

Answers to questions raised by Putty Residents

MEETING

- Q: Will your company agree to have the meeting on 9 April at 5pm at the Putty Hall tape-recorded/ video-recorded?
 A: Yes
- Q: Will your company provide written answers to the questions posed below and to those asked at the meeting? A transcript of questions and answers will be sent to you after the meeting and will be forwarded to members of the community who cannot attend the meeting.
 A: Yes

EXPLORATION PHASE

Landholder Approval

- Q: Has your company or any company acting on your behalf received permission from a putty landholder to drill a core hole on their property?
 A: Yes, a landholder was approached in the last two weeks and an access agreement was signed on 7 April 2011.
- Q: Does your contract with the land holder have a non disclosure clause?
 A: Yes, there is a confidentiality clause included in the land access agreement and the landholder has requested that Dart Energy do not disclose their details.
- Q: Does your contract with the landholder allow for more than one test hole to be drilled?
 A: No.
- Q: Does your contract with the landholder allow production mining on their property?
 A: No.

Approval & time frame

- Q: Has your revised The Review of Environmental Factors been approved by the department of industry and investment?
 A: Not as yet. The Review of Environmental Factors (REF) is currently being reviewed by an inter-departmental committee from the DII.
- Q: If so when does your company or any company acting on your behalf intend to start building the site and when will it be ready to drill the core hole?
 A: Approximately 6 weeks from approval.

Approval & time frame (cont)

- Q: How long will the exploration take?
 A: Approximately 6 weeks drilling time, plus 4 weeks rehabilitation of the site after which the site is monitored by Dart over a period of 12 months

Water

- Q: Where will the company or any company acting on your behalf source fresh water for drilling the core hole and how much will be needed?
 A: The company is still investigating options for water supply. The required volume is approximately 80,000 litres. We try to use local businesses wherever possible.
- Q: Will the company or any company acting on your behalf have holding ponds?
 A: 3 small drilling sumps will contain the drilling mud volume, each with a capacity of approximately 30,000 litres.
- Q: What does your company or any company acting on your behalf intend to do with the produced water?
 A: There will be no produced water from the core hole only water supplied by contractor.
- Q: In the event that the produced water will be trucked away, to which facility will this reportable waste be taken?
 A: There will be no produced water from the core hole only water supplied by contractor. We will use drilling fluid and this will be disposed of at a licenced facility, most likely at Kurragang Island in Newcastle.

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INFRASTRUCTURE

Q: Please detail the amount of truck trips required, including but not limited to the construction of the drilling pad, access roads, and other associated infrastructure, such as holding/evaporative ponds, the delivery of materials such as chemicals, sand and fresh water, the mobilisation and de-mobilisation of the drilling rig and the removal of drilling sludge and produced water.

A: The following are good estimates:

- Site construction – 2 in/ 2 out
- Rig mobilisation – 4 in / 4 out
- Water – 4 in / 4 out
- Gravel (pad) – 4 in

EXPLORATION LICENCE

Q: When does the mining exploration licence expire?

A: The Petroleum Exploration Licence (PEL) is due for renewal in July 2011.

Q: If it expires before your company or any company acting on your behalf commences work at Putty will you apply for an extension?

A: Yes.

TEST RESULTS

Q: Your company or a company acting on your behalf will have conducted a full chemical analysis of the coal seam water from the coal seams in our area during exploration. Will you make a full copy of this report available to the public so that we understand the salinity levels of this water, the exact nature and volume of heavy metals and radionuclides?

A: It is not always possible in exploration drilling as we do not produce water. If we are able to collect a water sample, the water will be analysed at a licenced laboratory. We can certainly make this information available if requested.

OTHERS

Q: What is the approximate budget for the exploration of a core hole at Putty?

A: This is confidential.

Q: Can your company or any company acting on your behalf guarantee that there will be no toxic spills occurring during your gas exploration phase?

A: No. It is impossible to guarantee that no leaks or spills will occur. The company and its contractors have very stringent processes in place and use best industry practice to minimise the potential for leaks or spills. Diesel fuel and hydraulic oil are the most prone to spill. Spill kits are readily available on site in the unlikely chance of a spill of any chemical.

PRODUCTION

Landholders

Q: What will your company or any company acting on your behalf do in the event that a landholder refuses to grant access for the purposes of establishing a gas field on their property during the production phase of this project? Please confirm whether or not you would:

- (a) force access onto the property against the landholder's express wishes? and
- (b) call on police to have such a landholder arrested?

A: No. The company fully respects the rights of landholders.

The landholder's right are described by the NSW Department of Industry & Investment, and are available online at <http://www.Dpi.Nsw.Gov.Au/minerals/titles/landholders-rights> or by phoning NSW DII, Maitland office on 1300 736 122.

Under the Petroleum (Onshore) Act 1991, which legislates Petroleum Exploration in NSW, exploration may not be carried out except by access agreement with the landholder or as determined by an arbitrator.

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Water

- Q: How much water will be used, where do you plan to get it from and how do you plan to get rid of the production water.
- A: As answered in the question above. Its important to note, that we are in the exploration phase, not production.
- Q: Do you plan to have holding ponds or sealed storage tanks?
- A: As answered in the question above. Its important to note, that we are in the exploration phase, not production.
- Q: Will your company or a company acting on your behalf conduct independent water analyses of all aquifers, dams and waterways in our area prior to any hydraulic fracturing to prove to us that you are maintaining he integrity of our aquifers, dams and waterways?
- A: The company has no plans to undertake Hydraulic Fracture Stimulation (fracking) and the analyses you mention above are associated with fracking.

Infrastructure

- Q: How do you envisage getting coal seam gas out of the valley – by truck, pipes or any other way?
- A: We are currently only undertaking exploration, but in the event we did find commercial quantities of gas we would
- Q: Will the company be obliged or required to widen the putty road?
- A: This is unlikely but Dart Energy aims to ensure that the communities in which we operate benefit from our presence and we aim to give back where we can. We will aim to provide business opportunities for local suppliers, employ local staff wherever possible and support community organisations if we can.
- Q: What measures will be taken to prevent bushfires?
- A: The company and its contractors have stringent measures in place to minimise fire risk. Not only do we want to avoid igniting a bushfire, but also the drilling for natural gas has tight control on ignition sources. Fire fighting equipment is available in multiple locations on every drill site.

