

**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)

25 August, 2011

## Dart Energy to restructure following strategic review

- **Proposed listing of international assets on Singapore Exchange – “Dart Energy International”**
- **Dart Energy to retain Australian assets and focus, and to hold a majority stake in Dart Energy International**
- **Restructure to be completed by March 2012**

Dart Energy Limited (“**Dart**” or the “**Company**”) (ASX: DTE) will undertake a substantial restructure, including a proposed listing of its international portfolio of coal bed methane (“**CBM**”) assets on the Singapore Stock Exchange, to provide a platform for future growth and to unlock shareholder value.

This follows recent, unsolicited expressions of interest in the company’s international asset portfolio and a detailed strategic review. As part of this review, the board of Dart concluded that:

- Dart is currently trading at a material discount to both its Australian and international peers and in particular, its international asset portfolio is not appropriately valued by Dart’s current shareholder base;
- Dart has assembled a high quality portfolio of international assets which will benefit from a separate management and funding model; and
- Dart’s Australian assets are well positioned to take advantage of increasing domestic gas prices and future industry consolidation linked to the LNG export market.

Accordingly, the board has approved several recommendations, namely:

- A separate international listing of a minority interest in all of Dart’s international assets, with the newly listed entity to be named “Dart Energy International”;
- A management restructure and creation of a separate board for the international business; and
- The possible introduction of strategic partners at either an asset or corporate level for Dart’s Australian assets.

Commenting on the proposed changes, Dart Chairman, Mr Nick Davies, said:

*“The proposed changes are about unlocking value and providing greater see-through transparency on the value of both Dart’s Australian assets and our international portfolio, which currently comprises around 80% of our currently budgeted expenditure over the next 18 months. Our extensive international portfolio is the envy of many and we want to ensure its full development through building a new international shareholder base and the possible introduction of strategic partners at a company or asset level. A separately listed international vehicle can help expedite this.”*

## Intention to seek a minority listing of the international assets

Dart intends to seek a separate, minority listing of all of its international assets on the Singapore Stock Exchange (“**SGX**”) by the end of Q1 2012. This includes all of Dart’s assets in the high-growth Asian markets of China, India, Indonesia and Vietnam, as well as all of Dart’s assets in Europe.

Dart will continue to hold a majority stake in the new international vehicle. The exact level of minority interest to be floated via an Initial Public Offering (IPO) is still to be determined, due in part to ongoing potential strategic partner and asset discussions.

The listing of the international assets on the SGX is expected to bring significant benefits, including:

- A new international investor base with greater knowledge and appreciation of Dart's key international markets;
- A separate vehicle and independent funding base from which to pursue future growth and acquisitions;
- A clearer measure of value of the international assets, and translation of that value through into the share price of the Australian company;
- Increased management and investor focus on the international assets.

The proposed IPO and listing would also raise any additional capital the board deems necessary to meet the future funding requirements of the international business on a standalone basis.

Dart's international corporate head office, business development and financial functions have been based in Singapore since its listing on the Australian Securities Exchange (“**ASX**”) in 2010 and various other technical, commercial and investor relations functions have been shared with the Australian office in Brisbane. Accordingly a listing of Dart’s international business in Singapore is a logical extension of business activities to-date.

The new business will operate under the name “Dart Energy International”, and prior to listing, appropriate governance arrangements, including a separate board, will be put in place between the Australian and international entities.

Dart may simultaneously consider an ownership restructure of the international assets, subject to valuation, via introduction of strategic partners at the asset or regional level, or a corporate partner across all international assets as part of the SGX listing. This follows various enquiries from potential strategic partners.

Since its listing on the ASX, Dart has achieved a number of significant milestones across its international portfolio, including:

- Expansion of the international portfolio of assets from 7 tenements in 4 countries to 30 tenements in 7 countries;
- Substantial maturation of its resource base, with a current independently certified resource and reserve position of 16.3 TCF gas-in-place, 7.5 TCF of prospective resource, 100 BCF of 3P reserves and 43 BCF of 2P reserve (all net to Dart);
- Commencement of an aggressive 18 month exploration, appraisal and early-development campaign across the international portfolio;
- Production of first gas from pilot testing at Sangatta West, Indonesia;
- Approval from Ministry of Commerce for a Production Sharing Contract at Dajing, People’s Republic of China (PRC), and commencement of exploration drilling operations;
- Increase of working interest in Liulin project in PRC, and gas sales agreement;
- Entering into a JV with Electrosteel for exploitation of gas resources associated with its coal mine licence area in Parbatpur, India;
- Completion of the acquisition of Composite Energy, achieved initial reserves certification at PEDL 133, and signing of the company’s first gas sales agreement for CBM in the UK with SSE Energy;

- Addition of new licences in Indonesia, India, Poland and Belgium, and continued new business development activity;
- Establishment of a shale gas footprint in Scotland and in Poland; and
- Expansion of the international personnel base to approximately 140 people, located in 7 offices.

The company will make further announcements in relation to the intended listing on the SGX at the appropriate time and is targeting completion of the listing process by end of first quarter 2012.

## **Australian Assets - Introduction of possible strategic partners**

In Australia, Dart has accumulated a sizeable resource base in New South Wales, close to major gas markets and in close proximity to existing and proposed infrastructure.

Demand for resources in the Australian unconventional landscape and the projected future gas deficit in New South Wales continues to drive corporate and asset level merger activity amongst CBM companies, including within the Gunnedah Basin, with recent transactions priced at significant premiums to trading valuations.

The NSW business strategy to drill a number of core holes and appraisal wells in 2011 and 2012 remains unchanged. The business will also focus on the commercialisation and development of its resource base including, if appropriate, greater integration across the gas value chain.

Dart will also continue to assess the optimal ownership structure for the Australian business and explore the introduction of strategic partners as may be appropriate either at an asset or corporate level.

## **Management restructure and creation of a separate board for the international assets**

Simon Potter, the existing CEO and Managing Director, has decided to resign for personal reasons to return with his family to live in the UK.

Since joining the company in April 2010, Simon has provided outstanding leadership and positioned Dart as a leading global CBM company. The board acknowledges the major contribution made by Simon in the inception phase of Dart but respects his wishes to return with his family to his original home.

Commenting on the changes, Simon Potter said: *"As CEO of Dart one of my key deliverables was to prepare the company for a potential IPO of its international business. I am extremely proud of all that has been achieved over the last 12 months to make this possible. The timing and direction is right for Dart but I will take this opportunity to return to the UK for family reasons."*

Nick Davies, the current Chairman, will move temporarily into an Executive Chairman role with immediate effect to cover the transition period until a new Chief Executive is appointed for Dart Energy International. It is anticipated that this latter appointment will take place well in advance of any potential SGX listing. Nick, who is currently based in Singapore, will primarily drive the SGX listing initiative while continuing to focus on international growth initiatives.

Prior to the demerger of Dart, Nick was CEO and Managing Director of Arrow Energy and oversaw its transformation from an Australian based CBM start-up company with a single pilot project to a multi billion dollar global gas producer at the forefront of the Queensland LNG industry, until its acquisition by Shell and PetroChina. Nick has over 32 years oil and gas industry experience in upstream development, strategic planning, new business development and marketing.

In addition Shaun Scott, will temporarily expand his existing Executive Director role during this transition period and will take on primary responsibility for management and implementation of strategic initiatives in Australia.

Prior to the demerger of Dart, Shaun was appointed Managing Director of Arrow Energy. He previously held the roles of Chief Executive Officer (Australia), Chief Commercial Officer and Chief Financial Officer with Arrow Energy. Shaun is a Chartered Accountant with over 20 years of experience in upstream and downstream projects, mergers and acquisitions and finance in the energy sector in Australia, Asia and the United States.

The remainder of the Dart executive team will remain in place with Stephen Bizzell continuing as Executive Director, Robbert De Weijer as CEO of Dart's Australian operations (both based in Australia), Eytan Uliel as Chief Commercial Officer, Nathan Rayner as Chief Operating Officer and Martin Cooper as Chief Financial Officer (all based in Singapore).

UBS Investment Bank has been appointed as financial adviser in relation to the group restructure and proposed listing on the SGX.

**ENDS**

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

**For further information contact:**

Mr Nick Davies,	Executive Chairman	Tel: +65 6508 9840
Mr Simon Potter	CEO and Managing Director	Tel: +65 6508 9840
Mr Shaun Scott	Executive Director	Tel: +617 3149 2100

**Media Inquiries to:**

Ian Howarth	Collins Street Media	Tel: +61 3 9223 2465
Simon Jemison	Collins Street Media	Tel: +61 408 004 848

*The reserve and resource estimates used in this announcement were, where indicated, compiled by Dan Paul Smith and John Hattner of Netherland, Sewell & Associated, Inc., and are consistent with the definitions of proved, probable, and possible hydrocarbon reserves and resources that appear in the Australian Stock Exchange (ASX) Listing Rules. Mr Smith and Mr Hattner are qualified in accordance with the requirements of ASX listing rule 5.11 and have consented to the use of the resource figures in the form and context in which they appear in this announcement.*