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Agreement with Clarke Energy for gas fired power generation projects in New South Wales

Dart Energy Limited (**Dart Energy**) (ASX:DTE) has entered into an agreement with Clarke Energy (Australia) Pty Ltd (**Clarke Energy**) under which Clarke Energy will provide services to Dart Energy that deliver economic and schedule benefits resulting in early first power and hence monetisation with respect to the development of small to mid-scale gas fired power generation projects in NSW.

Dart Energy has appointed Clarke Energy as its exclusive contractor for the design, supply, installation, commissioning and operations and maintenance services; of small to mid-scale gas-fired power generation projects in NSW that would source gas from Dart Energy's NSW licence portfolio. Clarke Energy will also assist with the identification of project opportunities and feasibility studies.

Dart Energy holds seven CBM licences in NSW, covering over 23,000 km² and with an independently certified prospective gas resource of approximately 19 TCF. Dart Energy's corporate strategy is on delivering accelerated monetisation options for its gas resources across its international portfolio.

In NSW, this strategy is driving the active evaluation of smaller-scale power generation projects on sites that sit on, or are proximate to, Dart Energy tenements. Successful development of smaller-scale power generation projects will enable faster commercialisation of the resource – including ramp-up gas. Dart Energy expects that the ability to successfully deliver smaller-scale power generation projects will enable the company to benefit sooner from the significant need for increased gas-fired power generation capacity expected in NSW over the coming years, and the expected enhanced gas pricing and retained margin opportunities provided in this expanding NSW gas market. Dart Energy is targeting first gas sales and initial cashflows in NSW by end 2013.

Clarke Energy is a leader in the Australian small to mid-size gas fired power stations market and designs, supplies, commissions, operates and maintains power plants using GE Jenbacher gas generator sets. Previously, Clarke Energy and Arrow Energy had collaborated successfully on the co-development of the first coal seam gas-fired power project at Daandine in Queensland. The collaboration between Clarke Energy and Dart Energy thus draws on a unique combined capability and track record in identifying and then delivering integrated gas to power projects quickly, efficiently and safely.

The agreement between Dart Energy and Clarke Energy is for an initial term of three years.

In the near-term, Dart Energy and Clarke Energy will be focussing their combined efforts on two specific types of projects:

1. Small (1 – 8 MW), highly efficient, reliable, environmentally friendly co-and tri-gen integrated gas to power solutions for industrial and other customers. Such projects are of most relevance to Dart Energy's PELs 458 and 463; and
2. Integrated, mid-scale grid-connected (up to approximately 30 MW) gas to power solutions. Such projects are of most relevance to Dart Energy's PELs 458, 456 and 460.

Dart Energy's CEO Australia, Mr Robbert de Weijer said:

"This agreement re-enforces Dart's commitment to supply cleaner and more cost effective energy solutions for NSW, using locally sourced gas. The strong relationship with Clarke Energy, which dates back to the co-development of the first coal seam gas fired power project at Daandine when Dart was part of Arrow Energy, will provide an excellent platform to deliver small to mid scale integrated gas to power solutions to a large number of customers, on an accelerated timeline."

Dart Energy's CEO Simon Potter commented: "One of the benefits of this agreement with Clarke Energy is that it can easily be expanded to other countries in which we operate since Clarke Energy has a very similar global footprint to ours. These synergies will potentially provide cost and other efficiencies across the Dart portfolio, and we look forward to working closely with Clarke Energy on an expanded basis".

ENDS

For and on behalf of the Dart Energy Board

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