

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

DART ENERGY LIMITED

ACN or ARBN

122 588 505

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
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	(3,011) - - (1,227) (1,088)	(12,012) - - (5,806) (5,149)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	49
1.5 Interest and other costs of finance paid	-	(521)
1.6 Income taxes received/(paid)	-	-
1.7 Other	-	-
Net Operating Cash Flows	(5,311)	(23,439)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (5)	(200) (67) (40)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	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	- -	- -
Net investing cash flows	(5)	35,255
1.13 Total operating and investing cash flows (carried forward)	(5,316)	11,816

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(5,316)	11,816
	Cash flows related to financing activities		
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	(83)	(756)
	Net financing cash flows	(83)	84
	Net increase (decrease) in cash held	(5,399)	11,900
1.20	Cash at beginning of quarter/year to date	34,221	18,525
1.21	Exchange rate adjustments to item 1.20	(1,142)	(2,745)
1.22	Cash at end of quarter	27,680	27,680

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	(107)
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

Nil

+ 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. 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 HSBC facility limit was reduced from US\$100 million to US\$90 million. Given delays to the Airth project in Scotland, the Company has also agreed with HSBC to reduce the facility limit further to US\$45 million, an amount that will result in lower ongoing commitment fees but which will still enable development of the Airth project to be commenced, assuming a successful planning appeal outcome, and subject to HSBC approvals.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(3,346)
4.2 Development	-
4.3 Production	-
4.4 Investments	-
4.5 Administration	(1,402)
4.6 Business Development	(1,243)
Total	(5,991)

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	24,620	29,858
5.2 Deposits at call	3,060	4,363

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5.3	Bank overdraft	-	-
5.4	Other - Funds held in a restricted account maintained with HSBC	-	-
Total: cash at end of quarter (item 1.22)		27,680	34,221

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 161	Relinquishment	100%	0%
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	Nil	Nil		
7.3 +Ordinary securities - fully paid	1,108,752,733	1,108,752,733		
7.4 Changes during quarter				
7.5 +Convertible debt securities (description)	Nil	Nil		
7.6 Changes during quarter				
7.7 Options (description and conversion factor)			Exercise price	Expiry date
- 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	620,571	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				
7.9 Exercised during quarter				
7.10 Expired during quarter - Class J Options	77,891	Nil	1 cent	15/12/14
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: 30/07/2014

(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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