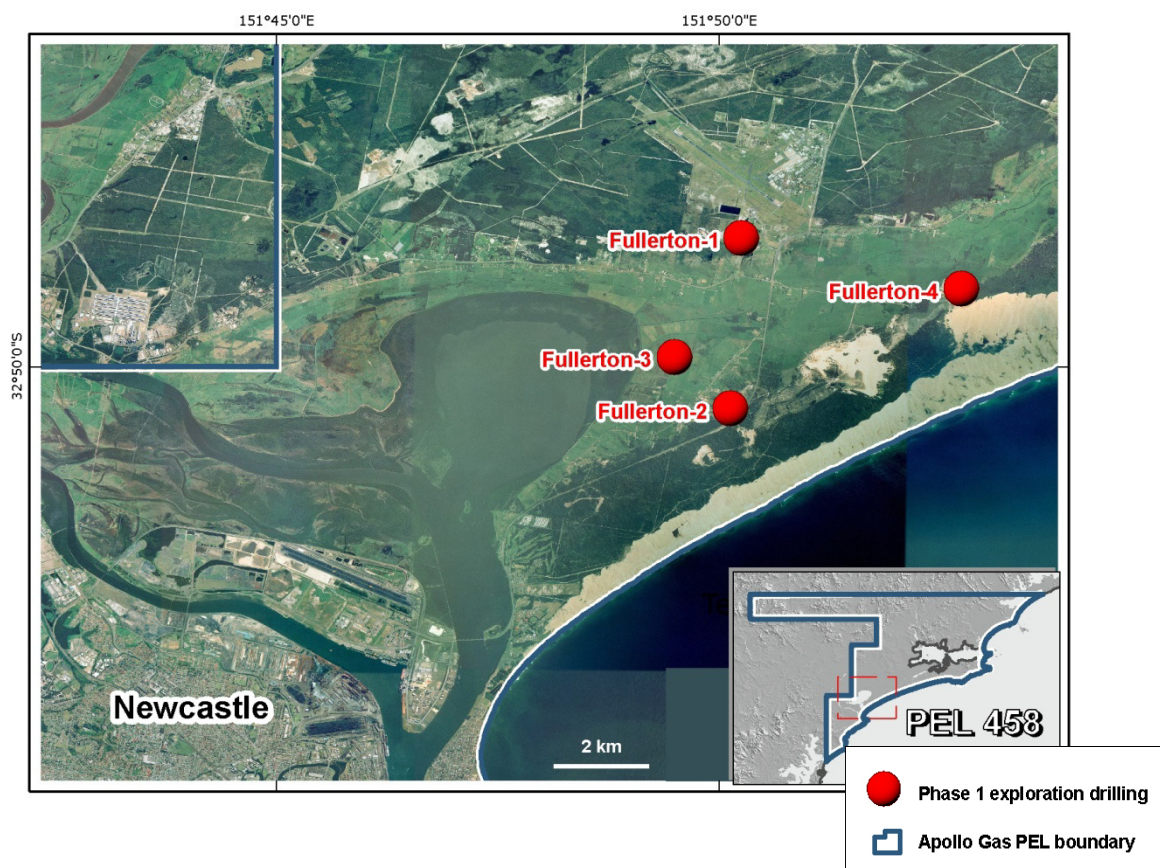


DART ENERGY LIMITED COMMITS TO PHASE TWO FARMIN PEL 458 (NEWCASTLE)

Apollo Gas Limited (ASX:AZO "Apollo") would like to update the market on the Coal Seam Gas (CSG) exploration activities being conducted in PEL 458 (Newcastle) by its farm in partner, Dart Energy Limited (ASX:DTE "Dart").

Dart has committed to the second phase of the farm in work program in PEL 458. This commitment was made after evaluation of the results from the Phase 1 work program proved to be positive. The second phase of the farm in exploration will involve expenditure of a further A\$7 million after which Dart will have a 50 percent direct interest in PEL 458 and a 10.5 percent indirect interest through its 21 percent investment in Apollo.



Exploration progress to date in PEL 458

	Total Depth	Drilling Type	Gross Coal Thickness	Avg Gas Composition
Fullerton-1	900m	Exploration corehole	41.5m	80 - 95% CH ₄
Fullerton-2	1151m	Stratigraphic (non-cored)	36.1m	Not tested
Fullerton-3	627m (deepen to 900m)	Exploration corehole	>19.3m Drilling ongoing	99.5% CH ₄
Fullerton-4	750m	Exploration corehole	24.31m	99.25% CH ₄



Fullerton-2 drill site



Fullerton-3 drill site

Netherland, Sewell and Associates estimates of original gas in place (OGIP) and related contingent resource estimates for Apollo's PEL 458 joint venture with Dart are outlined in the table below.

Contingent CSG Resources (BCF)

Category	OGIP (BCF)	Gross	Net(1)
Low Estimate (1C)	955	266	147
Best Estimate (2C)	1,109	448	247
High estimate (3C)	1,264	720	398

(1) Reflects Dart's net 50 percent direct interest in PEL 458 including an 8 percent deduction for shrinkage due to system use gas.

Apollo compliments Arrow on the work undertaken to date and looks forward to a seamless transition with Dart in undertaking Phase 2 of the exploration farm in work program.

ANDREW MAYO
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