



ASX Circular

Date 13 July 2010

Key topics

1. Dart Energy Limited
2. ASX Code: DTE
3. Timetable for admission to and quotation on ASX

Reading List

Banks
 Client Advisers
 Compliance Managers
 Corporate Advisory
 DTR Operators
 Institutions
 Managing Directors
 ASTC Participants
 Office Managers
 Operations Managers (back office)
 Research Analysts
 Share Registries

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ARROW ENERGY LIMITED – SCHEMES OF ARRANGEMENT

On 22 March 2010, the Arrow Energy Limited (the "Company") announced that it had entered into a Scheme Implementation Agreement with CS CSG (Australia) Pty Limited, a company jointly owned by a subsidiary of Royal Dutch Plc and a subsidiary of PetroChina Company Limited (the "Bidder"), pursuant to which the Company has agreed to propose the following to its shareholders.

1. A demerger of the Company's international business (and other non-core Australian assets) by way of a capital reduction and scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) ("Demerger Scheme"), which, if approved by shareholders and the Court, will result in the Company's shareholders continuing to hold their Company shares and being issued with new shares on a 1:2 basis in Dart Energy Limited ("Dart"), which will apply for admission to ASX.
2. Conditional upon the Demerger Scheme becoming effective, a scheme of arrangement under Part 5.1 of the Act under which the Bidder, subject to and following the implementation of the Demerger Scheme, will acquire all the issued shares in Company for cash consideration of \$4.70 per share ("Acquisition Scheme"), and following which, the Company would be removed from the official list of ASX.

The Demerger Scheme and the Acquisition Scheme are separate schemes and are not inter-connected. However, it is a condition precedent of the Acquisition Scheme that the Demerger Scheme is approved and implemented. The Demerger Scheme is not conditional on the Acquisition Scheme becoming effective.

A Demerger Scheme Meeting and General Meeting is to be held at 10.00am on Wednesday, 14 July 2010. If resolutions at both meetings are approved, it is anticipated that the following timetable will apply.

<u>TIME AND DATE</u>	<u>EVENT</u>
10.00am	Demerger Scheme Meeting
11.00am	Acquisition Scheme Meeting
12.00 noon on Wednesday, 14 July 2010	General Meeting
IF ARROW SHAREHOLDERS APPROVE THE GENERAL MEETING RESOLUTIONS AT THE GENERAL MEETING AND THE DEMERGER SCHEME AT THE DEMERGER SCHEME MEETING	
Friday, 16 July 2010	Second Court hearing for approval of the Demerger Scheme
Monday, 19 July 2010	Effective Date for Demerger Scheme Last day Arrow Shares will trade on ASX with an entitlement to participate in the Demerger Scheme.

<u>TIME AND DATE</u>	<u>EVENT</u>
Tuesday, 20 July 2010	Arrow Shares commence trading on ASX without an entitlement to Dart shares. Anticipated date for admission of Dart to the official list of ASX.
Thursday, 22 July 2010	Anticipated date for the commencement of trading of Dart shares on ASX on a deferred settlement basis. (ASX Code: DTE)
Monday, 26 July 2010	Record Date for Demerger Scheme – all Arrow share holders who hold Arrow shares will be entitled to receive Dart shares.
Wednesday, 28 July 2010	Implementation Date for Demerger Scheme - Capital Reduction, Demerger Dividend and transfer of Dart shares to Arrow shareholders on the register on 26 July 2010
Thursday, 29 July 2010	Second Court hearing for Acquisition Scheme
Friday, 30 July 2010	Effective Date for Acquisition Scheme: If office copy of Court Order approving Acquisition Scheme is lodged with ASIC, last day for trading in Arrow shares on ASX and Arrow shares (ASX Code: AOE) suspended from official quotation from the close of trading.
Thursday, 5 August 2010	Anticipated despatch of transaction confirmation statements for Dart Last day of deferred settlement trading for Dart
Friday, 6 August 2010	Record date for Acquisition Scheme Anticipated commencement of normal trading on a T+3 basis in Dart shares (ASX Code: DTE)
Wednesday, 11 August 2010	Settlement of all trades conducted on a in Dart shares on a deferred settlement basis between 22 July and 5 August and trades conducted on a normal T+3 basis on 6 August.
Monday, 23 August 2010	Implementation Date for Acquisition Scheme. Scheme Consideration despatched to Arrow shareholders.
Thursday, 9 September 2010	Latest day for despatch of payment to ineligible overseas Arrow shareholders

Other Outcomes

1. If **neither the Demerger Scheme nor the Acquisition Scheme proceeds**, there will be no change in the Company and it will remain listed on ASX in its current form.
2. If **the Demerger Scheme is not implemented**, the Acquisition Scheme (which is conditional upon the Demerger Scheme becoming effective) will not proceed and the Bidder will not acquire the Company. In this circumstance, the Company will continue to own Dart and the Company will continue to be listed on ASX.
3. If **the Demerger Scheme is approved by Company shareholders and the Court, but the Acquisition Scheme is not approved by Company shareholders at the Acquisition Scheme Meeting (or Acquisition Scheme is approved by Company shareholders but is not approved by the Court)**, the Acquisition Scheme will not be implemented. If the Acquisition Scheme is not implemented but the Demerger Scheme is implemented, Company shareholders will continue to hold their Company shares and will also hold Dart shares, which will be separately listed on ASX

For further information, market participants should refer to the Demerger Scheme Booklet and the Acquisition Scheme Booklet released by the Company to the market on 7 June 2010.