

**Brisbane (Registered Office)**

T +61 7 3149 2100 F +61 7 3149 2101  
Level 11, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000  
GPO Box 3120, Brisbane Qld 4001, Australia

**Singapore (Head Office)**

T +65 6508 9840 F +65 6294 6904  
152 Beach Road, #19-01/04 The Gateway East  
Singapore 189721

ASX CODE DTE ABN 21 122 588 505

[dartenergy.com.au](http://dartenergy.com.au)

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## Operations Update – work underway across the portfolio

Dart Energy Limited (ASX: DTE) today completed the issue of new shares pursuant to the recent entitlement offer, the retail component of which was settled on Friday, 20 May 2011. New shares issued will begin trading on the ASX on Tuesday, 24 May 2011.

The entitlement offer raised a total of approximately AUD\$100 million, increasing Dart's current available cash resources to over AUD\$150 million, with no debt.

The funds will be used to accelerate an 18 month portfolio-wide work program involving the drilling of over 100 exploration and appraisal wells and the start of development work on several projects. The focus is on creating value for shareholders by progressing Dart's large portfolio rapidly through exploration, appraisal and pilots, reserve certification and early development/monetisation. Dart has made an aggressive start to the program. Highlights include:

- Seven rigs currently operating – five drilling pilot/appraisal wells and two drilling exploration wells;
- Four extra rigs will soon be mobilised in China for both the Dajing and Liulin project areas;
- In the third quarter of 2011, Dart will ramp up drilling activities in Australia, the UK, Poland and India, with over 20 separate rigs across the portfolio to be utilised during the year; and
- 15 rigs are expected to still be active in the fourth quarter allowing for a continual program extending into 2012 and completion of the total exploration and appraisal program (over 100 wells).

Dart expects to complete between 50 – 60 wells across the portfolio during 2011, or approximately half of the aggregate 109 well program identified for the next 12 – 18 months during the recent capital raising.

The 2011 rig activity across the portfolio is summarised as follows:

Country	Rigs deployed	Wells drilled / being drilled	Total rigs to deploy during the year
China	4	7	9
Indonesia	2	4	3
India	1	1	4
Australia		2	2
UK			2
Poland			1
<b>TOTAL</b>	<b>7</b>	<b>14</b>	<b>21</b>

Specific details include:

**China**

- Dart currently has four rigs deployed at the Liulin project, with a further two rigs expected to be deployed in coming months. This is in addition to the aggressive drilling program undertaken by CUCBM which has used over 15 rigs in the first half of 2011.
- In Dajing three rigs will soon start drilling the planned 14 well exploration program. Rigs have been selected and are ready to be mobilised subject to Joint Management Committee approval.

## Indonesia

- Two rigs are currently operating in Indonesia, with one each at Sangatta West and Tanjung Enim. To date four wells have been drilled including the first exploration well in Tanjung Enim and three pilot wells at Sangatta West.
- The first Sangatta West pilot well has already been completed and has flowed at rates higher than 100,000 scf/day with limited drawdown. The well is currently producing at a controlled rate while additional design and planning work is undertaken to test the well at higher flow rates.

## India

- One rig is deployed at the Electrosteel project, with a minimum of a further three rigs expected to be deployed by year end to complete up to 15 exploration and pilot wells.

## Australia

- Two exploration wells from the intended 2011 program have been drilled and preparation is underway for a further seven exploration and appraisal wells (subject to approvals).

## United Kingdom

- Deployment of two rigs for drilling of the exploration and appraisals wells at PEDL 133 is expected during the third quarter, with the potential to appraise shale by extending to drilling deeper horizons.

## Poland

- Preparation is underway for a mid-year seismic campaign targeting both CBM and shale horizons at Milejow and the start of drilling of the pilot well at USCB, where rig deployment is expected early in the fourth quarter.

Dart Chief Executive Officer, Simon Potter, said: *"In 2010 the foundations of Dart were set. The next phase in 2011 / 2012 is one of execution. Our successful capital raising was designed to enable us to accelerate a substantial, portfolio-wide campaign and we are now well underway. We expect that by mid-year we will have eleven rigs deployed in three countries, increasing to 15 rigs in six countries during the fourth quarter. Our strategy is clear – to put "money in the ground" across the portfolio so as to rapidly mature our sizeable resource base, to establish commerciality at multiple projects and to demonstrate capacity to monetise our gas in the near-term. We believe that doing this successfully over the coming 12 – 18 months will build sustainable long-term value for our shareholders."*

**ENDS**

For and on behalf of the Board  
Paul Marshall, Company Secretary

## For further information contact:

Mr Simon Potter	CEO and Managing Director	Tel: +65 6508 9840
Mr Shaun Scott	Executive Director	Tel: +61 7 3012 4000
Mr Nathan Rayner	Chief Operating Officer	Tel: +65 6508 9840
Mr Eytan Uliel	Chief Commercial Officer	Tel: +65 6508 9840

Media Inquiries to:

Ian Howarth	Collins Street Media	Tel: +61 3 9223 2465
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