DART ENERGY

The First Global Coal Bed Methane Company

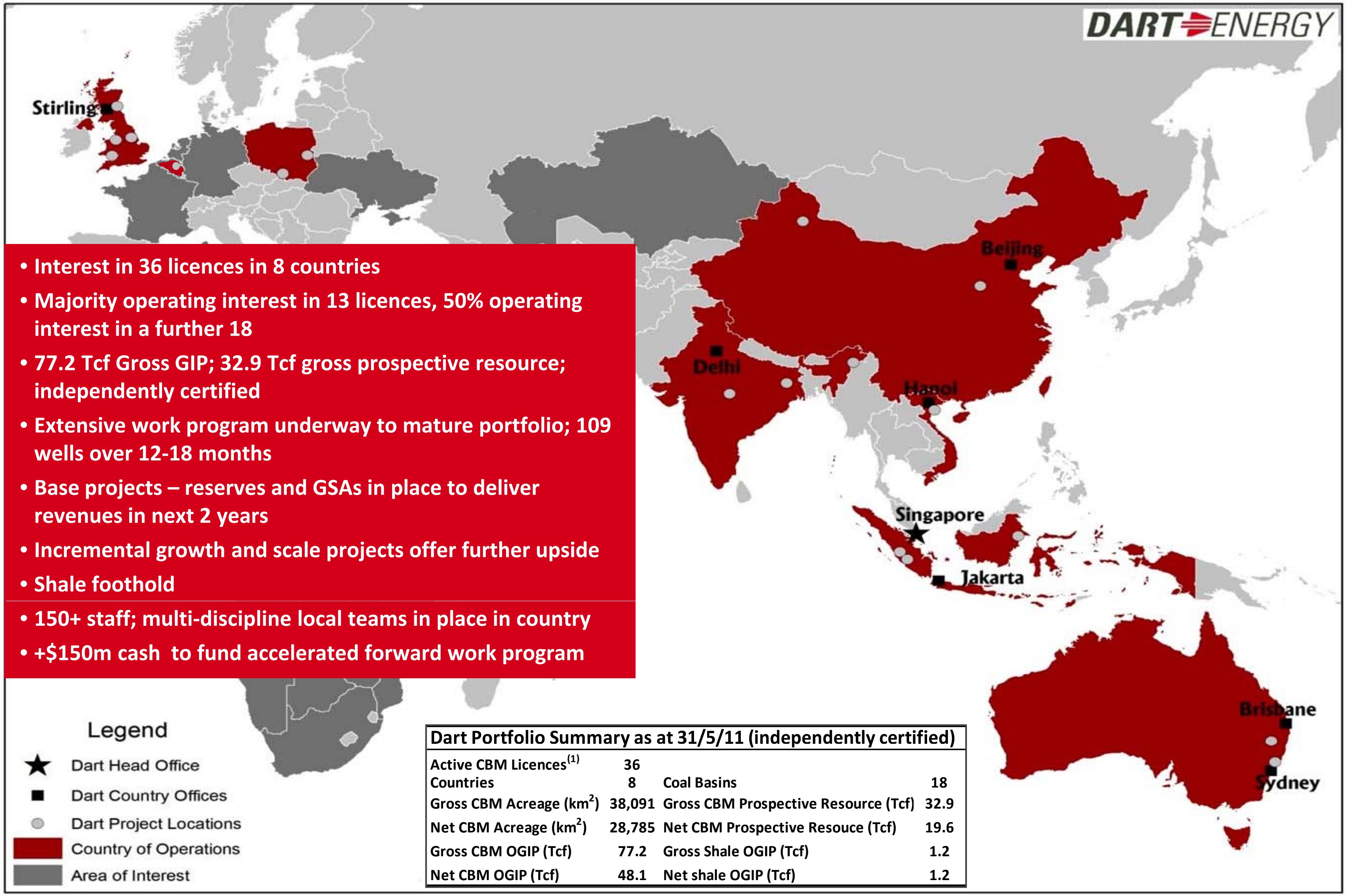
Investor update
Australia, August 2011

ASX: DTE:AX

www.dartenergy.com.au

SINGAPORE I BRISBANE I SYDNEY I BEIJING I NEW DELHI I JAKARTA I HANOI I STIRLING

Dart Energy – the leading global coal bed methane company



- Interest in 36 licences in 8 countries
- Majority operating interest in 13 licences, 50% operating interest in a further 18
- 77.2 Tcf Gross GIP; 32.9 Tcf gross prospective resource; independently certified
- Extensive work program underway to mature portfolio; 109 wells over 12-18 months
- Base projects – reserves and GSAs in place to deliver revenues in next 2 years
- Incremental growth and scale projects offer further upside
- Shale foothold
- 150+ staff; multi-discipline local teams in place in country
- +$150m cash to fund accelerated forward work program

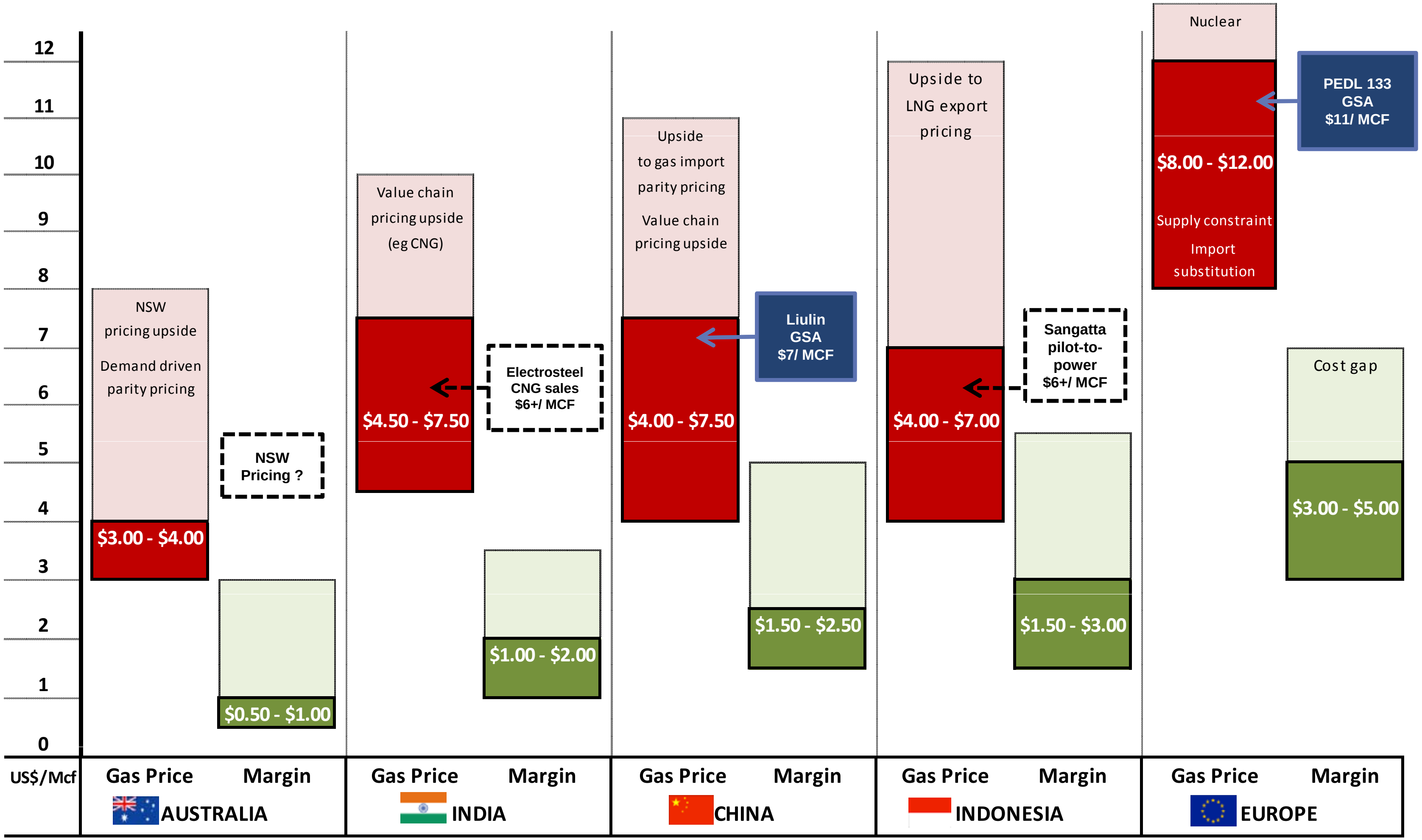
Dart Portfolio Summary as at 31/5/11 (independently certified)

Active CBM Licences[1]	36		
Countries	8	Coal Basins	18
Gross CBM Acreage (km^2)	38,091	Gross CBM Prospective Resource (Tcf)	32.9
Net CBM Acreage (km^2)	28,785	Net CBM Prospective Resouce (Tcf)	19.6
Gross CBM OGIP (Tcf)	77.2	Gross Shale OGIP (Tcf)	1.2
Net CBM OGIP (Tcf)	48.1	Net shale OGIP (Tcf)	1.2

1. Does not include 2 geothermal licences in Australia, and 2 licences in India and 1 licence in Poland for which relinquishment requests have been submitted

Value growth fundamentals

Focus on near-term monetisation and margin capture based on .....



Margin reflects Dart estimate of range of available margin to contractor net of opex, capex, and Government take (taxes, royalties); does not reflect impact of PSC economics

.... proximity to high demand growth markets; reduced operating cost; enhanced pricing

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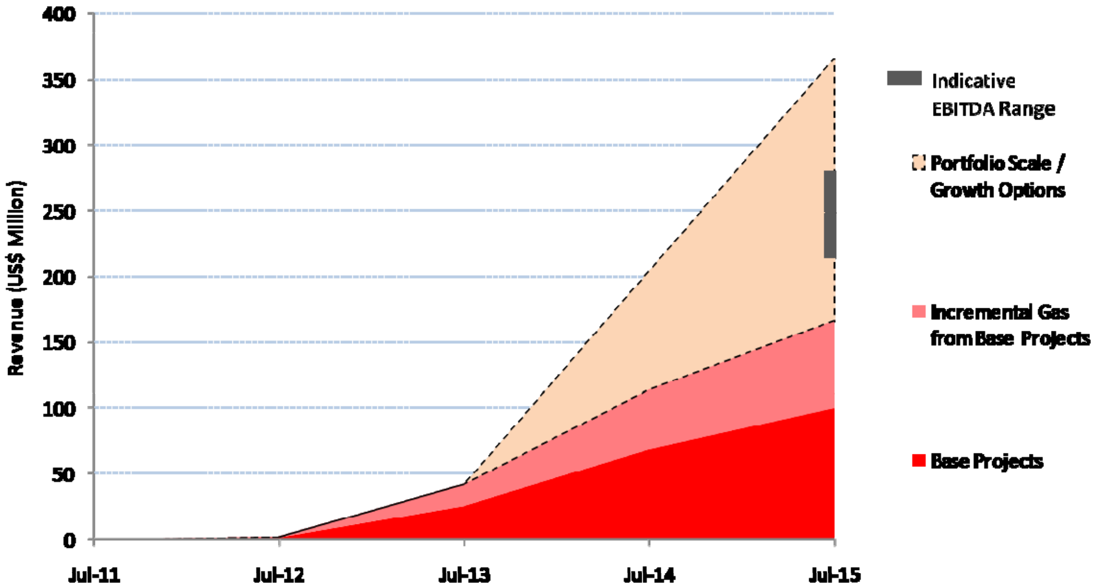
Clear path to income growth

Dart's focus on rapid monetisation at "pace" projects …..

- Dart Energy's portfolio includes "pace" projects offering a clear path to near-term production and revenues / cash-flows
  - Reserves declarations and GSAs in place at Liulin and PEDL 133; easily replicable
  - Expecting reserves and GSAs for Sangatta West, Electrosteel, PEL458 in next two years
  - Each has near-term base case capacity to produce 5-10 BCF pa, for 5-7 years
  - On track for early-stage development and gas sales during 2012 / 2013, providing a 'base level' of production and cash
  - Up to c. 11 BCF pa already subject to GSAs

Country	Appraisal Period	First Gas Sales
UK	Q4 11- Q4 12	April 2013
China	2011 – Q1 12	July 2012
Indonesia	Q3 11 - Q1 12	2012
India	Q4 11 - Q1 12	2012
Australia	H1 2012	2013

Projected Dart Portfolio Revenue Build-Up



- Incremental growth in base projects and additional "pace" options of similar size offer the capacity to increase the 'base level' by 2015
- "Scale" projects across the portfolio offer significant growth upside beyond this in terms of production and revenues and underpin 2015 targets

…. provides near-term production and cashflow, with scale upside beyond

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Third party value validation

Recent catalysts point to the value in Dart's global portfolio …..

1 Transaction Comparables

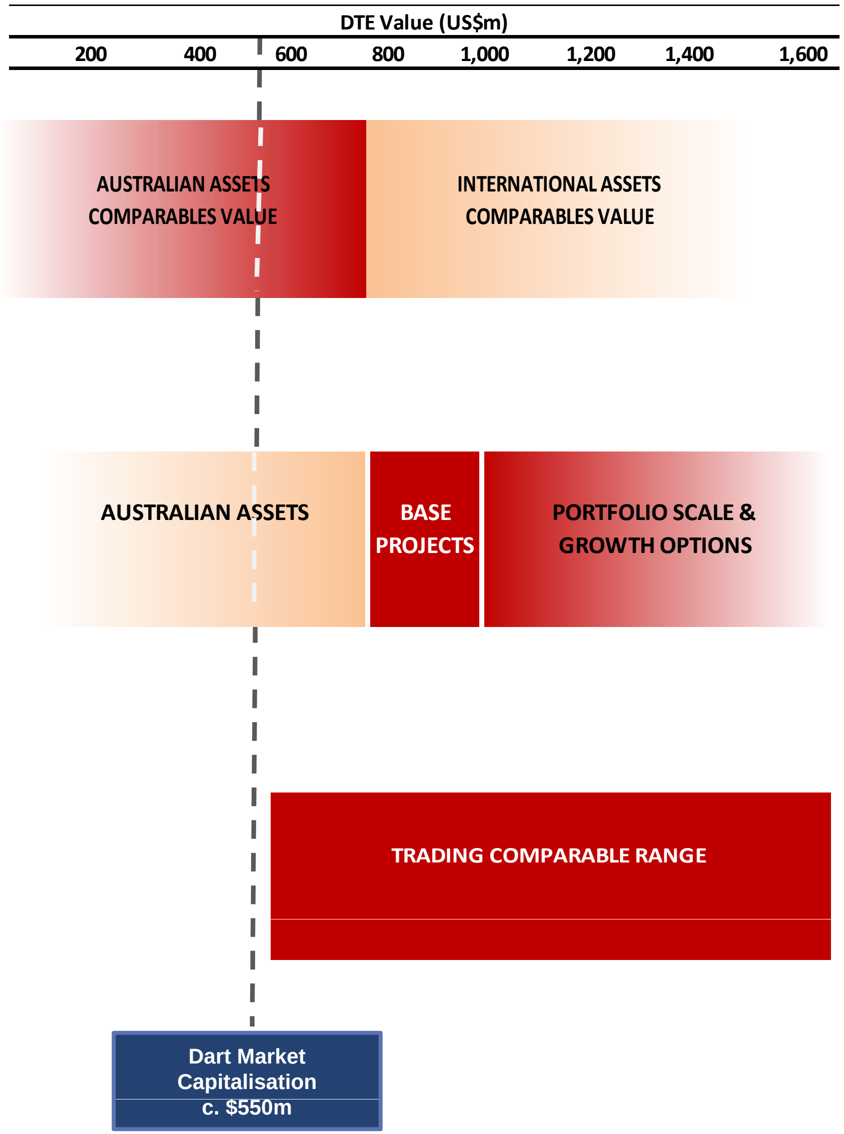
- **Catalyst: Santos bid for ESG in NSW**
- *"This [Santos-ESG] deal highlights the value potential in DTE's NSW projects. If [Dart] can prove up its [Australian] 3P reserves [the NSW assets] would be worth $765m at same metrics"* (Di Brookman, CLSA, 19/7/11)

2 DCF

- **Catalyst: PEDL 133 reserves declaration and GSA**
- Broker SOTP risked DCF valuation range $900m - $1.1bn
- Dart trades at 0.45x consensus risked NAV; Dart trades at 90% discount to un-risked NAV
- DCF value potential of initial PEDL 133 GSA supports c. 30% of Dart's current market value

3 Trading Comparables

- Comparable valuations based on trading multiple of listed CSG peers across Australia, China, Asia, Europe
- Based on EV / GIP and SOTP analysis
- Asian and European peers trade at higher multiples than Australian peers; approximately 80% of Dart's business is ex-Australia

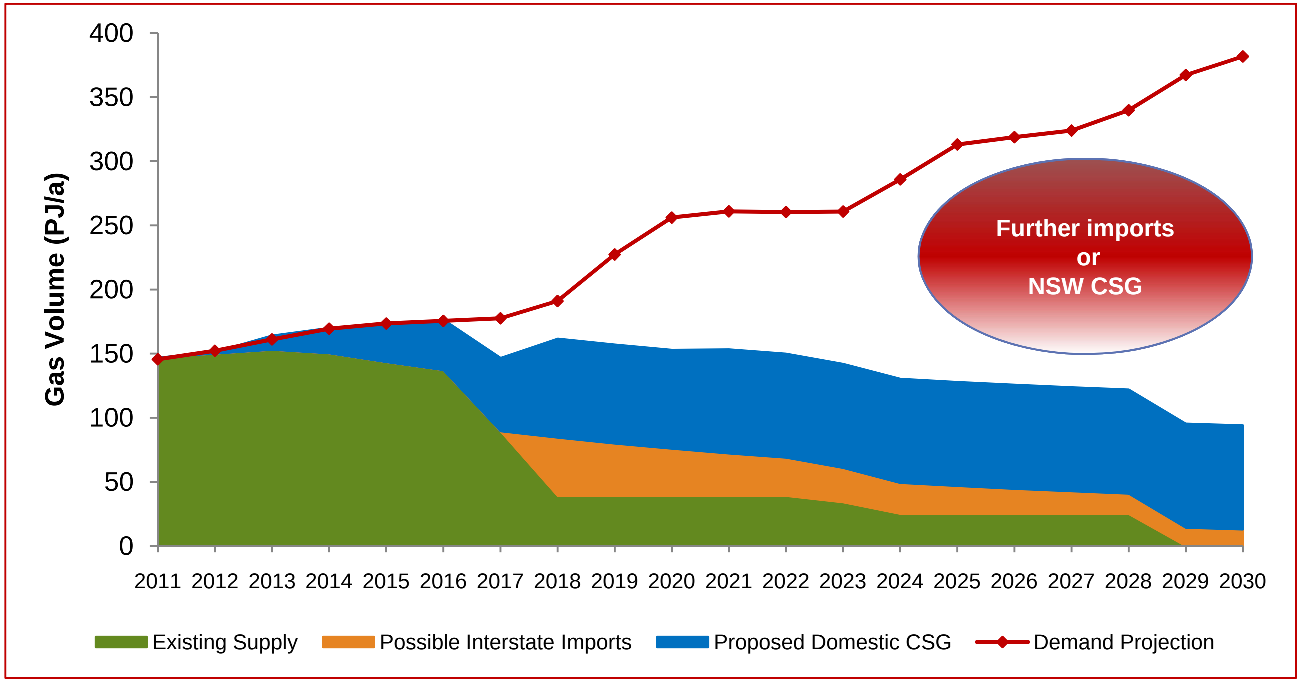


….. and highlight extent to which Dart Energy is undervalued

NSW Update

Inevitable energy dilemma in NSW

An emerging gap between gas supply and demand growth in NSW.....



"Steady demand growth and depletion of historical conventional production is leading to a shortage [in Eastern Australia] evident after 2014, with CSG and other unconventional gas required to meet the gap." (Morgan Stanley Equity Research, 11 July 2011)

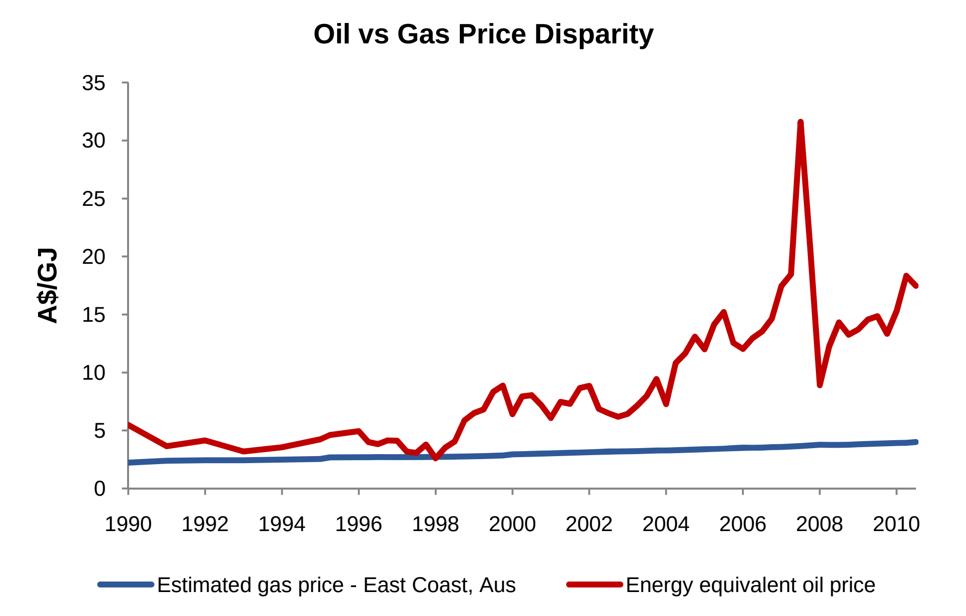
Sources: Demand - AEMO 2010 Electricity Statement of Opportunities (Slow Rate of Change Scenario), Supply - publicly available information on existing contracted gas supply arrangements and likely future production, Dart Energy estimates

- Even after including current proposed CSG development activity (AGL and Santos/Eastern Star), further gas supply is immediately required to adequately meet energy demands
- Infrastructure connectivity means existing sources of imported gas face increasing opportunities in other local markets and export opportunities and will inevitably become more expensive
- To develop self-sufficiency, pricing protection, greener energy mix and wealth, NSW has an opportunity to develop a substantial gas (CSG) industry to mitigate the risk of higher / more volatile energy prices and increasing reliance on imported gas and electricity

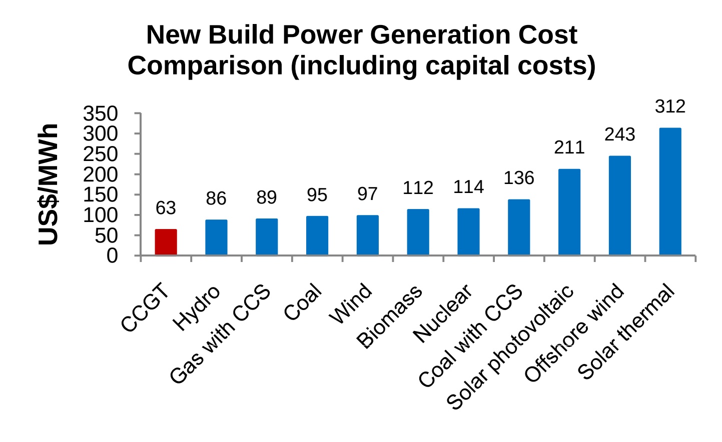
..... is unlikely to be addressed by current known development

Attractive price dynamics

Market dynamics will drive increased prices …..

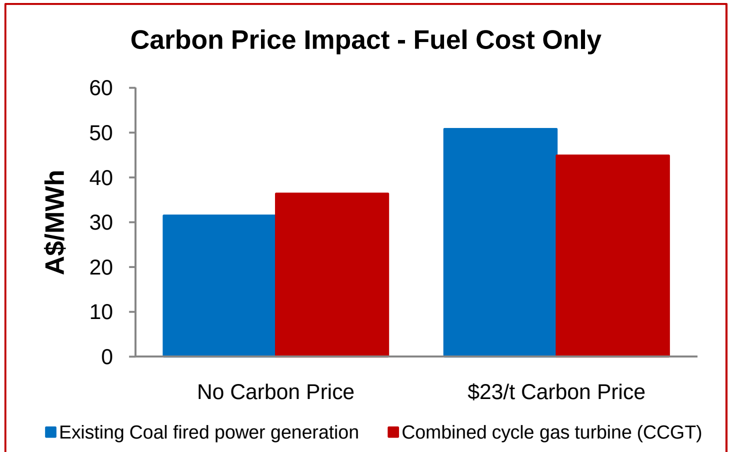


Sources: Energy equivalent oil price - U.S. Energy Information Administration, World Crude Oil Prices (Total World), Estimated historical gas price - Dart Energy estimates



Source: US Energy Information Administration, Annual Energy Outlook 2011

- Rising demand and growing gap between gas price and equivalent oil price will create upward pricing pressure
- Gas generation is a cheap and greener form of new energy
- Carbon tax will further enhance the market dynamics for gas



Source: Electric Power Research Institute, $100/t coal, $5/GJ gas

….. and offer improved margin retention opportunity for CBM producers

A strategic NSW asset base

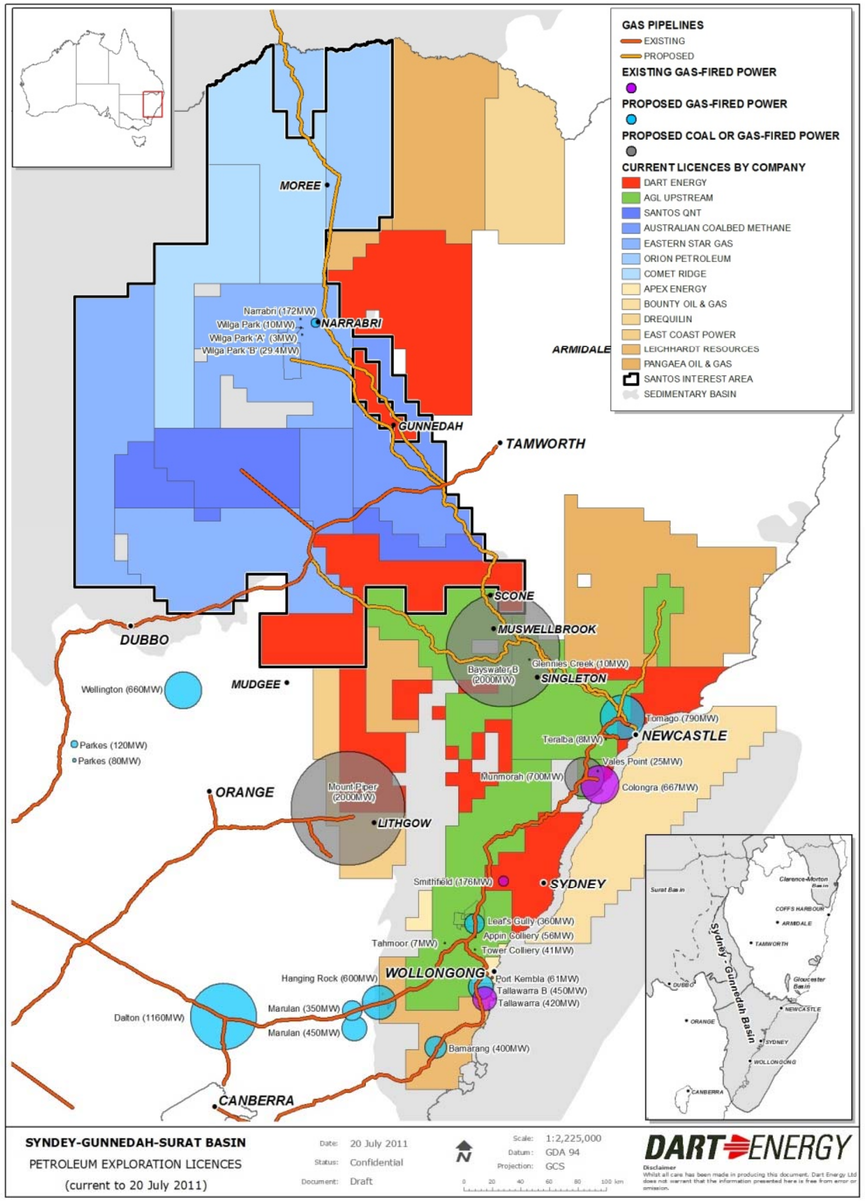
Dart's licences in NSW

- **Large Resource**

Category	BCF
Net OGIP	32.4
Prospective	12.3
3C	1.9
2C	0.6

- **Markets and infrastructure**
  - Population – Newcastle, Sydney
  - Pipelines – Newcastle/Sydney, Central Ranges, Queensland Hunter Pipeline (proposed)
  - Power stations – Dart developed or third party
- **Margin**
  - Low cost operating model
  - Transportation cost advantage over imports and other domestic supplies
- **Commercialisation, downstream integration, consolidation**
  - Small and mid scale power generation
  - Newcastle industrial demand
  - Coal mine methane opportunities
  - Retailers to resolve uncontracted future gas demand growth (Origin, AGL, TRU)
  - Gunnedah Basin consolidation (STO/ESG)
  - Demand growth from QLD to underpin LNG
  - Export opportunities, boutique LNG

Recent M&A activity in the Gunnedah Basin (STO/ESG) confirms the significant value in Dart's NSW acreage



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Community engagement

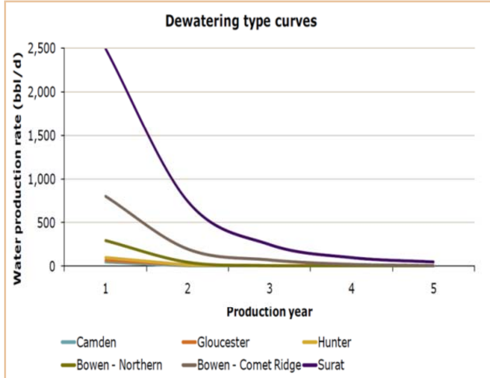
Dart's activities in NSW are conducted in a responsible, sustainable manner

Dart Energy Position Statements

- **Engagement :** Committed to being transparent in our operations and to share information openly.
- **Sustainable Development:** Committed to ensuring that CSG activities can co-exist with other uses of land and local community activities.
- **BTEX:** We do not use BTEX in our operations.
- **Fraccing:** No current need or intention. We will NOT use fraccing unless:
  - *Deemed acceptable and approved by the authorities; and,*
  - *There has been adequate community dialogue*
- **Protection:** Our wells are double cased with steel and cement to ensure aquifers are fully protected.
- **Energy Mix:** Dart Energy believes that CSG can and should form a part of a self-sufficient, long-term low-carbon intensity energy mix for NSW.

CBM Facts

- Gas is cleaner and greener than coal as a source of energy
- Coal seam gas has been used in Australia for many years and it already supplies more than 90% of Queensland's gas
- Of the gas used in NSW, more than 90% comes from outside of NSW, despite NSW having a large, domestic CBM resource that could meet the state's growing need for gas
- CBM exploration activity can be conducted responsibly with minimal environmental impact
- CBM activity can co-exist with other land uses
- The CBM industry is subject to rigorous monitoring and regulatory standards
- Agricultural & municipal aquifers are shallow (<150m), CBM targets deeper (600-900m) - deep groundwater is disconnected from shallow aquifers



NSW operational priorities

Newcastle: Pilot drilling by year end, rapid maturation potential

<u>PEL458</u>

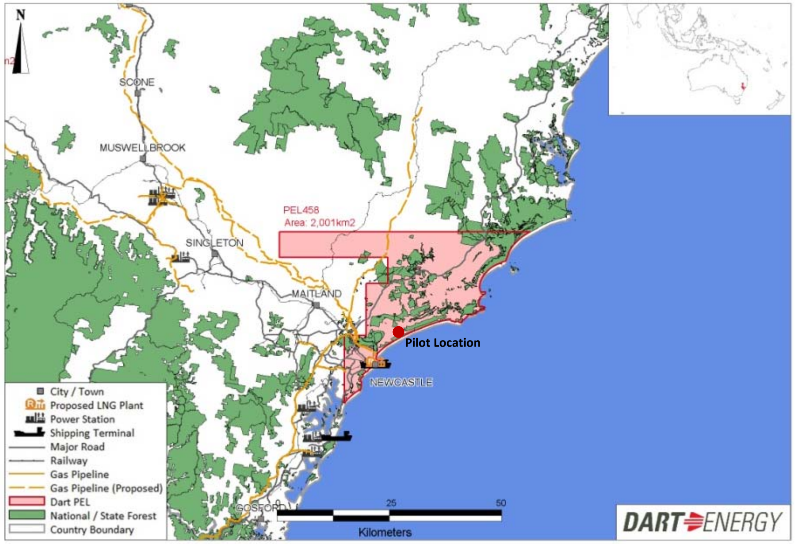
Priority drivers

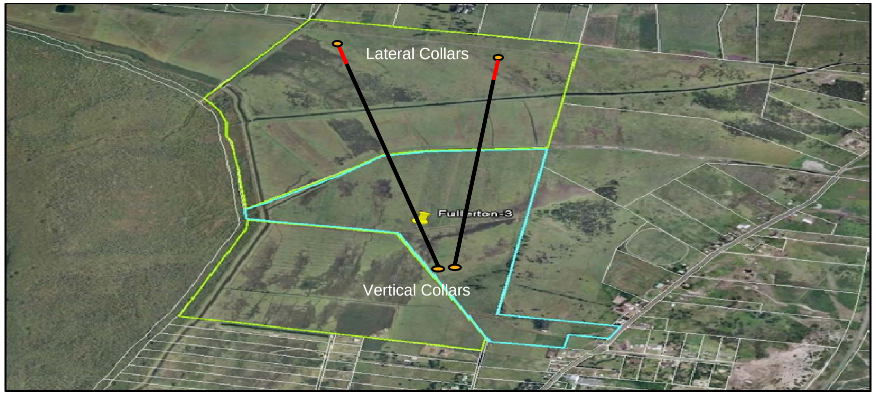
- 1.3 Tcf of GIP, 100% owned
- 2C Resources of 542 BCF with additional rapid maturation potential
- Near term commercialisation options
- Proximity to infrastructure and markets
- Low cost access to advantaged pricing, enhanced margin

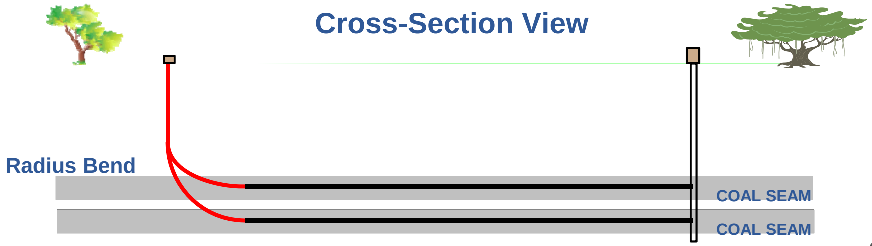
Operational status

- Four core wells have been drilled in the block confirming potential
- Two well pilot expected to begin drilling by year end
- Well design final – two SIS wells accessing multiple coal seams
- No fraccing
- Environmental studies being completed
- Access agreements in place and strong local council support

Newcastle is Dart's most mature licence in NSW with pilot wells planned by year end.







NSW operational priorities

Upper Hunter Valley: Pilot drilling in early 2012, large strategic resource

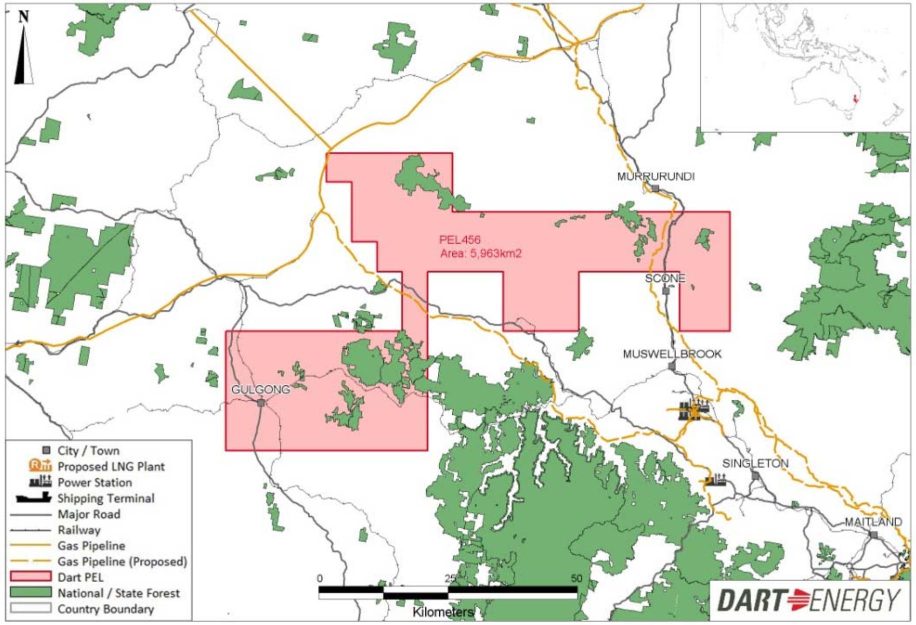
PEL456

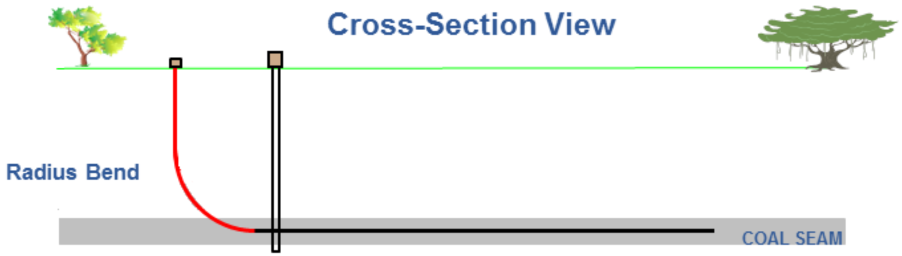
Priority drivers

- 30.2 Tcf of GIP, (Current Dart share 85%; Santos 15% - farming in to up to 50%)
- 3C Resources of 939 BCF already identified with significant further maturation opportunities
- Located adjacent to combined Santos/ESG acreage
- Proximate to proposed QLD Hunter pipeline route
- Basin is increasing in strategic significance as the scale and maturity of the region develops

Operational status

- Seven exploration wells have been drilled to date confirming the resource potential
- Licence partners intend to drill pilot well early in 2012, approvals permitting
- No fraccing
- Pilot design, environmental studies, community engagement, approvals and access agreements in progress





PEL456 will be part of a significant CBM region. The licence is part of Santos' Gunnedah Basin consolidation play.

NSW operational priorities

Western Hunter Valley: Exploration drilling next 3 months, path to market

PEL460

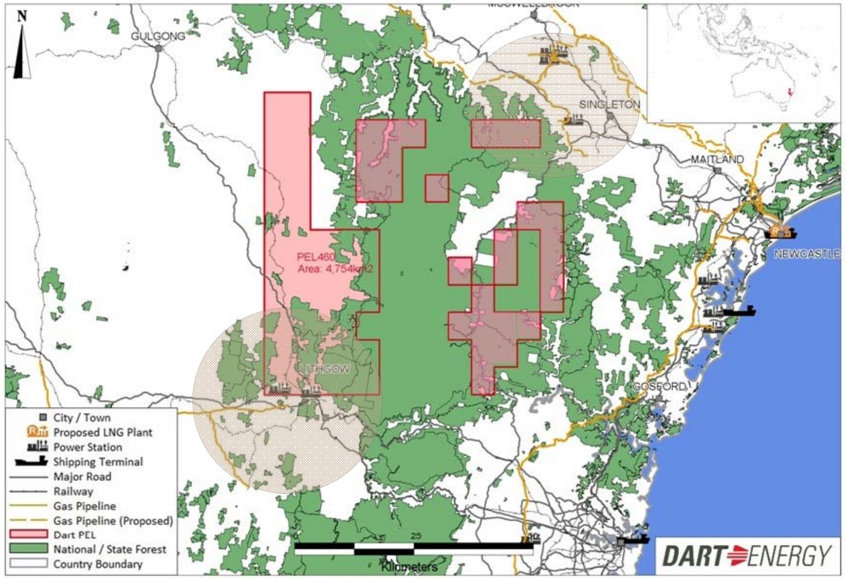
Priority drivers

- 1.1 Tcf of GIP, (Dart share 100%)
- Southern boundary proximate to pipelines such that path to market may be faster then the rest of the basin

Operational status

- Two exploration wells planned to commence within three months
- Wells will target coals within the depth range 600 to 1,000m and are expected to intersect up to 20m of high gas content coal
- Local area consultation has been undertaken and full approval / land access agreement in place for first well

A possible expansion of the developing Gunnedah Basin, and closer to Sydney.

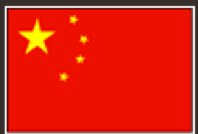


Picture: Daandine Power Station, Queensland

International Update

2011 – 2012 work program

China program summary



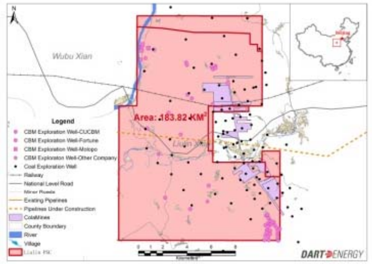
China Work Program

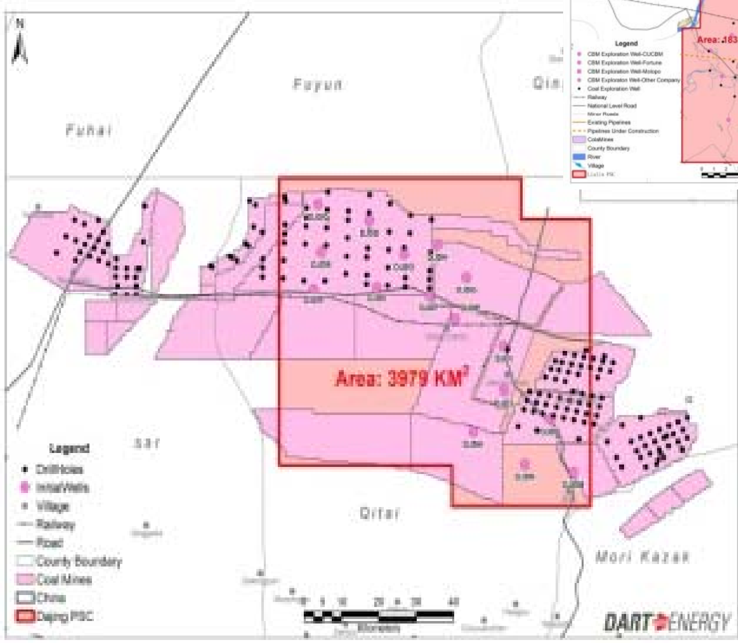
Liulin

- **Exploration:** Geological and reservoir modeling being conducted.
- **Pilot:** 2011 work program includes 3 vertical and 5 multilateral well. Program is on track and 3 rigs are currently operating in the field.
- **Development:** Final design and costing for the infield gathering system has been completed and the project is moving to the contracting and construction phase. Overall field development plan is being studied and will be submitted in H1 2012.
- **Reserves:** Existing independent reserves certification of gross 85 BCF of 3P and further 242 BCF of 2C resource.
- **Sales:** Existing gas sales agreement in place for 3 BCF per annum at ~$7/Mscf. Sales to start in mid 2012.

Dajing

- **Exploration:** Final approvals for drilling contracts expected mid August. Subsequent drilling of up to 14 wells to begin early August using 4 rigs.
- **Pilot:** The exploration core well design caters for the conversion to pilot production well at minimal additional cost. This will allow pilot testing to begin early in 2012.





2011 – 2012 work program

South Asia program summary

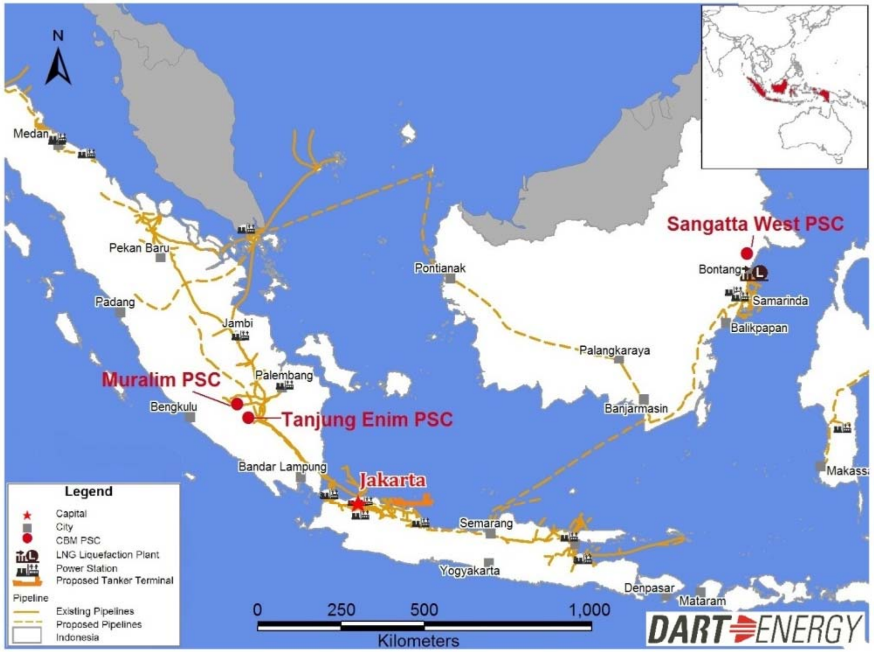
South Asia Work Program

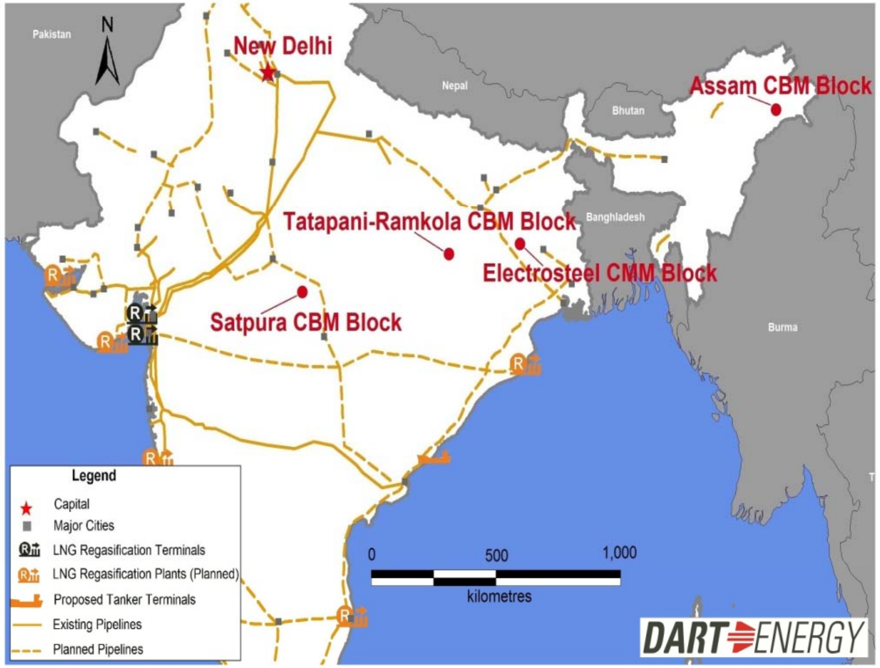
Indonesia

- **Exploration:** Second of three wells being drilled at Tanjung Enim; Further seven planned across all three Indonesian permits
- **Pilot:** Four pilot wells drilled at Sangatta West with good early production results; Additional pilot planned for Tanjung Enim in H2 2011
- **Development:** Basis of design and early development planning work begun for pilot to power projects at Sangatta West and Tanjung Enim
- **Reserves:** Evaluation process planned for Sangatta West in Q4 2011
- **Sales:** Negotiations progress with local power company to allow electricity sales in H1 2012

India

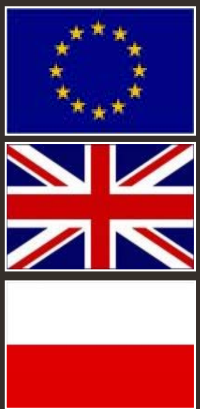
- **Exploration:** Drilling underway on the second of two core holes in Electrosteel block. Additional core wells scheduled for Assam and Satpura in Q4 2011
- **Pilot:** Up to six pilot wells planned for Electrosteel block.
- **Development:** Planning for early tie in of pilot production wells for CNG sale is underway
- **Reserves:** Following the pilot results reserves assessment is likely late 2011 or early 2012
- **Sales:** Currently negotiations are in progress with existing CNG operator with capacity within 2km of all the planned pilot well locations





2011 – 2012 work program

Europe program summary



Europe Work Program

PEDL133

- **Exploration:** Two additional core wells scheduled to begin Q4 2011
- **Pilot:** New pilot production well to be drilled in September
- **Development:** Field development planning and engineering work underway to allow the connection of PEDL133 to the local gas network
- **Reserves:** Certification of 43 BCF 2P and 81 BCF 3P announced in June 2011
- **Gas Sales:** Sales gas contract signed for up to 9 BCF per annum with SSE Energy Supply Ltd; pricing based on prevailing European gas prices (currently c. US$11 / MCF)
- **Funding:** Project financing facility under discussion

Europe

Poland:

- USCB: Drilling of pilot well Q4 2011
- Milejow: Seismic program underway

Belgium:

- LRM: Licence acquired and looking additional potential

Shale:

- Significant shale potential estimated by NSAI in PEDL133 and Milejow. Additional evaluation underway

Takeaways

2011 – 2012 work program well underway

Portfolio-wide exploration, appraisal and early development program…..

Region	Key items	Exploration & Access	Appraisal & Pilots	Development	Total
Australia **12 wells**	• Portfolio exploration drill-out • PEL 458 pilot • Commercialisation options • Additional pilots – PELs 461, 463 • Resource / reserves maturation • Consolidation options	**8.7**	**11.6**	**-**	**20.3**
China **27 wells**	• Liulin equity increase to fund pilots, development, ODP, further GSA • Dajing coring, pilots, commercialisation options • Resource / reserves maturation	**9.9**	**15.0**	**5.5**	**30.4**
South Asia **63 wells**	• Sangatta West / Tanjung Enim - pilots, development for early gas sales • Muralim coring • Electrosteel pilots, development for early gas sales • Upper Assam / Satpura coring • New licences / CMM • TR block / Vietnam decisions • Resource / reserves maturation	**17.1**	**14.4**	**0.6**	**32.1**
Europe **7 wells**	• PEDL 133 work-over, pilot, development for early gas sales • USCB pilot and development studies • UK 13th round licence appraisals; shale appraisal • 14th round; new European licences • Resource / reserves maturation • Consolidation options	**2.4**	**14.7**	**4.5**	**21.6**
Total		**38.1**	**55.7**	**10.6**	**104.4**

Committed expenditure

Incremental expenditures funded by capital raising proceeds

All figures stated in A$m

…. with expenditure balanced across portfolio by activity and region

DART ENERGY

Takeaways

- Dart Energy is well placed to become a significant CBM / unconventional gas business
  - Significant resource base - 48 TCF GIP; 20 TCF prospective (all net); ongoing process of resource maturation
  - Well capitalised – US$150m of available cash; other funding sources
  - Experience and skills – in-country multi-disciplinary expertise, supplemented by expatriates, networks, technology and skills transfer
  - Sound strategy - Risk mitigated, portfolio approach to enhanced margin capture

- Dart Energy is in an execution phase – an extensive 109 exploration & appraisal program during 2011-2012 is underway across Dart Energy's global portfolio
  - Includes NSW exploration / appraisal program which is recommencing following expiry of the moratorium; drilling planned on 3 priority licences by year end, with focus on rapid commercialisation thereafter
  - Dart will conduct business professionally, in an open and transparent manner and in compliance with all regulations

- "Base projects" on track for near-term cash generation from five countries of operation
  - Reserves declarations, early-stage developments and GSAs to provide a meaningful 'base level' of production and cash during 2012 / 2013
  - Incremental growth in base projects and scale options in Dart Energy's existing portfolio provide upside beyond that and underpins longer term forecasts

- Recent events (PEDL 133 GSA, Santos bid for ESG) provide third party validation for the extent to which Dart Energy is undervalued by the market, on multiple metrics

- Multiple value triggers in next 6 – 12 months:
  - Base projects: Pilots (PEDL 133, PEL 458); Reserves maturation (Liulin, Sangatta West, Electrosteel) ; early development (Liulin, PEDL 133, Sangatta West); additional sales agreements; first cashflows
  - Scale/Growth: Dajing exploration and initial results; India, Indonesia and Poland scale projects commence exploration; Santos drilling on PEL 456, shale evaluation and program definition

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Important Notices

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This Presentation contains certain "forward-looking statements" with respect to the financial condition, results of operations and business of Dart and certain plans and objectives of the management of Dart. The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Forward-looking statements, opinions and estimates provided in this Presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of Dart. Similarly are statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Such statements may cause the actual results or performance of Dart to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this Presentation. Dart disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Reserves and resource estimates

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

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