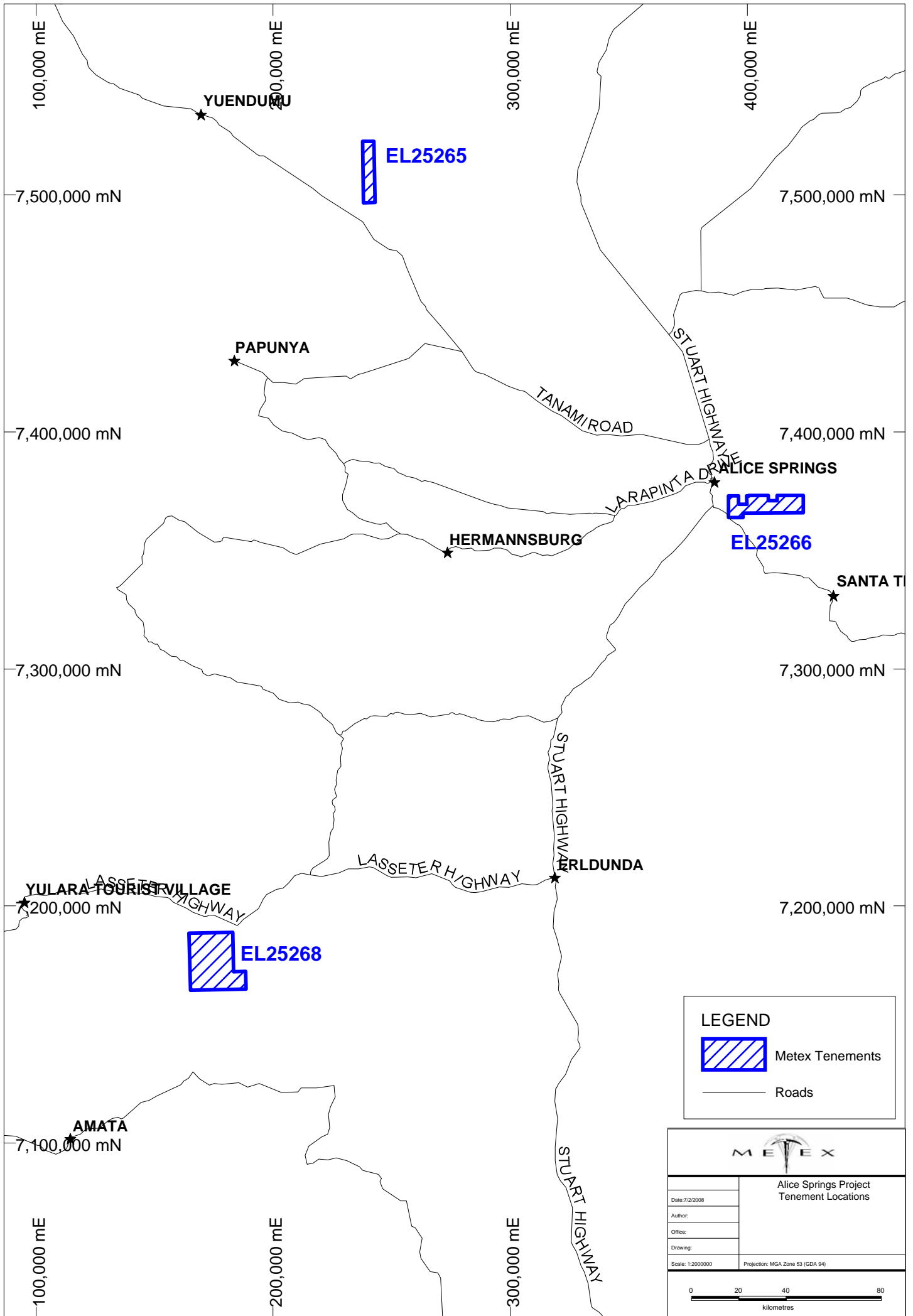


Fig 2

4 GEOLOGY AND MINERALISATION

(from de Angelis, 2006)

The tenement is located at the far north-eastern margin of the Amadeus Basin, in Neoproterozoic to Silurian sedimentary sequences, close to the contact with the Aileron metamorphics of the Arunta Block (Figure 1). The intracratonic Amadeus Basin is located to the south of the Ngalia Basin and is bounded on the north and south by granite-gneiss and schist of the Arunta and Musgrave-Mann Complexes.

Uranium deposits are located within the uppermost units of the Devonian Pertnjara Group, a 7000-metre thick sequence of calcareous lithic sandstones and conglomerates. Two uranium deposits, Angela and Pamela, have been found in the upper units of the Pertnjara Group (Undandita Member), in the upper redox boundary within the reduced sandstone. The mineralized zone is sub-parallel to the axis of the Missionary Syncline and continues down-plunge. Uranium mineralization was transported by an oxidizing U-rich groundwater system and deposited along the regional redox interface. Previous workers suggest that the groundwater flowed from north to south with reduced lithologies preserved only in the southern parts of the Missionary Syncline.

5 HISTORIC EXPLORATION

Previous exploration on the tenement was carried out by a number of companies. Minor stream sediment and rock chip sampling was carried out by CRA and BHP, between 1971 and 1992, in the far NE corner of the current tenement. Highest U value in stream sediments was 1ppm. In addition, CRA, as part of their diamond exploration, collected three samples in 1992, also from the far Eastern part of the tenement.

Gutnick Resources, as part of their Rand Project, explored for Witswatersrand-type gold in a wide area between 2001 and 2003, including the current tenement. A literature review and reprocessing of open-file geophysics and Landsat was carried out. No sampling was undertaken on the current tenement (Washburn, 2004).

Relevant CR reports are: CR1971-0017, CR1976-0066, CR1976-0073, CR1978-0066, CR1981-0252, CR1982-0149, CR1984-0103, CR2003-0084, CR2003-0085, CR2004-0166.

There are no samples or drillholes on the current tenement registered on the NT Strike system.

6 EXPLORATION DURING THE REPORTING PERIOD

6.1 DATA COMPILATION AND REVIEW

6.1.1 Open-file data review 2007

Jigsaw Geoscience Pty Ltd reviewed open file reports on the area (see Section 5).

6.1.2 Geophysics 2007

A compilation of open-file geophysical (airborne magnetics and radiometrics, gravity), and remotely sensed (Landsat) data was carried out by Southern Geoscience Consultants (SGC). Images are shown in Appendix 2.

6.1.3 Exploration 2008

A short review was carried out by consultant M. de Angelis, recommending the partial surrender of the eastern portion. A further internal review recommended the surrender of the remaining part of EL25266.

7 CONCLUSIONS AND RECOMMENDATIONS

As a result of the review, tenement EL25266 has been surrendered.

8 REFERENCES

De Angelis, M. 2006. Report on Uranium Exploration in Australia. Consultants report prepared for Metex Resources Pty Ltd.

Sauter, P., 2008. Alice Springs Project, Annual Technical Report, Amadeus East, North Angela, Exploration Licence 25266, for the period 19/01/2007 to 18/01/2008.

Washburn, C. 2004. Joint Surrender Report for the Period 28th March 2001 to 23rd June 2003. Gutnick Resources report. CR2004-0166.

APPENDIX 1

VERIFICATION LISTING FORM

VERIFICATION LISTING FORM

Exploration Work Type	File Name	Format
Office Studies		
Literature search/review		
Database compilation		
Computer modelling		
Reprocessing of data	EL25266_2009_F_02_gravity.pdf EL25266_2009_F_03_Landsat.pdf EL25266_2009_F_04_aeromag_RTP1V D.pdf EL25266_2009_F_05_aeromag_RTP2V D.pdf EL25266_2009_F_06_aeromag_RTP.pdf EL25266_2009_F_07_radiometricsTern. pdf EL25266_2009_F_08_radiometricsU.pdf	pdf
Reports	EL25266_2009_F_01_reportbody.pdf	pdf
Airborne Exploration Surveys		
Aeromagnetics		
Radiometrics		
Electromagnetics		
Gravity		
Digital terrain modelling		
Other (specify)		
Remote Sensing		
Aerial photography		
LANDSAT		
SPOT		
MSS		
Radar		
Other (specify)		
Ground Exploration Surveys		
Geological Mapping		
Regional		
Reconnaissance		
Prospect		
Underground		
Costean		
Ground geophysics		
Radiometrics		
Magnetics		
Gravity		
Digital terrain modelling		
Electromagnetics		
SP/AP/EP		
IP		
AMT		
Resistivity		
Complex resistivity		
Geophysical interpretation		
Other (specify)		
Geochemical Surveying		
Surface Geochemistry		
Stream sediment		
Soil		
Rock chip		
Laterite		
Water		
Biogeochemistry		
Isotope		
Whole rock		
Mineral analysis		
Other (specify)		
Drilling		
Lithology Codes		
Collar		
Assay		
Survey		
Lithology		
Verification	Appendix 1	

APPENDIX 2

GEOPHYSICAL IMAGES 1:50,000 (digital on disk)

report filename	original filename
EL25266_2009_F_02_gravity.pdf	AmadeusEast_BG_NEshadel_50K.PDF
EL25266_2009_F_03_Landsat.pdf	AmadeusEast_Landsat_50K.PDF
EL25266_2009_F_04_aeromag_RTP1VD.pdf	AmadeusEast_RTP1VD_Nagcsnl_50K.PDF
EL25266_2009_F_05_aeromag_RTP2VD.pdf	AmadeusEast_RTP2VD_50K.PDF
EL25266_2009_F_06_aeromag_RTP.pdf	AmadeusEast_RTP_Nagcs50_50K.PDF
EL25266_2009_F_07_radiometricsTern.pdf	AmadeusEast_Tern_50K.PDF
EL25266_2009_F_08_radiometricsU.pdf	AmadeusEast_U_NEshadel_50K.PDF