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CREATION OF DART INTERNATIONAL SHALE

The Directors of Dart Energy Limited (“**Dart**” or the “**Company**”) (ASX: DTE) are pleased to announce the formation of Dart Energy International Shale Pte Ltd (“**Dart Shale**”), a wholly owned subsidiary and business unit of Dart which will manage, grow and monetise Dart’s growing shale gas resources (as shown in the attached map).

During 2011 three major transactions have resulted in Dart becoming one of Europe’s largest unconventional gas companies.

1. February 2011 – Dart accelerated the acquisition of the remaining 90% of Composite Energy that it did not already own, creating a substantial base of business in Europe, with 15 licences in the U.K. and 3 licences in Poland. During the year independent resource assessment work led to the certification of CBM reserves and resources across this portfolio, including the assessment of up to 12TCF of shale best estimate gas-in-place potential, net to Dart.
2. December 2011 – Dart restructured its arrangements with the BG Group such that Dart agreed to acquire their 50% interest in 14 CBM licence areas in the U.K., and an exclusive three month option over a 100% interest in two shale prospective licences areas in Germany (Saxon I and Saxon II). The addition of the CBM resource essentially doubled the Dart Europe prospective resource position. Dart believes that these German licences could have a multi TCF shale gas-in-place potential. An independent assessment of shale gas-in-place potential on these German licences will be conducted in the first quarter of 2012.
3. December 2011 - Dart agreed to acquire all of the U.K. unconventional gas exploration business of Greenpark Energy Limited (“**Greenpark**”). This includes 22 licences in the major onshore CBM and shale gas potential regions across the U.K. In addition, Dart has also secured an exclusive option over interests in licences held by Greenpark in Poland and Spain, which again are considered prospective for both CBM and shale gas. Dart believes that 7 of Greenpark’s U.K. licences are also prospective for shale gas and could have a multi TCF shale gas-in-place potential. An independent assessment of shale gas-in-place potential on these licences will be conducted in the first quarter of 2012. Completion of this transaction is subject to certain conditions precedent, which are expected to be satisfied over the coming months.

As a result of these transactions, Dart has now established a substantial European portfolio of unconventional assets, either owned or under option, that, in addition to CBM, includes significant opportunity for shale gas prospectivity spanning multiple European jurisdictions characterised by large gas deficits, reliance on imported gas, stable regulatory regimes, extensive and accessible infrastructure, and amongst the world’s highest current gas prices. Dart believes that these factors would serve as catalysts to early monetisation of unconventional gas resources as part of the resource maturation process (i.e. without there being a need to “prove up” significant amount of reserves).

In summary, this portfolio of potential shale gas assets is as follows:

Total licences:	<ul style="list-style-type: none"> • 15 (14 in the U.K.; 1 in Poland); plus • 3 under option (2 Germany, 1 Poland)
Total acreage:	<ul style="list-style-type: none"> • Approximately 1,700 km² (420,000 Acres)
Shale Potential, net:	<ul style="list-style-type: none"> • 12.0 TCF in two of Dart's existing licences (PEDL 133 and Milejow) • Multi-TCF expected from 13 additional prospective shale assets (additional 6 in the existing portfolio and 7 acquired as part of Greenpark acquisition) • Opportunity to add shale prospective licences in Poland, Germany and Spain for moderate additional investment
Independent assessment:	<ul style="list-style-type: none"> • Presently underway to assess Shale gas potential across 13 additional shale prospective licences identified • Review of portfolio underway to identify other prospective shale gas assets

Given the scale of this shale portfolio, Dart has decided to aggregate these licences under a new corporate entity (Dart Shale), and once done, to functionally manage this portfolio of shale assets as a distinct business line within the broader Dart business. In practical terms, Dart Shale will:

- focus exclusively on progressing the portfolio of early-stage shale assets in Europe
- seek early-stage entry opportunities to attractive shale gas properties in Europe
- seek to introduce strategic and/or financial partners as appropriate once existing assets reach a point of requiring substantial capital investment for drilling of pilot production wells
- seek to expand its geographic area of activity by potential participation in early-stage shale gas opportunities in other markets, including China, India and Indonesia, where relevant Governments have flagged potential shale licence rounds in the coming 12-18 months
- initially leverage existing Dart infrastructure and personnel resources and then growing Dart's specific shale gas capabilities and credentials through a number of targeted recruitments into Dart Shale

Dart Shale will comprise part of the suite of businesses that are aggregated as Dart Energy International. Commenting on the creation of Dart Shale, Dart Executive Chairman Mr Nick Davies said:

"When we talk to investors, analysts and our shareholders, we are frequently asked: "What is Dart's shale gas strategy?" Shale gas is an unconventional gas resource of enormous potential that has rapidly transformed the North American energy market, and has similar potential in Europe and many parts of Asia. Extraction of shale gas has many similarities to extraction of CBM, although there are also some major differences, including a very different cost equation on a per well basis.

It is therefore logical that Dart should expand into the shale gas arena, and for some time we have been seeking to do so, but in a manner where we can be confident that our expertise, entrepreneurial spirit and low-cost approach will position us well and make a difference. We have now assembled an initial shale gas portfolio that although highly prospective, requires relatively low capital commitment over the next 2-3 years, and is well suited to Dart's experience and capabilities. Our aim is to further grow this shale portfolio in a low-cost fashion, and seek to bring in funding partners at the appropriate time.

We also see our European shale portfolio as being an ideal stepping stone into the rapidly emerging Asian shale gas industry, where multiple governments are planning shale gas bidding rounds over the next several years. Having an existing portfolio and activity across Europe will position us well and enable us to compete effectively to secure attractive shale licences in Asia”.

ENDS

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

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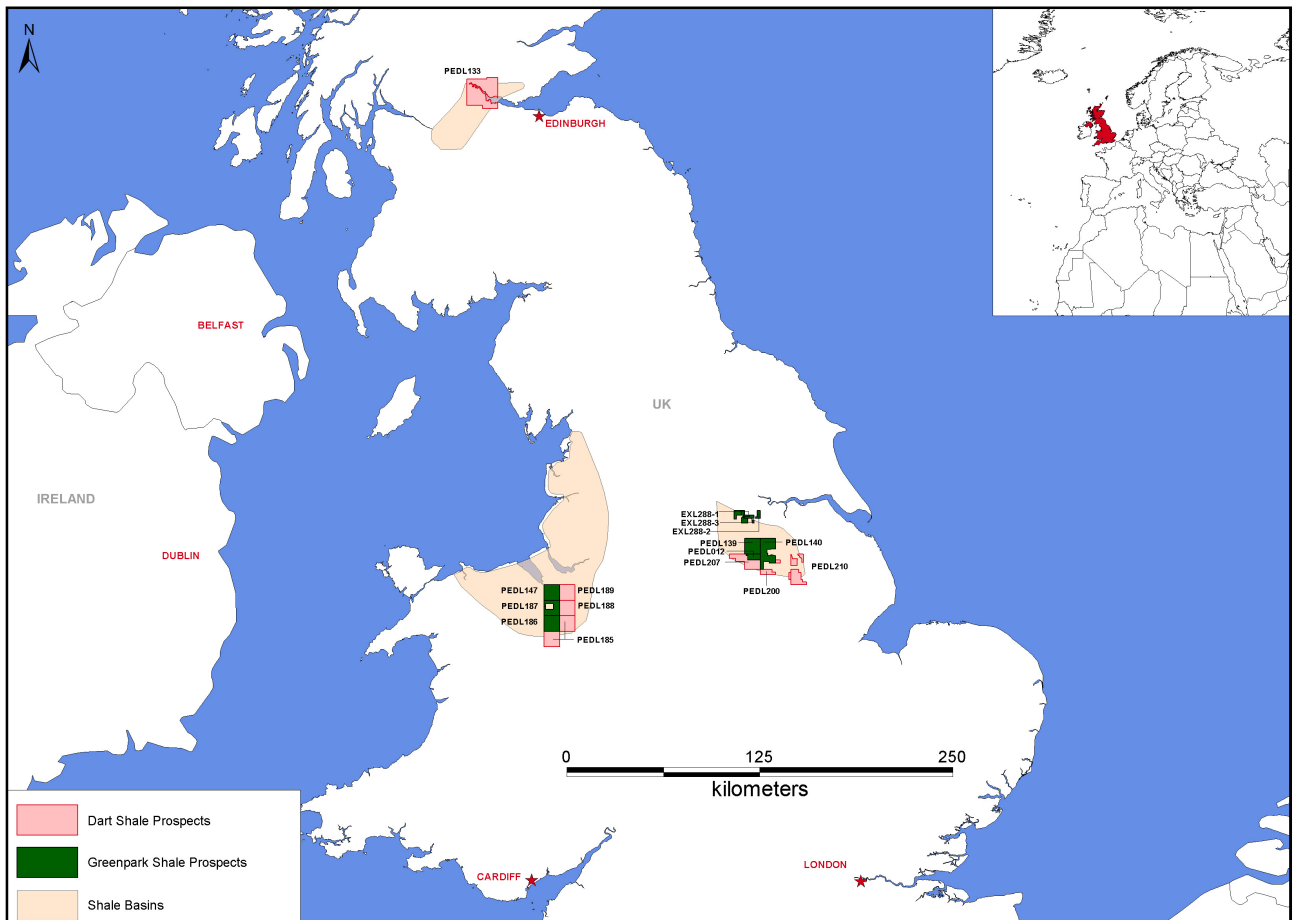
Ian Howarth	Collins Street Media	Tel: +61 3 9223 2465
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DART SHALE – SUMMARY MAPS

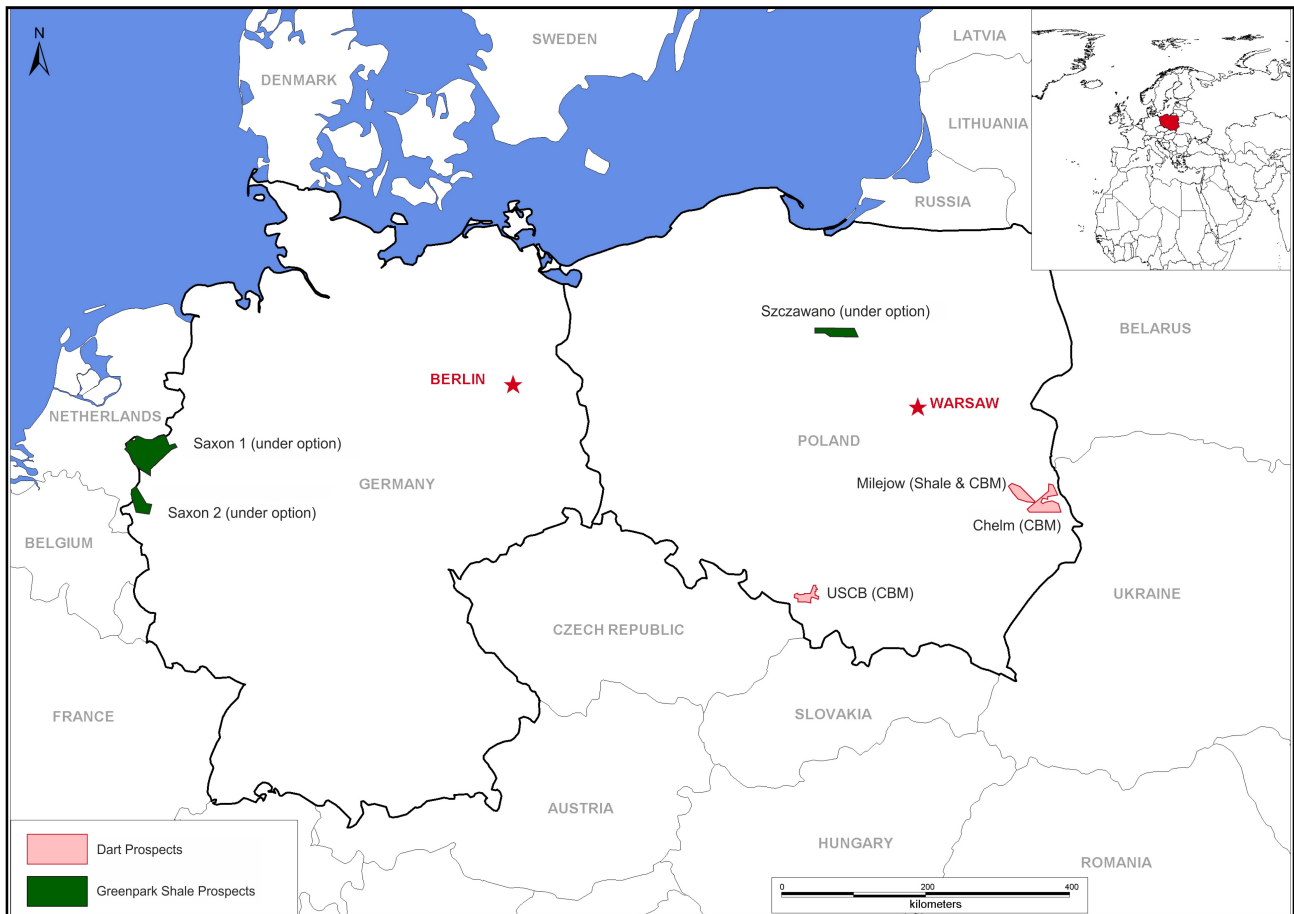
Dart Shale Prospect Map



U.K. Shale Prospect Map



Poland and Germany Shale Prospect Map



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.