

Brisbane (Registered Office)

T +61 7 3149 2100 F +61 7 3149 2101
Level 11, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000
GPO Box 3120, Brisbane Qld 4001, Australia

ASX CODE **DTE** ABN 21 122 588 505

Singapore (Head Office)

T +65 6508 9840 F +65 6294 6904
152 Beach Road, #19-01/04 The Gateway East
Singapore 189721

dartenergy.com.au

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Dajing PSC Update – commencement of operations

Dart Energy Limited (ASX:**DTE**) has commenced drilling activities at the Dajing project in Xinjiang Province, China, with the spudding of the first two exploration wells (DJD-02E and DJD-10E). This is part of an initial exploration program which will see a total of up to 14 exploration wells drilled prior to year end, and assuming no program delays, Dart would expect first core drilling results to be available in the first quarter of 2012.

This follows approval in August of the 2011 exploration program and budget by the Dajing Joint Management Committee (**JMC**). The JMC is comprised of representatives of both Dart and its partner at Dajing, China National Petroleum Corporation (**CNPC**).

In addition to the spudding of the first wells, the following other activities have been completed at the Dajing project:

- 4 drilling rigs have been mobilised to site
- 3 on-site desorption units and 2 permeability testing units have been mobilised to site
- 3 work camps established on-site
- Site and road construction for 2 other exploration wells has been completed (DJD-O1E; DJD-O4E), with those wells expected to be spud within the next week



Drill rig on DJD-02E



Prepared well site, DJD-O1E



Nick Davies, Dart Executive Chairman, said: "We are now operationally underway at Dajing, which is a major milestone for Dart. Dajing has the potential to be a project of substantial scale within the Dart global portfolio, and our attention is completely focussed on executing the exploration drilling campaign diligently, quickly and safely. Dart Energy looks forward to working collaboratively with our partner, CNPC, to unlock the potential of this block".

ENDS

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

For further information contact:

Mr Nick Davies	Executive Chairman
Mr Nathan Rayner	Chief Operating Officer
Mr Eytan Uliel	Chief Commercial Officer

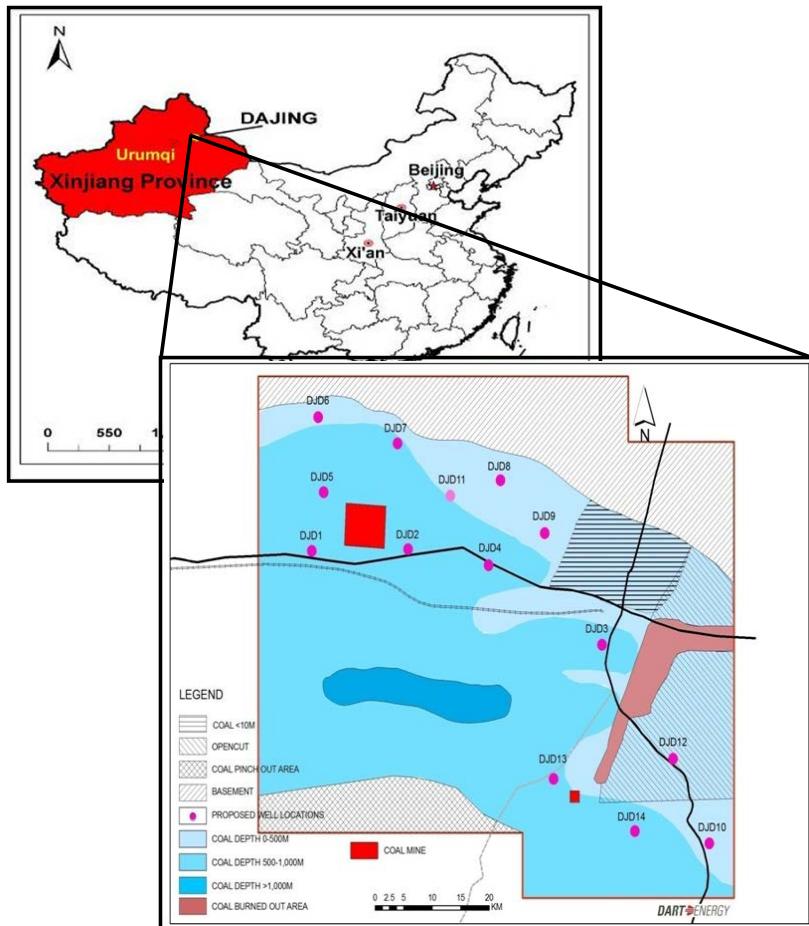
Tel: +65 6508 9840

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Media Inquiries to
Ian Howarth
Collins Street Media
0407 82 319

DAJING: PLANNED EXPLORATION DRILLING MAP



Dajing Background

The Dajing block is in China's Xinjiang province. It is one of China's leading gas producing regions with approximately 34 percent of national gas reserves.

The Dajing block currently has 6.59 Tcf of gross Original Gas In Place (OGIP) and 3.48 Tcf of gross prospective resource, as certified by Netherland, Sewell & Associates Inc. The block covers an area of 3,969km² and is supported by strong infrastructure, including the west-east pipeline owned and operated by CNPC, Dart's partner at Dajing (150km south of Dajing block).

On 3 November 2010 CNPC and Dart Energy signed a 30 year Production Sharing Contract (PSC) in relation to exploring the Dajing block, giving Dart Energy a 49% interest and operatorship of the block.

The first year's work program involves the drilling of 14 exploration wells.

CNPC is China's largest oil and gas producer and supplier, as well as one of the world's major oilfield service providers and a globally reputed contractor in engineering construction. Please refer to their website cnpc.com.cn/en/ for more information.

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