

# 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 March 2014</b>
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(2,540) - - (1,084) (961)	(9,001) - - (4,579) (4,061)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	34
1.5 Interest and other costs of finance paid	-	(521)
1.6 Income taxes received/(paid)	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(4,567)</b>	<b>(18,128)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	(200) (67) (35)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	1,109 - -	36,787 2,694 -
1.10 Loans to other entities	-	(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>1,109</b>	<b>35,260</b>
1.13 Total operating and investing cash flows (carried forward)	(3,458)	17,132

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(3,458)	17,132
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc	-	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)
1.18	Dividends paid	-	-
1.19	Other - Share issue expenses	-	(813)
	- Commitment and structuring fees	(114)	(673)
	<b>Net financing cash flows</b>	<b>(114)</b>	<b>167</b>
	<b>Net increase (decrease) in cash held</b>	<b>(3,572)</b>	<b>17,299</b>
1.20	Cash at beginning of quarter/year to date	38,793	18,525
1.21	Exchange rate adjustments to item 1.20	(1,000)	(1,603)
1.22	Cash at end of quarter	34,221	34,221

**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	(90)
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
<div style="border: 1px solid black; padding: 5px;">           1.23 Director remuneration and fees.         </div>	

+ See chapter 19 for defined terms.

## 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 a farm-out agreement with Total E&P UK Limited ("Total") in respect of licences PEDL 139 and PEDL 140 along with other existing licence participants Egdon Resources UK Ltd, Island Gas Ltd and eCorp Oil & Gas Ltd.

Under the terms of the Agreement, the existing licence participants agreed to restructure their arrangements and licence interests to facilitate the entrance of Total to a 40% working interest in the licences. Total paid US\$1.6 million in back costs (of which US\$1 million was paid to Dart) and has acquired a 40% interest in the licences in return for funding a shale work programme of up to US\$46.5 million, subject to certain terms and conditions.

Following Completion, Dart's interest in these licences is 17.5%.

## Financing facilities available

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

- 3.1 Loan facilities
- 3.2 Credit standby arrangements

	Amount available \$A'000	Amount used \$A'000
3.1	-	-
3.2	-	-

Dart has in place a senior secured reserve based lending facility ("Facility") with The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch ("HSBC") to provide development funding for near term development projects. The Facility was structured to provide working capital funding of up to US\$10million and up to a further US\$90 million to fund development of certain projects in Dart'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. In December 2013 the US\$17 million drawn down was repaid in full, such that the Company is currently debt free. Following the repayment of US\$17 million in aggregate, the working capital tranche was fully repaid and cancelled, and the Facility limit for the development finance tranche was reduced from US\$100 million to US\$90 million, and subsequently further reduced to US\$45 million, an amount that will result in lower ongoing commitment fees but which will still enable development of the Airth project at PEDL 133 to be commenced, assuming a successful planning appeal outcome, and subject to HSBC approvals.

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	(5,200)
4.2 Development	-
4.3 Production	-
4.4 Investments	-
4.5 Administration	(1,660)
4.6 Business Development	(1,470)
<b>Total</b>	<b>(8,330)</b>

**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	29,858	32,675
5.2 Deposits at call	4,363	6,118
5.3 Bank overdraft	-	-
5.4 Other - Funds held in a restricted account maintained with HSBC	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>34,221</b>	<b>38,793</b>

+ See chapter 19 for defined terms.

## 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 139	Farm-out to Total E&P UK Limited	CBM - 60% Shale - 16.5%^	CBM & Shale -17.5%
	PEDL 140	Farm-out to Total E&P UK Limited	CBM - 60% Shale - 16.5%^	CBM & Shale -17.5%
	AL010	Relinquishment	100%	0%
	EXL 290	Relinquishment	100%	0%
	PEDL 176	Relinquishment	100%	0%
	PEDL 195	Relinquishment	100%	0%
	PEDL 196	Relinquishment	100%	0%
	PEDL 198	Relinquishment	100%	0%
	PEDL 211	Relinquishment	100%	0%
6.2 Interests in mining tenements acquired or increased	NIL			

^ The Company's interest in the Shale horizons of PEDL 139 and 140 was 60% and would have reduced to 16.5% assuming completion of a previously agreed farm-in, which has subsequently been cancelled and replaced by the farm-in with Total.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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	Nil	Nil		
7.3 +Ordinary securities - fully paid	1,108,752,733	1,108,752,733		
7.4 Changes during quarter - Exercise of unlisted options	501,214	501,214	1 cent	1 cent
7.5 +Convertible debt securities (description)	Nil	Nil		
7.6 Changes during quarter				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
- 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	412,500	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	698,462	Nil	1 cent	15/12/14
- Employee Options	8,000,000	Nil	13 cents	30/06/19
- Employee Options	8,000,000	Nil	14 cents	30/06/20
7.8 Issued during quarter				
- Employee Options	8,000,000	Nil	13 cents	30/06/19
- Employee Options	8,000,000	Nil	14 cents	30/06/20
7.9 Exercised during quarter				
- Class J Options	501,214	Nil	1 cent	15/12/14
7.10 Expired during quarter				
- Class F Options	656,250	Nil	40 cents	15/12/14
- Director and Executive options	12,422,482	Nil	98.625 cents	31/03/14
- 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
7.11 Debentures (totals only)	Nil			
7.12 Unsecured notes (totals only)	Nil			

Note: During the quarter 28,330,690 options on issue were relinquished or expired, without being exercised.

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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: 30/04/2014  
(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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