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28 September 2010

FOR IMMEDIATE RELEASE

DART ENERGY AND APOLLO GAS IN AGREEMENT ON TAKEOVER OFFER

- **All scrip offer for Apollo Gas**
- **Total implied consideration value of \$0.79¹ per Apollo share**
- **Unanimous recommendation from Apollo's independent directors² in the absence of a superior proposal or unless the independent expert concludes that the Offer is not reasonable**
- **Apollo's independent directors and major shareholders representing approximately 54% of the register intend to accept the Offer, in the absence of a superior proposal³**

Summary

The Board of Dart Energy Limited (**Dart**) is today pleased to announce an agreement with Apollo Gas Limited (**Apollo**) to make a recommended offer for all issued securities in Apollo, other than those already owned by Dart.

The Offer will comprise:

- 3 Dart ordinary shares for every 4 Apollo ordinary shares; and
- 3 comparable Dart options for every 4 Apollo options.

Based on Dart's last traded price on the ASX of \$1.05 on 24 September 2010, the consideration is valued at \$0.79 per Apollo share representing:

- a 29% premium to Apollo's closing share price of \$0.61 on 24 September 2010, being the last day of trading of Apollo shares on ASX prior to this announcement; and
- a 32% premium to Apollo's 1 month Volume Weighted Average Price (VWAP) on ASX.

Based on Dart's 1 month VWAP of \$0.92 on ASX, the consideration is valued at \$0.69 per Apollo share representing:

- a 13% premium to Apollo's closing share price of \$0.61 on 24 September 2010, being the last day of trading of Apollo shares on ASX prior to this announcement; and
- a 16% premium to Apollo's 1 month VWAP on ASX.

Based on the Dart 1 month VWAP, the transaction implies an enterprise value for Apollo of approximately \$126 million (\$145 million based on the last traded price of Dart on the ASX prior to this announcement).

¹ Based on Dart closing price of \$1.05 on 24 September 2010, being the last day of trading of Dart shares on ASX prior to this announcement.

² Other than Mr Stephen Bizzell who is a director of both Apollo and Dart.

³ Subject also to obtaining relief from the terms of the existing restriction agreements on appropriate terms from ASX and certain specified events and circumstances not occurring in relation to Dart as set out in the Takeover Implementation Agreement attached in the schedule to this announcement.

Dart currently has an existing 21% interest in Apollo, and is currently exercising farm-in rights with respect to two Apollo tenements.

Given Dart's current shareholding in Apollo, the consideration payable by Dart to acquire the 79% of Apollo shares that it does not already own will be approximately 118 million Dart shares. Assuming completion of the Offer, Apollo shareholders will hold approximately 22% of the combined group.

All directors of Apollo (other than Mr Stephen Bizzell, who is also a director of Dart) have already advised they intend to recommend the Offer, in the absence of a superior proposal or unless the independent expert concludes that the Offer is not reasonable.

The directors and major shareholders of Apollo who, excluding Dart's existing 21% shareholding interest, hold approximately 54% intend to accept the Offer within 14 days of the opening of the Offer period in the absence of a superior proposal.⁴

Dart Managing Director, Simon Potter, said today that, if accepted, the Offer will create significant value for both Dart and Apollo shareholders.

Mr Potter said, "The acquisition of Apollo is a logical move for Dart and is consistent with our Australian strategy laid out at the time of the demerger of Dart from Arrow Energy – to 'grow big, grow fast'. We see in Apollo a differentiated NSW focused strategy, with extensive gas resources capable of near term commercialisation, with access to an ever increasing gas market advantaged in terms of its greener credentials, pricing and infrastructure. Importantly, Apollo's resource may benefit from gas-to-LNG projects, but is not dependent on them. A combination of Dart's ambition, technical and operational expertise with Apollo's assets will drive further upside from within this portfolio."

Offer Rationale and Benefits to Apollo Shareholders

Dart is focused on becoming the leading global Coal Bed Methane (CBM) company, is well funded, with a globally diversified portfolio of quality assets in Australia, China, Indonesia, India and Vietnam and has recently expanded its geography by establishing a European foothold through acquiring an equity stake in Composite Energy. Its strategy is focused on acquiring significant resource positions capable of early commercialization in close proximity to high growth gas markets exhibiting strong upside in both demand and pricing.

By accepting Dart's Offer, Apollo shareholders will receive a substantial premium for their shares and will retain their exposure to CBM through a more sizeable, geographically diverse company with:

- multiple projects in various stages of exploration and appraisal;
- greater scale, improved access to funding and greater market liquidity;
- an experienced management team with proven project development skills;
- a strengthened project pipeline supported by quality global partners; and
- cash reserves to fund continued growth.

Capital gains tax rollover relief is expected to be available for Apollo shareholders who are Australian residents in respect of the Dart shares that they receive under the Offer, subject to Dart acquiring 80% or more of Apollo.⁵

"By accepting the Offer, Apollo shareholders will have the opportunity to diversify their interests beyond a suite of NSW only assets, into Dart's quality international projects, and become part of the world's first global CBM business," said Mr Potter.

⁴ Subject also to obtaining relief from the terms of the existing restriction agreements on appropriate terms from ASX and certain specified events and circumstances not occurring in relation to Dart as set out in the Takeover Implementation Agreement attached in the schedule to this announcement.

⁵ Shareholders should obtain their own tax advice in relation to the Offer and carefully review any tax commentary in the bidder's and target's statements to be issued

The acquisition of Apollo provides Dart with control and ownership of the two existing Apollo projects in respect of which Dart is currently exercising farm-in rights, in addition to other Apollo licences, and will enable Dart's technical expertise and development capabilities to be brought to bear across the Apollo portfolio.

The acquisition of Apollo will create value for Dart shareholders by:

- furthering the execution of Dart's growth strategy consistent with accessing opportunities in advantaged markets;
- building scale, critical mass and momentum in its Australian business by expanding its interests in NSW to exceed 23,000 km²;
- delivering near-term potential for substantial 3P reserves growth, as well as further exposure to shale gas, conventional gas options and other forms of energy such as geothermal;
- consolidating existing farm-in agreements and shareholdings in Apollo whilst being able to apply more directly Dart's technical expertise to leverage the portfolio and deliver early commercialisation options;
- using existing cash to fund ongoing operations and thereby preserving the near-term cash balance of the Dart business; and
- providing significantly more optionality in dealing with other NSW CBM operators, local and government authorities.

"Dart's acquisition of Apollo is a win-win for both Dart and Apollo shareholders. By leveraging its existing shareholding from seeding Apollo prior to its initial public offering, Dart is able to offer a substantial premium to Apollo shareholders", Mr Potter said.

The expanded portfolio further leverages Dart's ambition to become the world's first global CBM company by close to doubling Dart's overall acreage holding and increasing the number of licenses by 50% (excluding Composite).

	DART ASIA				DART AUSTRALIA	DART EUROPE	PORTFOLIO
	CHINA	INDONESIA	INDIA	VIETNAM	APOLLO	COMPOSITE	
CURRENT DART BLOCKS	2	2	3	1	7	17	32
GEOGRAPHIES	1	1	1	1	1	2 (+4 pending)	7+
COAL BASINS	2	2	2	1	2	4	13
NEW TENEMENTS PROSPECTS	☑☑	☑☑☑	☑☑☑	☑	☑☑	☑☑☑	15-20
CURRENT DART ACREAGE (km ²)	4152	385	1285	2601	23600	3200	35223
RESOURCE (all gross TCF, per NSAI)							
⇒CBM OGIP	7.4	1.0	3.7	2.6	1.3	18.0	34.0
⇒CBM Prospective Resource	3.4	0.3	1.6	-	-	8.6	13.9
⇒CBM 2C Resource	0.2	0.3	-	0.2	0.5	0.7	1.9
⇒CBM 3P Reserve	0.1	-	-	-	-	-	0.1
⇒SHALE OGIP	-	-	-	-	-	1.2	1.2

Key Offer Conditions

The Offer will be subject to certain conditions which will be set out in the Bidder's Statement that will accompany the Offer. Key conditions of the Offer will include:

- 90% minimum acceptance;
- no prescribed occurrences relating to Apollo;
- no material adverse change in Apollo's business or assets;
- no restraining orders;
- no material acquisitions, disposals or new commitments by Apollo;
- no persons exercising rights under certain agreements or instruments which have a material impact on Apollo (except as disclosed to Dart);

- no exercise of certain rights of any person to acquire or dispose of a material asset of Apollo or terminate any material contract (except as disclosed to Dart);
- no distributions;
- S&P/ASX 200 not closing below 3,931 on any three consecutive trading days; and
- all material approvals and authorisations of Apollo remain in force during the offer period.

Takeover Implementation Agreement

Dart and Apollo have entered into a Takeover Implementation Agreement which contains standard no-shop and no-talk provisions and a break fee which is payable by both Dart and Apollo in certain circumstances. A copy of the Takeover Implementation Agreement is attached in the schedule to this announcement.

Indicative Offer Timing

Dart is preparing a Bidder's Statement which will be lodged with the Australian Securities and Investments Commission and sent to Apollo's securityholders in accordance with the timetable and Key Milestones below.

Key Milestone Dates

- Takeover Bid Implementation Agreement executed on 28 September 2010
- Offer jointly announced on 28 September 2010
- Dart lodges Bidder's Statement with ASIC and serves on Apollo and ASIC on 25 October 2010
- Bidder's Statement dispatched to Apollo securityholders on 1 November 2010
- Target's Statement lodged with ASIC and dispatched to Apollo securityholders on 9 November 2010
- Offer Period ends (subject to extension) on 2 December 2010

Further information about Dart Energy can be found at www.dartenergy.com.au

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

For further information contact:

Mr Simon Potter	Chief Executive Officer	Tel: +65 6508 9840
Mr Shaun Scott	Executive Director and acting CFO	Tel: +61 7 3149 2100
Mr Eytan Uliel	Chief Commercial Officer	Tel: +65 6508 9840

The 2P and 3P reserves estimates and resource estimates used in this presentation were compiled by Mr. John Hattner and Mr Dan Paul Smith of Netherland, Sewell & Associated, Inc., Dallas, and are consistent with the definitions of proved, probable, and possible hydrocarbon reserves that appear in the Australian Stock Exchange (ASX) Listing Rules. Mr. Hattner and Mr Smith are qualified in accordance with the requirements of ASX Listing Rule 5.11 and consent to the use of the reserve figures in the form and context in which they appear in this presentation.

Takeover Implementation Agreement

Dated 28 September 2010

Dart Energy Limited (ACN 122 588 505) ("**Dart**")
Apollo Gas Limited (ACN 138 673 186) ("**Apollo**")

Mallesons Stephen Jaques

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1 Eagle Street
Brisbane Qld 4000
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DX 311 Brisbane
www.mallesons.com

Takeover Implementation Agreement

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Takeover Implementation Agreement

Details

Parties	Dart and Apollo	
Dart	Name	Dart Energy Limited
	ACN	122 588 505
	Address	Level 11, Waterfront Place 1 Eagle Street BRISBANE QLD 4000
	Telephone	+61 7 3149 2100
	Fax	+61 7 3149 2101
	Email	shaunscott@dartcbm.com
	Attention	Shaun Scott
Apollo	Name	Apollo Gas Limited
	ACN	138 673 186
	Address	Level 24, Suite 24.03 MLC Centre 19-21 Martin Place SYDNEY NSW 2000
	Telephone	+61 2 9146 6330
	Fax	+61 2 8088 7140
	Email	am@apollogas.net.au
	Attention	Andrew Mayo
Recitals	A	Dart is proposing to acquire all of the Apollo Securities by way of a Takeover Bid.
	B	Apollo and Dart have agreed to co-operate with each other in relation to the Takeover Bid on the terms of this agreement.
Governing law	Queensland, Australia	
Date of agreement	See Signing page	

Takeover Implementation Agreement

General terms

1 Definitions and interpretation

The following words have these meanings in this agreement unless the contrary intention appears.

ACCC means the Australian Competition and Consumer Commission.

Advisers means, in relation to an entity, its legal, financial and other expert advisers.

AIFRS means the Australian International Financial Reporting Standards.

Amount of the Consideration means:

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to non-monetary consideration in connection with a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier.

Announcement has the meaning given in clause 11.2.

Announcement Date means the date the Takeover Bid is announced in accordance with clause 11 and the Timetable.

Apollo means Apollo Gas Limited ACN 138 673 186.

Apollo A-Class Option means an unquoted option granted pursuant to the Apollo Founder Option Deed at a Vesting Hurdle price of A\$0.40 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.30.

Apollo B-Class Option means an unquoted option granted pursuant to the Apollo Founder Option Deed at a Vesting Hurdle price of A\$0.60 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.30.

Apollo C-Class Option means an unquoted option granted pursuant to the Apollo Employee Share Option Plan at a Vesting Hurdle price of A\$0.40 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.30.

Apollo D-Class Option means an unquoted option granted pursuant to the Apollo Employee Share Option Plan at a Vesting Hurdle price of A\$0.60 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.30.

Apollo E-Class Option means an unquoted option granted pursuant to the Apollo Employee Share Option Plan at a Vesting Hurdle price of A\$0.80 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.30.

Apollo G-Class Option means an unquoted option granted pursuant to the Apollo Employee Share Option Plan with a vesting date of 10 August 2011 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.5909.

Apollo H-Class Option means an unquoted option granted pursuant to the Apollo Employee Share Option Plan with a vesting date of 10 August 2012 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.5909.

Apollo I-Class Option means an unquoted option granted pursuant to the Apollo Employee Share Option Plan with a vesting date of 10 August 2013 to acquire, upon exercise, one new Apollo Share at an exercise price of A\$0.5909.

Apollo Board means the board of directors of Apollo.

Apollo Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this agreement relating to the business, technology or other affairs of Apollo.

Apollo Employee Share Option Plan means the Apollo Gas Limited Employee Share Option Plan established by Apollo.

Apollo Founder Option Deed means the deed setting out the terms and conditions of the options issued to founders of Apollo.

Apollo Group means Apollo and its Subsidiaries and includes a director or employee of Apollo or its Subsidiaries.

Apollo Material Adverse Change means an event or circumstance or matter having a materially adverse direct financial impact on Apollo other than:

- (a) those required to be done or procured by Apollo pursuant to this agreement;
- (b) those relating to changes in business conditions affecting the industry in which Apollo and Dart operate; or
- (c) an event, circumstance, matter or information that is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by Apollo to Dart or its Representatives, or is otherwise known to Dart or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Apollo with ASIC or provided to ASX on or prior to the date of this agreement,

which individually, or in aggregate with all such events diminishes or is reasonably likely to diminish the value of Apollo by A\$6,000,000 or more.

Apollo Option means an:

- (a) Apollo A-Class Option;
- (b) Apollo B-Class Option;
- (c) Apollo C-Class Option;
- (d) Apollo D-Class Option;
- (e) Apollo E-Class Option;
- (f) Apollo G-Class Option;

- (g) Apollo H-Class Option; or
- (h) Apollo I-Class Option,

as the context requires.

Apollo Optionholder means a holder of one or more Apollo Options, as set out in Annexure B.

Apollo Prescribed Occurrence means any of the events listed in Schedule 4.

Apollo Securityholder means an Apollo Shareholder or an Apollo Optionholder (and both if the context requires).

Apollo Security means an Apollo Share or an Apollo Option (and both if the context requires).

Apollo Share means a fully paid ordinary share in Apollo.

Apollo Shareholder means a holder of one or more Apollo Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or Australian Securities Exchange, as appropriate.

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this agreement.

Bid Consideration means the Share Consideration and the Option Consideration or such higher amount as may be offered by Dart under the Offer.

Bidder's Statement means the bidder's statement to be issued by Dart in respect of the Takeover Bid.

Break Fee means an amount equal to 1% of the Bid Consideration.

Business Day means a business day as defined in the Listing Rules.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Competing Transaction means a transaction or proposed transaction which, if completed, would mean a person (other than Dart or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or relevant interest in or become the holder of:
 - (i) 20% or more of all Apollo Securities; or
 - (ii) all or a substantial part or a material part of the business conducted by Apollo,

including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;

- (b) acquire control of Apollo, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Apollo.

Conditions means the conditions to the Offer which are set out in Schedule 2.

Conditions Precedent means the conditions precedent set out in clause 2.1.

Confidential Information means Dart Confidential Information or Apollo Confidential Information.

Corporations Act means the Corporations Act 2001 (Cwlth).

Dart means Dart Energy Limited ACN 122 588 505.

Dart A-Class Option means an unquoted option at a Vesting Hurdle price of A\$0.53 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.40, to be granted on the same terms and conditions as an Apollo A-Class Option.

Dart B-Class Option means an unquoted option at a Vesting Hurdle price of A\$0.80 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.40, to be granted on the same terms and conditions as an Apollo B-Class Option.

Dart C-Class Option means an unquoted option at a Vesting Hurdle price of A\$0.53 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.40, to be granted on the same terms and conditions as an Apollo C-Class Option.

Dart D-Class Option means an unquoted option at a Vesting Hurdle price of A\$0.80 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.40, to be granted on the same terms and conditions as an Apollo D-Class Option.

Dart E-Class Option means an unquoted option at a Vesting Hurdle price of A\$1.07 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.40, to be granted on the same terms and conditions as an Apollo E-Class Option.

Dart G-Class Option means an unquoted option with a vesting date of 10 August 2011 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.79, to be granted on the same terms and conditions as an Apollo G-Class Option.

Dart H-Class Option means an unquoted option with a vesting date of 10 August 2012 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.79, to be granted on the same terms and conditions as an Apollo H-Class Option.

Dart I-Class Option means an unquoted option with a vesting date of 10 August 2013 to acquire, upon exercise, one new Dart Share at an exercise price of A\$0.79, to be granted on the same terms and conditions as an Apollo I-Class Option.

Dart Board means the board of directors of Dart.

Dart Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on, or after the date of this agreement relating to the business, technology or other affairs of Dart.

Dart Group means Dart and its Subsidiaries and includes a director or employee of Dart or its Subsidiaries.

Dart Material Adverse Change means an event or circumstance or matter having a materially adverse direct financial impact on Dart other than:

- (a) those required to be done or procured by Dart pursuant to this agreement;
- (b) those relating to changes in business conditions affecting the industry in which Dart and Apollo operate; or
- (c) an event, circumstance, matter or information that is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by Dart to Apollo or its Representatives, or is otherwise known to Apollo or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Dart with ASIC or provided to ASX on or prior to the date of this agreement,

which individually, or in aggregate with all such events, diminishes or is reasonably likely to diminish the value of Dart by A\$25,000,000 or more.

Dart Option means a:

- (a) Dart A-Class Option;
- (b) Dart B-Class Option;
- (c) Dart C-Class Option;
- (d) Dart D-Class Option;
- (e) Dart E-Class Option;
- (f) Dart G-Class Option;
- (g) Dart H-Class Option; or
- (h) Dart I-Class Option,

as the context requires.

Dart Prescribed Occurrence means any of the events listed in Schedule 3.

Dart Share means a fully paid ordinary share in Dart.

Details means the section of this agreement headed "Details".

Duncan Hardie Group means Hardie Energy Pty Ltd, Hardie Oceanic Pty Ltd and each of their associated entities.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

End Date means the earliest of:

- (a) the date of termination of this agreement in accordance with its terms; and
- (b) 31 January 2011.

Excluded Information means Confidential Information which:

- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the party providing the Confidential Information;
- (b) the recipient of the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by the party providing the Confidential Information (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient of the Confidential Information acquires from a source other than the party providing the Confidential Information or any Related Body Corporate or Representative of the party providing the Confidential Information where such source is entitled to disclose it.

Exclusivity Period means the period commencing on the date of this agreement and ending on the End Date.

Foreign Apollo Securityholder means an Apollo Securityholder:

- (a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia and its external territories; or
- (b) whose address shown in the Register is a place outside Australia and its external territories or who is acting on behalf of such a person,
- (c) unless Dart determines that:
- (d) it is lawful and not unduly onerous or unduly impracticable to issue that Apollo Securityholder with Dart Shares or Dart Options (as applicable) on completion of the Offer; and
- (e) it is lawful for that Apollo Securityholder to participate in the Offer by the law of the relevant place outside Australia and its external territories.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth).

Independent Expert means the independent expert appointed by Apollo (after consultation with Dart) to prepare an expert's report to be included in the Target's Statement.

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a controller appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this agreement reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Key Apollo Shareholder means each of:

- (a) the Duncan Hardie Group; and
- (b) the Rose Group.

Listing Rules means the Listing Rules of ASX Limited.

Lodgement Date means the date Dart lodges the Bidder's Statement with ASIC.

Material Contract means a contract or commitment requiring total payments in excess of A\$1,000,000.

Offer means each offer to acquire Apollo Securities to be made by Dart to each Apollo Securityholder under the Takeover Bid on terms consistent with this agreement.

Offer Date means:

- (a) the date which is 15 days after the Lodgement Date, unless the parties otherwise agree on an earlier despatch date for the Offers following lodgement of the Bidder's Statement with ASIC, in which case the Offer Date will be the earlier despatch date agreed by the parties; or
- (b) such other date agreed on in writing by the parties.

Offer Period means the period during which the Offer is open for acceptance.

Officers means, in relation to an entity, its directors, officers, partners and employees.

Option Consideration has the meaning given in clause 4.4.

Prescribed Occurrence means either a Dart Prescribed Occurrence or an Apollo Prescribed Occurrence.

Register means the share register of Apollo and **Registry** has a corresponding meaning.

Register Date means the date set by Dart pursuant to section 633(2) of the Corporations Act.

Regulatory Approval means:

- (a) any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority, ruling or exemption from, by or with a Regulatory Authority; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgment, filing, registration or notification, the expiry of that period without intervention or action,

as may be necessary to enable a party to fulfill its obligations under this agreement.

Regulatory Authority includes:

- (a) ASX, ACCC and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Bodies Corporate has the meaning given in the Corporations Act.

Representatives of a party includes:

- (a) a Related Bodies Corporate of the party; and

- (b) each of the Officers and Advisers of the party or any of its Related Bodies Corporate.

Rose Group means Rhowhan No. 1 Pty Ltd, Rosecorp Marketing Pty Ltd and each of their associated entities.

Share Consideration has the meaning given in clause 4.2.

Subsidiaries has the meaning given in the Corporations Act.

Superior Proposal means a publicly announced Competing Transaction which the Apollo Board, acting in good faith, and after taking advice from its Advisers, determines is:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to Apollo Securityholders than the Takeover Bid, taking into account all terms and conditions of the Competing Transaction.

Takeover Bid means the off-market takeover bid by Dart for all Apollo Securities to be implemented in accordance with Chapter 6 of the Corporations Act.

Target's Statement means the target's statement to be issued by Apollo in respect of the Takeover Bid.

Timetable means the timetable set out in Schedule 1.

Vesting Hurdle means the condition precedent that must be met in order for an option to be exercisable by the option holder. In the case of the Apollo Options (to be reflected in the terms of the Dart Options to be issued pursuant to the Offer), it is:

- (a) in the case of the Apollo A-Class Options and Apollo B-Class Options (to be reflected in the terms of the Dart A-Class Options and Dart B-Class Options) – the eleventh day after the VWAP of Apollo Shares (or Dart Shares in relation to the Dart Options to be issued pursuant to the Offer) has been at or above a specified price for a period of ten consecutive trading days; and
- (b) in the case of all the Apollo C-Class Options, Apollo D-Class Options and Apollo E-Class (to be reflected in the terms of the Dart C-Class Options, Dart D-Class Options and Dart E-Class Options) – the business day after the VWAP of Apollo Shares (or Dart Shares in relation to the Dart Options to be issued pursuant to the Offer) has been at or above a specified price for a period of ten consecutive trading days, with the term **business day** meaning any day except a Saturday or a Sunday or other public holiday in any State or Territory of Australia.

VWAP means the volume weighted average price for Apollo Shares or Dart Shares, as the case may be, traded on the ASX over a specified period.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (h) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(Calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (m) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (n) **(time of day)** time is a reference to Brisbane, Australia time.

1.3 Next day

If an act under this agreement to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day.

1.4 Next Business Day

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

2 Conditions Precedent and pre-implementation steps

2.1 Conditions Precedent to implementation of this agreement

The obligations of the parties under this agreement are subject to the satisfaction or waiver of each of the following Conditions Precedent to the extent and in the manner set out in this clause:

- (a) **(Apollo Board approval)** Dart receiving written confirmation from Apollo of the matters set out in clauses 5.4(a) and 5.4(b), subject to the conditions set out in clauses 5.4(b)(i), 5.4(b)(ii) and 5.4(b)(iii);
- (b) **(no Apollo Material Adverse Change)** no Apollo Material Adverse Change occurs between the date of this agreement and 8.00am on the Offer Date;
- (c) **(Key Apollo Shareholder confirmations)** Apollo receiving a written confirmation on behalf of the Duncan Hardie Group and a written confirmation on behalf of the Rose Group that they intend to accept the Offer in respect of all of their respective Apollo Securities within 14 days of the Offer Date, subject to there being no Superior Proposal and the grant of an ASX waiver, consent or other form of relief in respect of the terms of any restriction agreements applying to certain of their holdings (including the conditions of any such waiver, consent or other form of relief), with such confirmation to be included in the Announcement substantially on the terms set out in Schedule 5;
- (d) **(no Dart Material Adverse Change)** no Dart Material Adverse Change occurs between the date of this agreement and 8.00am on the Offer Date;
- (e) **(no Dart Prescribed Occurrence)** no Dart Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Offer Date;
- (f) **(no Apollo Prescribed Occurrence)** no Apollo Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Offer Date; and
- (g) **(Regulatory Approvals)** the obtaining of all necessary Regulatory Approvals.

2.2 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 2.1(d) and 2.1(e) are for the sole benefit of Apollo and any breach or non-fulfilment may only be waived by Apollo giving its written consent.

- (b) The Conditions Precedent in clauses 2.1(a), 2.1(b), 2.1(c) and 2.1(f) are for the sole benefit of Dart and any non-fulfilment may only be waived by Dart giving its written consent.
- (c) The Condition Precedent in clause 2.1(g) is for the benefit of both Apollo and Dart and any non-fulfilment may only be waived by both Apollo and Dart giving their written consent.
- (d) A party entitled to waive a Condition Precedent pursuant to this clause 2.2 may do so in its absolute discretion.
- (e) If a party waives the breach or non-fulfilment of any of the Conditions Precedent in clause 2.2, that waiver will not preclude it from suing the other party for any breach of this agreement including without limitation a breach that resulted in the non-fulfilment of the Condition Precedent that was waived.

2.3 Reasonable endeavours

Each of the parties will use their reasonable endeavours to procure that:

- (a) each of the Conditions Precedent in clause 2.1 is satisfied as soon as practicable after the date of this agreement or continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (b) there is no occurrence within the reasonable control of Apollo or Dart (as applicable) or their Subsidiaries that would prevent the Conditions Precedent in clause 2.1 being satisfied.

2.4 Notices in relation to Conditions Precedent

- (a) Each party must promptly give the other notice of a failure to satisfy a Condition Precedent in clause 2.1 or of any event that will prevent a Condition Precedent in clause 2.1 being satisfied.
- (b) Apollo or Dart (as the case may be) will give written notice to the other party as soon as reasonably practicable (and in any event before 8.00am on the Offer Date) as to whether or not it waives the breach or non-fulfilment of any Condition Precedent resulting from the occurrence of that event, specifying the Condition Precedent in question.
- (c) A waiver of such breach or non-fulfilment in respect of one Condition Precedent will not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event.

2.5 Conditions Precedent not met

- (a) If any of the Conditions Precedent contained in clause 2.1 is not satisfied or waived by 8.00am on the Offer Date, then the parties will consult in good faith:

- (i) with a view to determining whether the Takeover Bid may proceed by way of alternative means or methods; or
- (ii) to extend the date for satisfaction of the relevant Condition Precedent; or
- (iii) to extend the End Date,

and agree a course of action that achieves either of paragraphs (i), (ii) or (iii) above (including by agreeing to extend the Offer Date and amending the Timetable, each as appropriate).

- (b) If the parties are unable to reach agreement under clause 2.5(a) within 5 Business Days after the date of the notice in clause 2.4(b), then unless that condition is waived in accordance with clause 2.2, any party may terminate this agreement without any liability to the other party by reason of that termination alone unless the relevant occurrence or the failure of the Condition Precedent to be satisfied arises out of a breach by the terminating party of this agreement.

3 Provision of information

Each party agrees that it will provide to the other such information (including Confidential Information on the terms set out in this agreement) as is reasonably required by the other party in order to enable the other party to fulfil its obligations under this agreement, including, but not limited to, the preparation of the Bidder's Statement and the Target's Statement.

4 The Offer

4.1 Offer by Dart - Apollo Shares

Dart must, by no later than the Offer Date, and in any event as soon as reasonably practicable, make Offers to all Apollo Shareholders (other than Dart) in respect of all of their Apollo Shares on the terms of this agreement and otherwise in accordance with all applicable provisions of the Corporations Act.

4.2 Consideration - Apollo Shares

The consideration offered by Dart to an Apollo Shareholder (other than Dart) will be 3 Dart Shares for every 4 Apollo Shares held as at the Register Date (“**Share Consideration**”).

4.3 Offer by Dart - Apollo Options

Dart must, by no later than the Offer Date, and in any event as soon as reasonably practicable, make Offers to all Apollo Optionholders in respect of all of their Apollo Options on the terms of this agreement and otherwise in accordance with all applicable provisions of the Corporations Act.

4.4 Consideration - Apollo Options

The consideration offered by Dart to the relevant Apollo Optionholder will be:

- (a) 3 Dart A-Class Options for every 4 Apollo A-Class Options;

- (b) 3 Dart B-Class Options for every 4 Apollo B-Class Options;
- (c) 3 Dart C-Class Options for every 4 Apollo C-Class Options;
- (d) 3 Dart D-Class Options for every 4 Apollo D-Class Options;
- (e) 3 Dart E-Class Options for every 4 Apollo E-Class Options;
- (f) 3 Dart G-Class Options for every 4 Apollo G-Class Options;
- (g) 3 Dart H-Class Options for every 4 Apollo H-Class Options; and
- (h) 3 Dart I-Class Options for every 4 Apollo I-Class Options,

held as at the Register Date (“**Option Consideration**”).

4.5 Fractional entitlements

If the number of Apollo Shares or Apollo Options held by an Apollo Shareholder or Apollo Optionholder (as applicable) means that their aggregate entitlement to Dart Shares or Dart Options (as applicable) is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

4.6 Foreign Apollo Securityholders

Dart will, unless satisfied that the laws of a Foreign Apollo Securityholder’s country of residence (as shown in the Register) permit the issue of new Dart Shares to the Foreign Apollo Securityholder (either unconditionally or after compliance with conditions which Dart regards as acceptable and not unduly onerous and not unduly impracticable), issue the new Dart Shares to which a Foreign Apollo Securityholder would otherwise become entitled (including after exercise of any Dart Options to which the relevant Foreign Apollo Securityholder would otherwise be entitled), to a nominee appointed by Dart who will sell those new Dart Shares and pay to that Foreign Apollo Securityholder the proceeds received, after deducting any applicable brokerage, taxes and charges in accordance with the Offer.

4.7 Conditions of the Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.
- (b) Each party must use all reasonable endeavours to satisfy the Conditions as soon as practicable after the date of this agreement as though the Offer Period began on the date of this agreement.
- (c) Apollo must use all reasonable endeavours to ensure that the Conditions in paragraphs (b) (No Apollo Prescribed Occurrence), (e) (No material acquisitions, disposals or new commitments) and (j) (Apollo approvals) of Schedule 2 are not breached prior to the end of the Offer Period, provided that nothing in this clause requires the directors of Apollo to take any action which would result in a breach of a fiduciary duty.

4.8 Offer Period

The parties intend that the Offer Period will be one month, but acknowledge and agree that the Offer Period may be extended by Dart at its discretion for a further

period of up to one month or automatically in accordance with the Corporations Act.

4.9 Reasonable efforts to conclude Offer

Each party agrees to do such things as are reasonably necessary to ensure that the Offer Period does not exceed two months, and, if it does, to do such things as are reasonably necessary to bring the Offer Period to an end as expeditiously as possible.

5 Recommendation and documentation

5.1 Dart's obligations to prepare documentation

(a) Dart must prepare for the Offer:

- (i) the Bidder's Statement; and
- (ii) an acceptance form for the Offer,

in each case consistent with clauses 4.2 to 4.8 and in accordance with the Corporations Act.

(b) Dart agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Bidder's Statement, its lodgement with ASIC and despatch to Apollo Securityholders in accordance with the Timetable, subject to Apollo granting any necessary consents and ASIC granting any necessary waivers.

5.2 Apollo's obligations to prepare documentation

(a) Apollo must prepare the Target's Statement in response to the Offer consistent with clauses 4.2 to 4.8 and in accordance with the Corporations Act.

(b) Apollo agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Target's Statement, its lodgement with ASIC and despatch to Apollo Securityholders in accordance with the Timetable.

5.3 Independent Expert's report

Dart acknowledges that Apollo will be obtaining an Independent Expert's report which will be sent to Apollo Securityholders together with its Target's Statement.

5.4 Directors' recommendations

Prior to entering into this agreement, Apollo has been advised by each of its directors (other than Mr Stephen Bizzell) that they intend:

- (a) to recommend the Offer to Apollo Securityholders subject to there being no Superior Proposal, unless the Independent Expert opines that the Offer is not fair and is not reasonable; and
- (b) to accept the Offer in respect of all Apollo Securities held by that director or any associate of that director, subject to:

- (i) there being no Superior Proposal; and
- (ii) there being no Dart Prescribed Occurrence; and
- (iii) the grant of an ASX waiver, consent or other form of relief in respect of the terms of any restriction agreements applying to certain of their holdings (including the conditions of any such waiver, consent or other form of relief),

prior to the end of the Offer Period.

5.5 Sharing statements

Dart agrees that it will provide a draft of its Bidder's Statement to Apollo and Apollo agrees that it will provide a draft of its Target's Statement to Dart as soon as reasonably practicable and, in any event not less than 4 Business Days before that statement is due to be despatched for printing and each party agrees that it will take prompt steps to make such changes to its statement as are reasonably required by the other.

5.6 Timetable

Each party agrees to use its reasonable endeavours to comply with the Timetable.

5.7 Consent to early dispatch of Bidder's Statement

Apollo agrees (by authority of its directors) that the offers and accompanying documents to be sent by Dart under the Takeover Bid under item 6 of section 633(1) of the Corporations Act may be sent 7 days earlier than the earliest date for sending under item 6 of section 633(1) of the Corporations Act.

6 Conduct of business

6.1 Overview

From the date of this agreement up to the end of the Offer Period, Apollo must conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted and must regularly consult with Dart on the manner of conduct of the business.

6.2 Specific obligations

Without limiting clause 6.1 and other than with the prior approval of Dart (which approval must not be unreasonably withheld or delayed) or as required by this agreement, Apollo must, during the period contemplated by clause 6.1, use all reasonable endeavours to:

- (a) **(business and assets)** maintain the condition of its business and assets;
- (b) **(officers and employees)** keep available the services of its officers and employees;
- (c) **(relationships)** preserve its relationships with customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings;

- (d) **(change of control provisions)** identify any change of control provisions in any significant contracts to which any member of the Apollo Group is a party (including all Material Contracts to which any member of the Apollo Group is a party) or any joint venture documentation to which any member of the Apollo Group is a party and obtain the consents of relevant persons who have rights in respect of those provisions to the transactions contemplated by the Takeover Bid; and
- (e) **(cash)** ensure there is no material decrease in the amount of cash in Apollo other than as:
 - (i) used in the ordinary course of business and consistent with forecast cash utilisation; or
 - (ii) a result of reasonable costs incurred directly in relation to the transactions contemplated by the Takeover Bid.

6.3 Prohibited actions

Other than with the prior approval of Dart (which approval must not be unreasonably withheld or delayed) or as required by this agreement, Apollo must not, during the period referred to in clause 6.1:

- (a) **(Material Contracts)** enter into or terminate a Material Contract;
- (b) **(employment agreements)** increase the remuneration of or pay any bonus (other than in accordance with existing arrangements and in the ordinary course) or issue any securities or options to, or otherwise vary the employment agreements with, any of its directors or employees;
- (c) **(accelerate rights)** accelerate the rights of any of its directors or employees to benefits of any kind;
- (d) **(termination payments)** pay a director, executive or employee a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement and a copy of which has previously been provided to Dart;
- (e) **(financial arrangements)** amend in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this agreement;
- (f) **(dividends)** announce, declare or pay any dividends;
- (g) **(Apollo Prescribed Occurrence)** take any action which would be reasonably expected to give rise to an Apollo Prescribed Occurrence;
- (h) **(information technology)** take any action in respect of its information technology systems which would have a material impact on those systems; or
- (i) **(agreement)** agree to do any of the matters set out above.

7 Exclusivity

7.1 No existing discussions

Apollo represents and warrants that, other than the discussions with Dart in respect of the Takeover Bid, it is not currently in negotiations or discussions in respect of any Competing Transaction with any person. From the date of this agreement, Apollo will promptly enforce the terms of any confidentiality agreement entered into with a party other than Dart in relation to a Competing Transaction and will immediately request the return of all Apollo Confidential Information from any such party.

7.2 No-shop

During the Exclusivity Period, Apollo must ensure that neither it nor any of its Related Bodies Corporate or Representatives directly or indirectly:

- (a) solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions; or
- (b) communicates any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Transaction.

Nothing in this clause 7.2 prevents Apollo from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Takeover Bid or its business generally.

7.3 No-talk

Subject to clause 7.5, during the Exclusivity Period, Apollo must ensure that neither it nor any of its Related Bodies Corporate or Representatives:

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any other person regarding,

a Competing Transaction, even if that person's Competing Transaction was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by Apollo or any of its Related Bodies Corporate or Representatives or the person has publicly announced the Competing Transaction.

7.4 Notice of unsolicited approach

During the Exclusivity Period, Apollo must promptly inform Dart if it or any of its Related Bodies Corporate or Representatives:

- (a) receives any unsolicited approach with respect to any Competing Transaction and, subject to the fiduciary duties of Apollo's directors, must disclose to Dart all material details of the Competing Transaction, including details of the proposed bidder or acquirer;
- (b) receives any request for information relating to Apollo or any of its Related Bodies Corporate or any of their businesses or operations or any

request for access to the books or records of Apollo or any of its Related Bodies Corporate, which Apollo has reasonable grounds to suspect may relate to a current or future Competing Transaction; and

- (c) provides any information relating to Apollo or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Transaction.

7.5 Exceptions to no-talk

Clause 7.3 does not apply to the extent that it restricts Apollo or the Apollo Board from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not solicited, invited, facilitated, encouraged or initiated by Apollo in contravention of clause 7.2) provided that the Apollo Board has determined, in good faith and acting reasonably that:

- (a) after consultation with its Advisors, such a bona fide Competing Transaction could reasonably be considered to become a Superior Proposal; and
- (b) after receiving written advice from a national law firm (other than Allens Arthur Robinson), Queen's Counsel or Senior Counsel, that failing to respond to such a bona fide Competing Transaction would be reasonably likely to constitute a breach of the Apollo Board's fiduciary or statutory obligations.

7.6 Legal advice

Apollo acknowledges that it has received legal advice on this agreement and the operation of this clause 7.

8 Break Fee

8.1 Rationale

- (a) Apollo acknowledges and agrees, for the purposes of this clause 8 as follows.
 - (i) Dart has required the inclusion of clauses 8.2(a), 8.3(a) and 8.4(a), in the absence of which it would not have entered into this agreement or otherwise agreed to implement the Takeover Bid.
 - (ii) Apollo and the Apollo Board believe that the Takeover Bid will provide significant benefits to it and its members and that it is reasonable and appropriate that it agrees to the inclusion of clauses 8.2(a), 8.3(a) and 8.4(a), in order to secure Dart's execution of this agreement and its agreement to implement the Takeover Bid.
 - (iii) The amount payable by Apollo pursuant to clause 8.2(a) is an amount to compensate Dart for the following:

- (A) reasonable advisory costs (including costs of Advisers other than success fees) relating to the Takeover Bid; and
 - (B) reasonable out-of-pocket expenses relating to the Takeover Bid.
- (b) Dart acknowledges and agrees, for the purposes of this clause 8 as follows.
- (i) Apollo has required the inclusion of clauses 8.2(b), 8.3(b) and 8.4(b), in the absence of which it would not have entered into this agreement or otherwise agreed to co-operate with Dart in relation to the Takeover Bid.
 - (ii) Dart and the Dart Board believe that the Takeover Bid will provide significant benefits to it and its members and that it is reasonable and appropriate that it agrees to the inclusion of clauses 8.2(b), 8.3(b) and 8.4(b), in order to secure Apollo's execution of this agreement and its agreement to co-operate in relation to the Takeover Bid.
 - (iii) The amount payable by Dart pursuant to clause 8.2(b) is an amount to compensate Apollo for the following:
 - (A) reasonable advisory costs (including costs of Advisers other than success fees) relating to the Takeover Bid; and
 - (B) reasonable out-of-pocket expenses relating to the Takeover Bid.

8.2 Payment of Break Fee

- (a) Apollo agrees to pay Dart a Break Fee if, at any time after making of the announcement referred to in clause 11, any of the following circumstances occur:
- (i) a Competing Transaction is announced and, during the Exclusivity Period or within 6 months of the end of the Exclusivity Period a party to the Competing Transaction acquires a relevant interest in 20% or more of all Apollo Securities which was not held prior to the announcement of the Competing Transaction;
 - (ii) a third party acquires or agrees with Apollo to acquire the whole or a substantial part of the assets of Apollo or enters into a farm-in type agreement in respect of the whole or a substantial part of the assets of Apollo (but not if a third party enters into a new phase or stage of a farm-in type agreement in respect of the whole or a substantial part of the assets of Apollo that is already on foot);
 - (iii) any director of Apollo (other than Mr Stephen Bizzell) does not recommend the Takeover Bid to Apollo Securityholders or, having recommended it, withdraws his or her recommendation of the Takeover Bid unless:

- (A) this agreement has already been terminated by Apollo under clause 10.1(a);
 - (B) a Dart Prescribed Occurrence has occurred; or
 - (C) the Independent Expert opines that the Offer is not fair and is not reasonable;
- (iv) an:
- (A) event or circumstance under the control of Apollo occurs which constitutes an Apollo Material Adverse Change; or
 - (B) Apollo Prescribed Occurrence occurs,
- which, if it had occurred prior to the date of this agreement might reasonably be expected to have resulted in Dart not entering into this agreement on the same financial and other terms as are set out in this agreement; or
- (v) Dart terminates this agreement in accordance with clause 10.1(a).
- (b) Dart agrees to pay Apollo a Break Fee if, at any time after making of the announcement referred to in clause 11, Dart fails to make the Offer other than as a result of:
- (i) the occurrence of an event or circumstance which would entitle Dart to the payment of the Break Fee under clause 8.2(a); or
 - (ii) the termination of this agreement by Dart in accordance with clause 10.

8.3 Payment

- (a) The payment of the Break Fee to Dart as provided for in clause 8.2(a), must be made:
- (i) if there is no Superior Proposal, within 10 Business Days after the occurrence of the event referred to in clause 8.2(a); and
 - (ii) if there is a Superior Proposal, within 30 Business Days after the occurrence of the event referred to in clause 8.2(a).
- (b) The payment of the Break Fee to Apollo as provided for in clause 8.2(b), must be made within 10 Business Days after the occurrence of the event referred to in clause 8.2(b).

8.4 Exclusive Remedy

Notwithstanding any other provision under this agreement:

- (a) where a Break Fee becomes payable to Dart (or would be payable if a demand was made), Dart cannot make any claim against Apollo in relation to an event referred to in clause 8.2(a) or for any material breach of this agreement other than for payment of the Break Fee; and

- (b) where a Break Fee becomes payable to Apollo (or would be payable if a demand was made), Apollo cannot make any claim against Dart in relation to an event referred to in clause 8.2(b) or for any material breach of this agreement other than for payment of the Break Fee.

8.5 Refund

If, notwithstanding the occurrence of any of the events referred to in clause 8.2(a), Dart ultimately declares the Offer to be unconditional and becomes the holder of not less than 50% of Apollo's share capital as a result of the Takeover Bid, Dart must repay to Apollo any amount received by it under this clause 8.

9 Warranties

9.1 Dart Warranties

Dart represents and warrants to Apollo that as at the date of this agreement and at all times until the end of the Offer Period:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Dart has been properly authorised by all necessary corporate action and Dart has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Dart's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which Dart or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency except for the Regulatory Approvals;
- (d) so far as it is aware after making reasonable enquiries, Dart has, prior to the date of this agreement, fairly disclosed all information reasonably required to enable Apollo to undertake due diligence enquiries into Dart for the purpose of determining whether to enter into this agreement and all information provided by Dart to Apollo under this agreement, including, but not limited to information provided under clause 3 is reasonably complete and accurate;
- (e) the Dart Shares and Dart Options to be offered as consideration under clause 4 will be duly authorised and validly issued, fully paid, not liable to the imposition of any duty and be free of all encumbrances, security interests and third party rights and will rank equally with all other Dart Shares or relevant class of Dart Options;
- (f) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and its accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of AIFRS requires a change to past practices) and in accordance with all relevant accounting standards; and

- (g) it will continue to operate the business of Dart in the usual and ordinary course as regards its nature, scope and manner and in accordance with its usual business practices.

9.2 Dart indemnity

Dart agrees with Apollo to indemnify Apollo and keep Apollo indemnified against all claims liabilities and losses which it may suffer or incur by reason of any breach of any of the warranties in clause 9.1.

9.3 Apollo Warranties

Apollo represents and warrants to Dart that as at the date of this agreement and at all times until the end of the Offer Period:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Apollo has been properly authorised by all necessary corporate action and Apollo has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Apollo's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which Apollo or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency except for the Regulatory Approvals;
- (d) so far as it is aware after making reasonable enquiries, Apollo has, prior to the date of this agreement, fairly disclosed all information reasonably required to enable Dart to undertake due diligence enquiries into Apollo for the purpose of determining whether to enter into this agreement and all information provided by Apollo to Dart under this agreement, including, but not limited to information provided under clause 3 is reasonably complete and accurate;
- (e) it has complied with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and its accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of AIFRS requires a change to past practices) and in accordance with all relevant accounting standards; and
- (f) it will continue to operate the business of Apollo in the usual and ordinary course in accordance with clause 6 as regards its nature, scope and manner and in accordance with its usual business practices.

9.4 Apollo indemnity

Apollo agrees with Dart to indemnify and keep Dart indemnified against all claims liabilities and losses which it may suffer or incur by reason of any breach of any of the warranties in clause 9.3.

10 Termination

10.1 Termination rights

This agreement may be terminated by either party by notice to the other party:

- (a) if the other party is in material breach of this agreement and that breach is not remedied by that other party within 10 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) if Dart withdraws the Takeover Bid for any reason including non-satisfaction of a Condition;
- (c) in accordance with clause 2.5(b); and
- (d) if there is a breach of a representation or warranty contained in clause 9.1 or 9.3 (as the case may be).

10.2 Termination by Dart

This agreement may be terminated by Dart by notice in writing to Apollo if:

- (a) a Superior Proposal is made or publicly announced for Apollo by a third party; or
- (b) any member of the board of directors of Apollo (other than Mr Stephen Bizzell) does not recommend the Takeover Bid be accepted by Apollo Securityholders or having recommended the Takeover Bid changes his or her recommendation in relation to the Takeover Bid.

10.3 Termination by Apollo

This agreement may be terminated by Apollo by notice in writing to Dart if a Dart Prescribed Occurrence has occurred.

10.4 Effect of termination

If this agreement is terminated by another party under this clause 10:

- (a) each party will be released from its obligations under this agreement except its obligations under clauses 8, 12, 14 and 15.12;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

11 Announcement of Takeover Bid

11.1 Public announcements

Subject to clause 11.3 and unless and to the extent that the announcement or release is required to be made by the party by law or by a stock exchange, each party (“**Announcing Party**”) must consult with the other party (“**Non-Announcing Party**”) in relation to any public announcement relating to the Takeover Bid and, subject to the Non-Announcing Party acting reasonably, take the Non-Announcing Party’s comments into consideration in making any public announcement in relation to the Takeover Bid.

11.2 Announcement of Takeover Bid after execution of this agreement

Without limiting clause 11.1, immediately after the execution of this agreement, Apollo and Dart must each make a public announcement concerning the Takeover Bid substantially in the form set out in Annexure A (“**Announcement**”).

11.3 Required disclosure

The Announcing Party will seek to give as much notice as practicable to the Non-Announcing Party and consult to the fullest extent practicable in the circumstances with the Non-Announcing Party.

12 Confidential Information

12.1 Disclosure of Dart Confidential Information

No Dart Confidential Information may be disclosed by Apollo to any person except:

- (a) Representatives of Apollo or its Related Bodies Corporate requiring the information for the purposes of this agreement;
- (b) with the written consent of Dart;
- (c) if Apollo is required to do so by law or by a stock exchange; or
- (d) if Apollo is required to do so in connection with legal proceedings relating to this agreement.

12.2 Use of Dart Confidential Information

Apollo must use the Dart Confidential Information exclusively for the purpose of preparing the Target’s Statement and for no other purpose (and must not make any use of any Dart Confidential Information to the competitive disadvantage of Dart or any of its Related Bodies Corporate).

12.3 Disclosure of Apollo Confidential Information

No Apollo Confidential Information may be disclosed by Dart to any person except:

- (a) Representatives of Dart or its Related Bodies Corporate requiring the information for the purposes of this agreement;

- (b) with the consent of Apollo;
- (c) if Dart is required to do so by law or by a stock exchange; or
- (d) if Dart is required to do so in connection with legal proceedings relating to this agreement.

12.4 Use of Apollo Confidential Information

Dart must use the Apollo Confidential Information exclusively for the purpose of due diligence and preparing the Bidder's Statement and for no other purpose (and must not make any use of any Apollo Confidential Information to the competitive disadvantage of Apollo or any of its Related Bodies Corporate).

12.5 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 12.1(a) or 12.1(b) or clause 12.3(a) or 12.3(b) must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 12.1 or clause 12.3.

12.6 Excluded Information

Clauses 12.1, 12.2, 12.3, 12.4 and 12.5 do not apply to the Excluded Information.

12.7 Return of Confidential Information

A party who has received Confidential Information from another under this agreement must, on the request of the other party, immediately deliver to that party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clause 12.1(a) or 12.1(b).

12.8 Termination

This clause 12 will survive termination (for whatever reason) of this agreement.

13 Notices and other communications

13.1 Form - all communications

Unless expressly stated otherwise in this agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

13.2 Form - communications sent by email

Communications sent by email need not be marked for attention in the way stated in clause 13.1. However, the email must state the first and last name of the sender.

Communications sent by email are taken to be signed by the named sender.

13.3 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details;
- (d) sent by email to the address set out or referred to in the Details; or
- (e) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

13.4 When effective

Communications take effect from the time they are received or taken to be received under clause 13.5 (whichever happens first) unless a later time is specified.

13.5 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
- (c) if sent by email;
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

13.6 Receipt outside business hours

Despite clauses 13.4 and 13.5, if communications are received or taken to be received under clause 13.5 after 5.00pm in the place of receipt or on a non-

Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

14 Goods and services tax (GST)

14.1 Consideration does not include GST

The consideration specified in this agreement does not include any amount for GST.

14.2 Recovery of GST

If a supply under this agreement is subject to GST, the recipient must pay to the supplier an additional amount equal to the Amount of the Consideration multiplied by the applicable GST rate.

14.3 Time of payment

The additional amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the additional amount need not be paid until the supplier gives the recipient a Tax Invoice.

14.4 Adjustment of additional amount

If the additional amount differs from the amount of GST payable by the supplier, the parties must adjust the additional amount.

14.5 Reimbursement

If a party is entitled to be reimbursed or indemnified under this agreement, the amount to be reimbursed or indemnified does not include any amount for GST for which the party is entitled to an Input Tax Credit.

14.6 Survival

This clause will survive termination of this agreement.

15 Miscellaneous

15.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

15.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

15.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

15.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

15.5 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

15.6 Remedies cumulative

The rights and remedies in this agreement are in addition to other rights and remedies given by law independently of this agreement.

15.7 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

15.8 No merger

The warranties, undertakings and indemnities in this agreement do not merge on completion of any transaction contemplated by this agreement.

15.9 Indemnities

The indemnities in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

15.10 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; or
- (b) to show whether the party is complying with this agreement.

15.11 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

15.12 Costs

The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for stamp duty.

15.13 Stamp duty

Dart agrees to pay all stamp duty (including fines and penalties) payable and assessed on this agreement or in respect of a transaction evidenced by this agreement.

15.14 Entire agreement

This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

15.15 Assignment

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the prior written consent of the other party.

15.16 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement;
- (b) it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement; and
- (c) clauses 15.16(a) and 15.16(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

15.17 Governing law

This agreement is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

15.18 Counterparts

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

EXECUTED as an agreement.

Takeover Implementation Agreement

Schedule 1 - Timetable

Date	Event
28 September 2010	Announcement Date.
19 October 2010	Dart provides an advanced draft Bidder's Statement to Apollo.
25 October 2010	Lodgement Date. Date Dart lodges Bidder's Statement with ASIC and serves it on Apollo and ASX.
29 October 2010	Register Date. Date set by Dart pursuant to section 633(3) of the Corporations Act.
1 November 2010	Offer Date. Dart despatches the Bidder's Statement to Apollo Securityholders.
2 November 2010	Apollo provides an advanced draft Target's Statement (and draft Independent Expert's report) to Dart.
9 November 2010	Apollo lodges its Target's Statement (and Independent Expert's report) with ASIC and ASX, serves it on Dart and despatches to Apollo Securityholders.
2 December 2010	Offer Period ends Unless extended in accordance with the Corporations Act.

Takeover Implementation Agreement

Schedule 2 - Conditions to the Offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

- (a) **(90% minimum acceptance condition)** Dart receiving acceptance of the Offer in respect of 90% of the Apollo Securities;
- (b) **(no Apollo Prescribed Occurrences)** there not occurring an Apollo Prescribed Occurrence during the Offer Period;
- (c) **(no Apollo Material Adverse Changes)** there not occurring an Apollo Material Adverse Change during the Offer Period;
- (d) **(no restraining orders)** that between the Announcement Date and the end of the Offer Period:
 - (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority; and
 - (ii) no application is made to any Regulatory Authority (other than by any member of Dart), or action or investigation is announced, threatened or commenced by a Regulatory Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

- (iii) restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Dart in respect of Apollo and the Apollo Securities to be acquired under the Offer; or
 - (iv) requires the divestiture by Dart of any Apollo Securities, or the divestiture of any assets of Apollo or its Related Bodies Corporate, Dart or its Related Bodies Corporate or otherwise;
- (e) **(no material acquisitions, disposals or new commitments)** except for any proposed transaction publicly announced by Apollo before the Announcement Date or disclosed in writing to Dart or its Representatives prior to the Announcement, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
 - (i) Apollo or any Subsidiary of Apollo acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than A\$2,500,000 or makes an announcement in relation to such an acquisition, offer or agreement;
 - (ii) Apollo or any Subsidiary of Apollo disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any

interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than A\$2,500,000 or makes an announcement in relation to such a disposition, offer or agreement;

- (iii) Apollo or any Subsidiary of Apollo enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, farm-in agreement, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Apollo and/or its Subsidiaries of an amount which is, in aggregate, more than A\$2,500,000, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement;
 - (iv) Apollo or any Subsidiary of Apollo disposes of, offers to dispose of or agrees to enter into any agreement, joint venture, partnership, farm-in agreement, management agreement or commitment involving the disposal of any legal beneficial or economic interest or right to or in connection with any mining or petroleum tenements held by Apollo and/or any of its Subsidiaries or applications therefore or any gas reserves of Apollo and/or any of its Subsidiaries;
- (f) **(no persons exercising rights under certain agreements or instruments)** after the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Apollo or any Subsidiary of Apollo is a party, or by or to which Apollo or any Subsidiary of Apollo or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of Apollo or Apollo and its Subsidiaries taken as a whole, in:
- (i) any monies borrowed by Apollo or any Subsidiary of Apollo being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
 - (ii) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
 - (iii) the interest of Apollo or any Subsidiary of Apollo in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
 - (iv) the business of Apollo or any Subsidiary of Apollo with any other person being adversely affected,
- as a result of the acquisition of Apollo Securities by Dart except for any rights under any provision of any agreement or other instrument disclosed in writing to Dart or its Representatives prior to the Announcement;
- (g) **(non-existence of certain rights)** that no person has any right (whether subject to conditions or not) as a result of Dart acquiring Apollo Securities to:
- (i) acquire, or require Apollo or a Subsidiary of Apollo to dispose of, or offer to dispose of, any material asset of Apollo or a Subsidiary of Apollo; or

- (ii) terminate or vary or exercise any right under any material agreement with Apollo or a Subsidiary of Apollo,

except for any rights under any provision of any agreement or other instrument disclosed in writing to Dart or its Representatives prior to execution of this agreement;

- (h) (**distributions**) during the period commencing on the Announcement Date and ending at the end of the Offer Period, Apollo makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (i) (**index decline**) that between the Announcement Date and the end of the Offer Period the S&P ASX 200 Index does not close below 3,931 on any 3 consecutive trading days; and
- (j) (**Apollo approvals**) that between the Announcement Date and the end of the Offer Period all material approvals, licences, permits, consents, notifications, declarations or other authorisation required for the lawful operation of the business (including the occupation or use of any land and the conduct of any enterprise on or in connection with any land) conducted by Apollo or any Subsidiary of Apollo remain in force (including by renewal).

The above conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Dart to rescind any contracts resulting from acceptance of the Offer.

Takeover Implementation Agreement

Schedule 3 - Dart Prescribed Occurrences

1. **(Conversion)** Dart converts all or any of its shares into a larger or smaller number of shares.
2. **(Reduction of share capital)** Dart resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
3. **(Buy-back)** Dart:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. **(Distribution)** Dart makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
5. **(Issuing or granting shares or options)** Dart or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,
in each case to a person outside the Dart Group, other than any shares or options to be issued pursuant to:
 - (d) the terms of agreements entered into, or announcements made, by Dart or any of its Subsidiaries before the Announcement Date; or
 - (e) arrangements with persons employed by the Dart Group in the ordinary course of business after the Announcement Date.
6. **(Securities or other instruments)** Dart or any of its Subsidiaries:
 - (a) issues securities or other instruments convertible into shares or debt securities; or
 - (b) agrees to issue securities or other instruments convertible into shares or debt securities,
in each case to a person outside the Dart Group.
7. **(Constitution)** Dart adopts a new constitution or modifies or repeals its existing constitution or a provision of it.
8. **(Disposals)** Dart or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Dart Group's business or property.

- 9 **(Acquisitions, disposals or tenders)** Dart or any of its Subsidiaries:
- (a) acquires or disposes of;
 - (b) agrees to acquire or dispose of;
 - (c) offers, proposes, announces a bid or tenders for,

any business, assets, entity or undertaking the value of which exceeds
\$25,000,000.
- 10 **(Encumbrances)** other than in the ordinary course of business and consistent
with past practice Dart or any of its Subsidiaries creates, or agrees to create, any
Encumbrance over the whole or a substantial part of its business or property.
- 11 **(Employment arrangements)** other than in the ordinary course of business and
consistent with past practice Dart or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment
arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to
compensation or benefits or any kind (including under any Dart
executive or employee share plans); or
 - (c) pays any of its directors or employees a termination or retention
payment (otherwise than in accordance with an existing contract in place
at the date of this agreement).
- 12 **(Commitments and settlements)** other than in the ordinary course of business
and consistent with past practice Dart or any of its Subsidiaries:
- (a) enters into any contract or commitment involving revenue or
expenditure of more than \$25,000,000 over the term of the contract or
commitment;
 - (b) terminates or amends in a material manner any contract material to the
conduct of the Dart Group's business or which involves revenue or
expenditure of more than \$25,000,000 over the term of the contract;
 - (c) waives any material third party default; or
 - (d) accepts as a settlement or compromise of a material matter (relating to
an amount in excess of \$25,000,000 less than the full compensation due
to Dart or a Subsidiary of Dart.
- 14 **(Insolvency)** Dart or any of its Related Bodies Corporate becomes Insolvent.

Takeover Implementation Agreement

Schedule 4 - Apollo Prescribed Occurrences

1. **(Conversion)** Apollo converts all or any of its shares into a larger or smaller number of shares.
2. **(Reduction of share capital)** Apollo resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
3. **(Buy-back)** Apollo:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. **(Distribution)** Apollo makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
5. **(Issuing or granting shares or options)** Apollo or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,
in each case to a person outside the Apollo Group, other than any shares or options to be issued pursuant to:
 - (d) the terms of agreements entered into, or announcements made, by Apollo or any of its Subsidiaries before the Announcement Date; or
 - (e) arrangements with persons employed by the Apollo Group in the ordinary course of business after the Announcement Date.
6. **(Securities or other instruments)** Apollo or any of its Subsidiaries:
 - (a) issues securities or other instruments convertible into shares or debt securities; or
 - (b) agrees to issue securities or other instruments convertible into shares or debt securities,
in each case to a person outside the Apollo Group.
7. **(Constitution)** Apollo adopts a new constitution or modifies or repeals its constitution or a provision of it.
8. **(Disposals)** Apollo or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Apollo Group's business or property.

- 9 **(Acquisitions, disposals or tenders)** Apollo or any of its Subsidiaries:
- (a) acquires or disposes of;
 - (b) agrees to acquire or dispose of;
 - (c) offers, proposes, announces a bid or tenders for,

any business, assets, entity or undertaking the value of which exceeds \$2,000,000.
- 10 **(Encumbrances)** other than in the ordinary course of business and consistent with past practice Apollo or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- 11 **(Employment arrangements)** other than in the ordinary course of business and consistent with past practice Apollo or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind (including under any Apollo executive or employee share plans); or
 - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of this agreement).
- 12 **(Commitments and settlements)** other than in the ordinary course of business and consistent with past practice Apollo or any of its Subsidiaries:
- (a) enters into any contract or commitment involving revenue or expenditure of more than \$2,000,000 over the term of the contract or commitment;
 - (b) terminates or amends in a material manner any contract material to the conduct of the Apollo Group's business or which involves revenue or expenditure of more than \$2,000,000 over the term of the contract;
 - (c) waiving any material third party default; or
 - (d) accepting as a settlement or compromise of a material matter (relating to an amount in excess of \$2,000,000) less than the full compensation due to Apollo or a Subsidiary of Apollo
- 13 **(Material Contract)** Apollo enters into or agrees to enter into a Material Contract without the prior written consent of Dart.
- 14 **(Insolvency)** Apollo or any of its Related Bodies Corporate becomes Insolvent.

Takeover Implementation Agreement

Schedule 5 - Key Apollo Shareholder confirmation - text for Announcement

To be included by Apollo in the Announcement:

Apollo has been advised by major shareholders, the Duncan Hardie Group¹ and the Rose Group², that each of them intends to accept the Offer within 14 days of the opening of the Offer in the absence of a superior proposal and subject to the grant of an ASX waiver, consent or other form of relief in respect of the terms of any restriction agreements applying to certain of their holdings (including the conditions of any such waiver, consent or other form of relief).

¹ Being Hardie Energy Pty Ltd and Hardie Oceanic Pty Ltd and each of their associated entities.

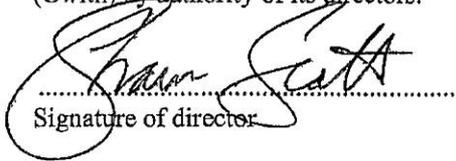
² Being Rhowhan No. 1 Pty Ltd and Rosecorp Marketing Pty Ltd and each of their associated entities.

Takeover Implementation Agreement

Signing page

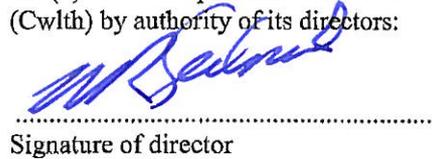
DATED: 28 / 9 / 10

EXECUTED by DART ENERGY LIMITED in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:

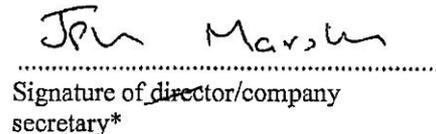

Signature of director

SHAUN SCOTT
Name of director (block letters)

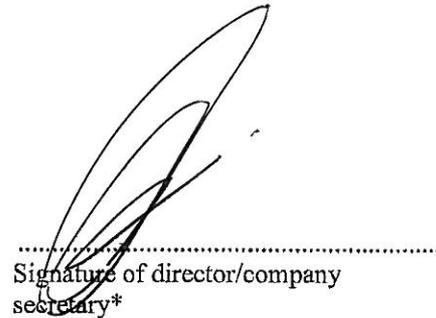
EXECUTED by APOLLO GAS LIMITED in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:


Signature of director

WAYNE SEABROOK
Name of director (block letters)


Signature of ~~director~~ company secretary*

*delete whichever is not applicable
Jonathan Paul Kershaw Marshall
Company Secretary
Name of director/company secretary* (block letters)
*delete whichever is not applicable


Signature of director/company secretary*

*delete whichever is not applicable
Andrew Mayo
Managing Director
Name of director/company secretary* (block letters)
*delete whichever is not applicable

Takeover Implementation Agreement

Annexure A - Announcement

(separately attached)

Annexure B - Details of Apollo Options and Dart Options

(separately attached)

Options announced and granted as at 23 September 2010

AZO Tranche	Key Terms			Total Number on Issue	DTE Tranche to be Issued as Consideration	Key Terms			Total Number to be Issued
	Exercise Price	Vesting Conditions	Expiry Date			Exercise Price	Vesting Conditions	Expiry Date	
Founder Series 1	\$0.30	Vested ¹	15 Dec 2014	25,000,000	[Series A]	\$0.40	None	15 Dec 2014	18,750,000
Founder Series 2	\$0.30	Vested ²	15 Dec 2014	25,000,000	[Series B]	\$0.40	None	15 Dec 2014	18,750,000
ESOP Series 1	\$0.30	Vested ¹	15 Dec 2014	3,575,000	[Series C]	\$0.40	None	15 Dec 2014	2,681,250
ESOP Series 2	\$0.30	Vested ²	15 Dec 2014	1,965,000	[Series D]	\$0.40	None	15 Dec 2014	1,473,750
ESOP Series 3	\$0.30	\$0.80 10-day VWAP ³	15 Dec 2014	1,310,000	[Series E]	\$0.40	\$1.067 10-day VWAP	15 Dec 2014	982,500
Bocking Series 1	\$0.5909	Not before 10 Aug 2011 ⁴	10 Aug 2015	175,000	[Series G]	\$0.7879	Not before 10 Aug 2011	10 Aug 2015	131,250
Bocking Series 2	\$0.5909	Not before 10 Aug 2012 ⁵	10 Aug 2015	105,000	[Series H]	\$0.7879	Not before 10 Aug 2012	10 Aug 2015	78,750
Bocking Series 3	\$0.5909	Not before 10 Aug 2013 ⁶	10 Aug 2015	70,000	[Series I]	\$0.7879	Not before 10 Aug 2013	10 Aug 2015	52,500

¹ Vesting occurs when 10-day VWAP of \$0.40 or more achieved – this condition has been satisfied

² Vesting occurs when 10-day VWAP of \$0.60 or more achieved – this condition has been satisfied

³ Become exercisable, regardless of whether vesting conditions have been met and subject to the Listing Rules and the Corporations Act, on the date that a takeover bid is announced for the acquisition of all of the shares in Apollo.

⁴ Become exercisable, regardless of whether vesting conditions have been met, if a takeover bid is made to acquire all of the issued shares of Apollo and the bid has resulted in or (in the opinion of Apollo's Board) will result in the proponent of the bid acquiring more than 50% of the issued shares in Apollo.

⁵ See Note 4.

⁶ See Note 4.