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Business Update and Release of Interim Results

Dart Energy (ASX: DTE) has today released its interim results for the financial period to 31 December 2013.

Commercial highlights for the period included:

- Entry into a farm-out agreement with GDF-Suez, and in January 2014 entry into a second farm-out agreement with Total. Collectively these farm-outs relate to fifteen licences in the Bowland Basin, England, UK. Under these farm-outs, up to approximately $90.75 million (US$82.5 million) of future project expenditure will be carried by the farm-in partners.
- Agreement with UK regulatory authorities for the extension of the terms of relevant UK licences, to allow for completion of farm-out work programmes, and agreement on relinquishment of seven existing licences which are considered to be of low prospectivity, thus completing the rationalisation of the UK portfolio.
- An appeal to the Scottish Government for a determination of the Company's PEDL 133 planning permission application, with a decision expected before the end of 2014.
- Sale of certain assets, most notably the Company's interest in the Liulin CSG project in China.

Financial highlights for the period included:

- A successful capital raising on the ASX of approximately $20.7 million in aggregate.
- The sale of the Liulin asset in China for approximately $22.2 million (US$20.22 million).
- The receipt of approximately $14.6 million (US$13.3 million) upfront consideration, in aggregate, in respect of the farm-outs to GDF-Suez and Total.
- Receipt of $3.4 million in aggregate from sale of certain other assets (shares held in ASX listed LNG Limited and part area of a UK licence).
- Repayment of $18.3 million (US$17 million) borrowed under the Group's facility with HSBC.
- Total impairment charge of approximately $43.5 million, primarily in relation to additional impairment of assets in NSW, Australia given ongoing uncertainty around the prospect of commercial CSG development in that State, impairment in relation to licences relinquished in the UK, goodwill impairment, and write-down of non-core assets where the intention is to divest in the near term.

As a consequence, Dart Energy has been successfully recapitalised, with an aggregate cash injection from 30 June 2013 to date of approximately \$60.9 million. Overhead costs have been reduced to approximately \$1.1 million per month, approximately one-third of the level prior to the restructuring, and the Company is debt-free.

Available cash on hand as at 28/2/14 is approximately \$32.6 million, exclusive of approximately \$4.4 million in cash deposits to support work programme obligations, which is an amount sufficient to fund planned activities for the next twelve months.

Following a period of active review, the Board endorsed the Company's strategic focus on its assets in the UK, and in line with this has directed Management to:

- Accelerate plans to farm-out, divest, relinquish or otherwise exit from all non-core assets in India, Indonesia, China, Germany and Belgium, and maintain existing licences in New South Wales, Australia, on a "care and maintenance" basis, to preserve the long-term value of those licences. The overall objective is to eliminate future capital and operational commitment to all non-UK activities, thus enabling maximum resource to be concentrated on UK activities.
- Reduce the HSBC facility limit to US\$45m, an amount that will reduce ongoing commitment fees but is still sufficient to commence development of the Airth Project, assuming a successful planning appeal outcome and subject to HSBC approvals.
- To seek admission to the AIM Market of the London Stock Exchange, ideally in 2Q2014, by way of a "fast-track" process given Dart's status as a compliant, listed ASX entity. This will enable the Company's shares to be dual-listed, and thus quoted and traded, on both ASX and AIM. Further announcements will be made as and when this process is advanced.

Commenting, Rob Neale, Dart's Chairman, said:

"The Board has recently undertaken a detailed review of every aspect of the Company's business, and is fully committed to the Company's strategic focus on its UK assets, as being the best opportunity for substantial near-term value creation.

In order that all focus and resource can be brought to bear on our UK business, the Board has directed Management to exit from or otherwise reduce capital exposure to all remaining non-core assets as soon as practicable. In NSW, we can hold our licences with minimal capital commitment, and will continue to do so as we see long-term value in these assets.

A key decision taken by the new Board is to move forward with seeking a dual-listing on the AIM market of the London Stock Exchange. We consider that this dual-listing is a logical and value-adding step, given that Dart Energy's prime assets are in the UK, most of our business is now in the UK, and UK investors understand and value the transformational potential of that country's shale gas resource. Preparatory work is underway, and given the availability of a "fast-track" admission, the process can be completed quickly, at low-cost and with minimal risk."

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For and on behalf of the Board

Paul Marshall, Company Secretary

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