

10 September 2014

Chairman's Address to IGas Acquisition Scheme Meeting

Please find attached a copy of the Chairman's address to the Dart Energy Ltd Scheme Meeting being held this morning.

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

Ladies and Gentlemen

The purpose of today's meeting is to consider and, if thought fit, pass the Scheme Resolution referred to in the notice of Scheme Meeting contained in annexure F of the Scheme Booklet. The Scheme Resolution is set out in full on the screen in front of you.

The approval of the Scheme Resolution today is a condition to the Scheme. Accordingly, if the Scheme Resolution is not approved by the requisite majorities, the Scheme will not proceed.

Before I move on to the formal part of today's meeting, I would like to take this opportunity to address you, Dart's shareholders, in relation to the proposed Scheme and to provide you with an overview of the Scheme and why the Dart Board believes it is in the best interests of Dart Shareholders.

Background

If implemented, the Scheme will result in IGas acquiring all of your Dart Shares and issuing to you 0.08117 New IGas Shares for every Dart Share held.

Dart will become a wholly-owned subsidiary of IGas and will subsequently be delisted from the ASX. IGas shares issued to shareholders as consideration for the proposed Scheme will be admitted to the AIM market of the London Stock Exchange.

The combination of IGas with Dart is anticipated to create a market leading onshore British oil and gas company, which will provide Dart Shareholders with exposure to a portfolio holding the largest area in Britain under licence of over one million net acres, including a presence in each of Britain's major shale basins. The combined entity provides significant potential benefits from enhanced scale, access to capital and operational capabilities.

Recommendation

The Dart Board continues to recommend that you vote in favour of the Scheme Resolution, in the absence of a superior proposal. Given no superior proposal has been received, each Dart Director intends to vote the Dart shares they hold or control in favour of the Scheme Resolution today.

In making this recommendation, the Dart Directors have taken into account the factors outlined in the Scheme Booklet and Supplementary Materials, and in particular would like to highlight the following:

1. The Scheme Consideration continues to represent a significant premium to the trading price of Dart shares prior to the announcement of the proposed Scheme. The current implied value of the Scheme Consideration, based on the volume weighted average price of IGas shares in the 30 trading days up to and including Monday 8 September 2014 (A\$0.152), is a premium of 13% over the closing price of Dart shares on 8 May 2014, the day before the proposed Scheme was announced; 32% over the average closing price of Dart shares over the month up to and including 8 May 2014; and 29% over the average closing price of Dart shares over the three months up to and including 8 May 2014.
2. The combined group will have increased financial strength, complemented by the underlying core cash flows from IGas' current production, cash balances and unused debt capacity, and a work programme for 13 licences funded by GDF and two funded by Total.
3. The Dart Directors believe the Scheme provides the best value available to Dart Shareholders at the current time. The announcement of the Scheme followed considerable

negotiations between Dart and IGas as to price and terms. No superior proposal has been received by the Dart Board since the announcement of the Scheme, and there has been a significant period of time and ample opportunity for an alternative proposal to emerge.

4. Major shareholders of Dart, holding voting rights over a total of 337,662,293 Dart shares, representing 30.45% of the total voting rights of Dart (made up of 16.34% held by a subsidiary of New Hope Corporation Limited and 14.11% held by Grace Greenpark Limited and Electra Private Equity Partners) indicated their intention to support the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Dart Shareholders. I can confirm that each of these shareholders have submitted a proxy form directing that their proxy vote in favour of the Scheme Resolution.
5. The Independent Expert has continued to conclude that the Scheme remains in the best interests of Dart Shareholders. In the Supplementary Letter dated 25 August 2014, the Independent Expert concluded that, in light of changes to the implied value of Scheme Consideration (primarily as a result of an approximate 10% decrease in the IGas share price since 21 July 2014), the Scheme is not fair but remains reasonable, and considers the Scheme is still in the best interests of Dart Shareholders. The Independent Expert noted that the decline in the share price of IGas is consistent with the decline experienced in the value of shares of other small oil and gas companies with operations in the United Kingdom.
6. The Dart Board believes that, since the Scheme Booklet was released on 23 July 2014, there has been no fundamental change to the advantages and disadvantages of the Scheme which are outlined in the Scheme Booklet.
7. In the event the Scheme does not proceed, the Dart Board believes the Dart share price is likely to fall below levels achieved before the announcement of the Scheme.

Trading of New IGas Shares

If the Scheme is implemented, your New IGas Shares will be quoted on AIM. I would also like to take this opportunity to remind you that if this occurs, you will need to instruct your bank or broker to take certain steps if you wish to trade your IGas Shares on AIM. Section 5.2C of the Scheme Booklet provides further information on this process, and further details will be sent to you by IGas following implementation of the Scheme.

Small Shareholder Sale Facility

In addition, the Small Shareholder Sale Facility will also operate to allow Small Shareholders (defined as a holding of \$500 or less of Dart shares) the opportunity to elect to have their New IGas Shares sold on AIM by a broker appointed by IGas without incurring brokerage costs. Further information is set out in the Small Shareholder Sale Facility Booklet which accompanied the Scheme Booklet. If the Scheme becomes effective then Small Shareholders will have until 5pm on the Record Date, currently scheduled for 15 September 2014, to submit an election to participate in this facility.

Conditions

Section 1.3A of the Scheme Booklet sets out conditions to the Scheme which will need to be satisfied before the Scheme can be implemented. I will now provide an update on the status of the conditions.

Certain regulatory approvals and IGas shareholder approval have been obtained

Since the release of the Scheme Booklet, FIRB approval and the approval of the UK Department of Energy & Climate Change have now been obtained.

In addition, IGas shareholders approved the issue of New IGas Shares to Dart Shareholders under the proposed Scheme at IGas' AGM which was held on 1 September 2014.

Outstanding positive conditions

The Scheme remains subject to a small number of outstanding positive conditions which are yet to be satisfied. These conditions include clearance of the transaction from the UK Competition & Markets Authority, known as CMA, and NSW Ministerial approval for a change in control in Dart's NSW licences. Each of these conditions has the potential to delay or prevent implementation of the proposed Scheme.

CMA's statutory time period to make a decision expires in mid-October 2014, although we understand that CMA has advised IGas that they do not expect to need the full statutory time period to make their decision given that they carried out a comprehensive pre-notification review. IGas and Dart are not currently aware of any reason why CMA would not approve the transaction.

If CMA does not make a decision by this Friday 12 September 2014, Dart and IGas will need to decide whether to waive this condition and proceed to the second Court hearing on Monday 15 September 2014, or alternatively seek an adjournment of the second Court hearing to a later date. Receipt of CMA's decision or any decision by IGas and Dart to waive the CMA approval condition will be announced to ASX at the relevant time.

Should the CMA approval process delay the timetable for the Scheme, Dart will release an updated timetable to ASX once it is possible to do so.

In relation to the outstanding NSW Ministerial approval, Dart has been liaising with the NSW Office of Coal Seam Gas over the last few months to obtain this approval. We have been advised by the Office that it has made a submission to the Minister and is awaiting the Minister's approval, which has not yet been received. The Office is aware that any failure to obtain the Minister's approval before the second Court hearing could require Dart to adjourn the second Court hearing to a later date unless IGas chooses to waive this condition. I confirm that IGas and Dart are not currently aware of any reason why the Minister would not approve the transaction. Receipt of the Minister's approval or any decision by IGas to waive this condition will be announced to ASX at the relevant time.

The remaining positive condition is Court approval of the Scheme, which will be sought once all other conditions have been satisfied or waived.

Negative conditions

There are also negative conditions listed in clause 4.1(d) and clauses 4.1(l) to (r) of the Scheme Implementation Agreement which, if triggered, could prevent the Scheme being implemented. The Dart Board is not currently aware of any negative condition being triggered.

Next steps

Assuming that all of the positive conditions are either satisfied or waived and none of the negative conditions have been triggered, Dart will seek Court approval for the Scheme. As I have mentioned, the second Court hearing to seek the Court's approval is currently scheduled for Monday 15 September 2014. Dart will make an announcement to ASX if the second Court hearing is adjourned.

Rob Neale
Chairman