

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10, 01/05/2013

Name of entity

<b>DART ENERGY LIMITED</b>
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ACN or ARBN

<b>122 588 505</b>
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Quarter ended ("current quarter")

<b>31 December 2013</b>
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors - other income	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (e) administration (f) business development	(2,464) - - (1,691) (1,500)	(6,461) - - (3,495) (3,100)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	16
1.5 Interest and other costs of finance paid	(369)	(521)
1.6 Income taxes received/(paid)	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(6,012)</b>	<b>(13,561)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- (67) (7)	(200) (67) (35)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	13,822 - -	35,678 2,694 -
1.10 Loans to other entities	(137)	(3,919)
1.11 Loans repaid by other entities	-	-
1.12 Other - Joint Venture funding for projects Net cash used in acquisition of Joint Venture	- -	- -
<b>Net investing cash flows</b>	<b>13,611</b>	<b>34,151</b>
1.13 Total operating and investing cash flows (carried forward)	7,599	20,590

+ See chapter 19 for defined terms.

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**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	7,599	20,590
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc	8,788	20,652
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings		
	- Convertible Note Subscriptions	-	-
	- Other loans	-	-
1.17	Repayment of borrowings	(18,999)	(18,999)
1.18	Dividends paid	-	-
1.19	Other - Share issue expenses	-	(813)
	- Commitment and structuring fees	(559)	(559)
	<b>Net financing cash flows</b>	<b>(10,770)</b>	<b>281</b>
	<b>Net increase (decrease) in cash held</b>	<b>(3,171)</b>	<b>20,871</b>
1.20	Cash at beginning of quarter/year to date	41,388	18,525
1.21	Exchange rate adjustments to item 1.20	576	(603)
1.22	Cash at end of quarter	<b>38,793</b>	<b>38,793</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	(109)
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

1.23 Director remuneration and fees.

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

During the quarter the Company completed the farm-out agreement relating to thirteen of its UK licences with GDF SUEZ E&P UK Ltd. GDF SUEZ E&P UK Ltd acquired a 25% working interest in each licence, with Dart retaining 75% and operatorship of each licence. As consideration for the interest acquired, GDF SUEZ E&P UK Ltd paid to Dart US\$12 million in cash, and will meet Dart's 75% share of costs up to US\$27 million, as well as meet GDF SUEZ E&P UK Ltd 25% share in respect of an agreed work program on those licences.

+ See chapter 19 for defined terms.

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Dart International Group has executed agreements for a US\$100million senior secured reserves based lending facility ("Facility") with The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch ("HSBC") to provide development funding for Dart International's near term development projects. The Facility is structured to provide Dart International with working capital funding of up to US\$10million and up to a further US\$90 million to fund development of certain projects in Dart International's portfolio. Availability under this facility is reset every six months, based on various factors including forward looking project economics and well performance. Presently, funding availability under the Facility is nil.

The Company had previously drawn US\$17 million under the facility, comprising the working capital tranche of the Facility (US\$10million) and US\$7million of the development finance tranche of the Facility. As at the start of the quarter (30 September 2013), the Company had placed US\$17 million into a restricted account maintained with HSBC to offset the drawn components of the Facility, such that the Facility was fully cash backed. During the quarter, these funds were applied towards repayment of the drawn components of the Facility, thereby reducing the Facility limit to US\$83million, eliminating ongoing interest fees on these drawn components and resulting in the Company being debt-free as at the end of the quarter.

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(4,500)
4.2 Development	-
4.3 Production	-
4.4 Investments	-
4.5 Administration	(1,750)
4.6 Business Development	(1,450)
<b>Total</b>	<b>(7,700)</b>

+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	32,675	17,330
5.2	Deposits at call	6,118	5,796
5.3	Bank overdraft	-	-
5.4	Other - Funds held in a restricted account maintained with HSBC	-	18,262
<b>Total: cash at end of quarter (item 1.22)</b>		<b>38,793</b>	<b>41,388</b>

## Changes in interests in mining tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	PEDL 12	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 146	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 147	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 185	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 186	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 187	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 188	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 189	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 200	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 207	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		PEDL 210	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		EXL 273	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
		EXL 288	Farm-out to GDF SUEZ E&P UK Limited	100%	75%
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues				
7.3 +Ordinary securities - fully paid	1,108,251,519	1,108,251,519		
7.4 Changes during quarter - Placement of shares	97,643,305	97,643,305	9 cents	Fully paid up
7.5 +Convertible debt securities (description)	Nil	nil		
7.6 Changes during quarter				
7.7 Options (description and conversion factor)			Exercise price	Expiry date
- Director and Executive options	12,422,482	Nil	98.625 cents	31/03/14
- Executive options	6,035,000	Nil	98.625 cents	31/07/14
- Executive options	1,775,000	Nil	98 cents	31/07/15
- Executive options	175,000	Nil	115 cents	31/07/15
- Class A Options	9,462,500	Nil	40 cents	15/12/14
- Class B Options	18,375,000	Nil	40 cents	15/12/14
- Class C Options	2,137,500	Nil	40 cents	15/12/14
- Class D Options	1,147,500	Nil	40 cents	15/12/14
- Class E Options	765,000	Nil	40 cents	15/12/14
- Class F Options	1,068,750	Nil	40 cents	15/12/14
- Class G Options	131,250	Nil	78.79 cents	10/08/15
- Class H Options	78,750	Nil	78.79 cents	10/08/15
- Class I Options	52,500	Nil	78.79 cents	10/08/15
- Class J Options	1,199,676	Nil	1 cent	15/12/14
- Tranche 1 Options	9,759,601	Nil	59.1 cents	31/03/14
- Tranche 2 Options	5,492,357	Nil	59.1 cents	31/03/14
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures (totals only)	Nil			
7.12 Unsecured notes (totals only)	Nil			

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: JPK Marshall Date: 31/01/2014  
(Company Secretary)

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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