



28 July 2014

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(5 pages by email)

Dear Madam,

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 30 JUNE 2014

HIGHLIGHTS

- **Additional agreement reached with Origin and Senex allowing for Planet Gas to be free carried for its share of \$80 million expenditure targeting tight gas sands.**
- **Work program is unchanged from the Origin/Senex agreement (250 km² of 3D seismic and the drilling of up to seven gas exploration and appraisal wells).**
- **Planet Gas' interest in the 'Deeps' to reduce to 10%.**
- **Planet Gas retains its 20% free carried interest on all oil exploration.**
- **Bagheera East-1 well location confirmed as part of a two well program being planned for drilling by November 2014.**

COOPER BASIN, SOUTH AUSTRALIA

PEL 514 and PEL 638

PEL 514 and PEL 638 cover a combined area of 1,917 km² in the Cooper Basin of north eastern South Australia, hosting an array of exploration targets for conventional and unconventional hydrocarbons.

During the quarter, PEL 638, which covers an area of 904 km² in the Patchawarra Trough, was excised from PEL 514 to facilitate the administration of a new joint venture between Origin Energy Limited ('Origin', ASX: ORG), Senex Energy Limited ('Senex', ASX: SXY) and Planet Gas. Prior to the excising of PEL 638, Planet Gas held a 20% interest in PEL 514.

Further, PEL 638 is divided into two joint ventures; the PEL 638 Deeps joint venture (the subject of the farm-in by Origin) and the PEL 638 Shallows¹ joint venture.

Planet Gas' interest in each of these areas is summarised as follows:

- PEL 514 20% free carried.
- PEL 638 Shallows 20% free carried.
- PEL 638 Deeps 12.5% free carried reducing to 10% in the event that Origin proceeds with Stage 2 of the farm-in program.

¹ A stratigraphic division separates the 'Deeps' and 'Shallows' with the Origin agreement relating to the Deeps of the Permian system (see Figures 1 and 2).

PEL 638 Deeps

As announced on 24 February 2014, Planet Gas initially held a 20% interest in the PEL 638 Deeps joint venture and, as announced on 30 June 2014, renegotiated so that Planet Gas' interest was reduced to a 12.5% free carried interest, reducing to a 10% interest based on work program expenditures by Origin and Senex in the event that Origin proceeds with Stage 2 of the farm-in program.

The Deeps work program is split into Stage 1 and Stage 2 with total expenditure of up to \$80 million, being \$40 million in each Stage.

In addition to Stage 1 and Stage 2, the joint venture parties may elect to fund additional work programs, subject to PEL 638 Deeps operating committee approval, totalling up to \$67 million. This could involve additional exploration and appraisal work during either or both Stages.

Senex is the operator of the farm-in programs with Origin having the right to become operator following the completion of Stage 2.

The farm-in programs include the drilling of up to seven exploration and appraisal wells, fracture stimulation and flow testing. Stage 1 will evaluate the potential of the tight gas sands, provide exposure to gas in shales and deep coal seams, and provide proof of concept of the Permian system. Stage 2 would evaluate the commerciality of the gas resource by undertaking extended flow testing through separate pilot programs.

Planning will shortly commence for the acquisition of 250 km² of 3D seismic.

PEL 514 and PEL 638 Shallows

The existing farm-in arrangements between Planet Gas and Senex with regards to oil exploration will continue in PEL 514 and PEL 638 Shallows. Planet Gas' 20% interest continues to be free carried by Senex for oil exploration.

During the quarter, processing and interpretation of the 'Dundinna' 3D seismic program covering 163.9 km² of PEL 514 (see Figure 1) was progressed.

The joint venture has confirmed the Bagheera East-1 location for drilling (see Figure 1). The well will be drilled to test a mapped four way dip closure at Poolowanna to Basement level, and near closure at the basal Birkhead/Hutton level. The well will be drilled to approximately 2,500 metres total depth.

The Bagheera East-1 well, which forms part of Senex's commitment from the second farm-in agreement of May 2013, is currently in the planning stage as part of a two well program being planned for drilling by November 2014.

Interpretation of the 'Cordillo' 3D seismic data covering 158.7 km² of the northern part of PEL 514 (see Figure 1) was further progressed during the quarter with an identified lead expected to reach prospect status during the September quarter.

Sprigg-1 exploration well

Final testing of the Sprigg-1 exploration well was completed during the quarter. As previously reported, no significant hydrocarbons were intersected over a four zone selective completion. The well has been suspended as a future water well and attributable reserves have been written off.

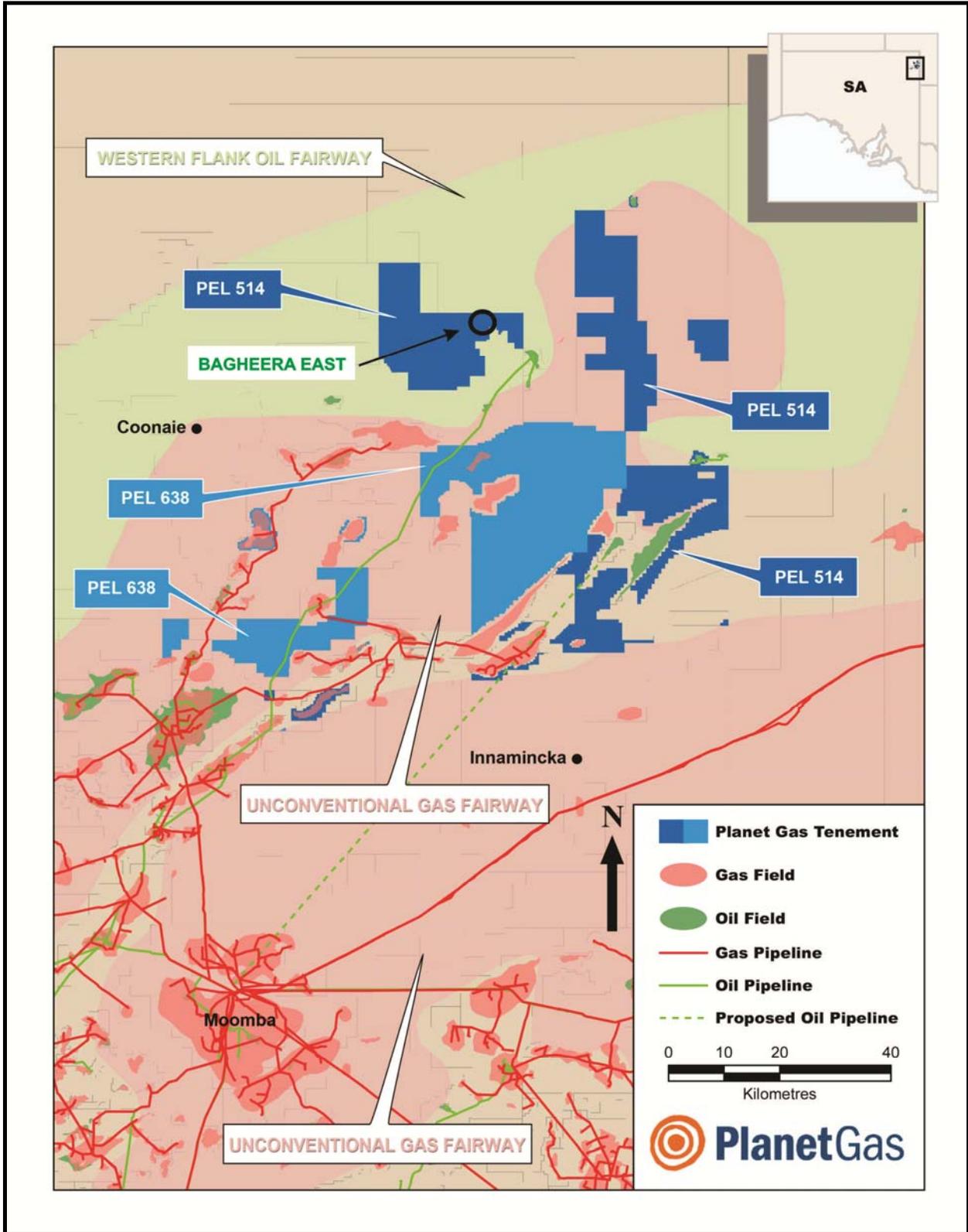
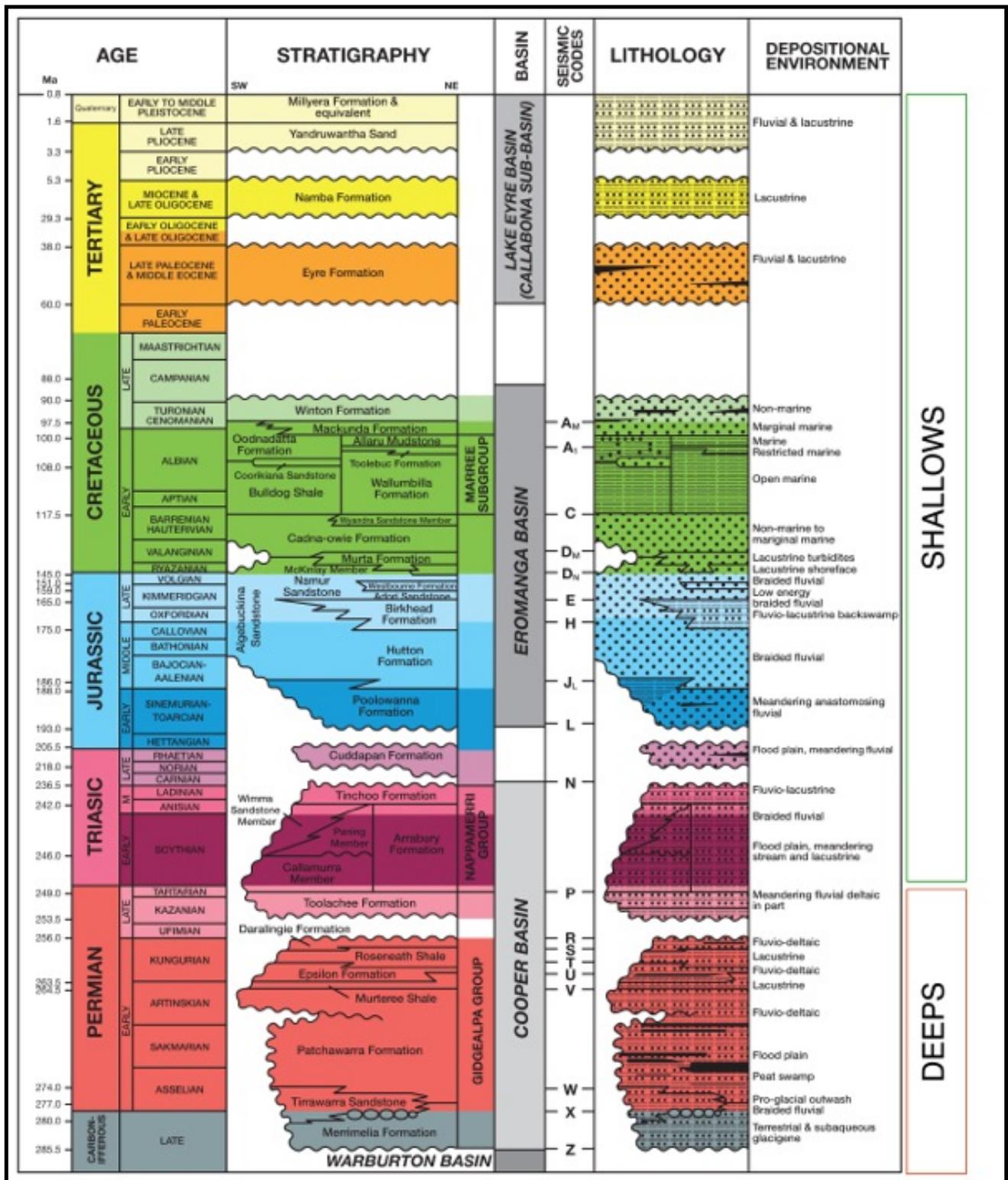


Figure 1: Location of PEL 514 and PEL 638



TENEMENT INFORMATION

Tenement	Location	Ownership	Change in quarter
PEL 514	Cooper Basin S.A.	20.0%	-
PEL 638 Shallows	Cooper Basin S.A.	20.0%	New permit excised from PEL 514*
PEL 638 Deeps	Cooper Basin S.A.	12.5%	New permit excised from PEL 514*

* Following an agreement between Origin Energy Limited and Senex Energy Limited, a new permit PEL 638 covering a 904 km² was excised from PEL 514. Planet Gas' interest in PEL 638 Deeps has reduced to 12.5% in consideration for Origin and Senex undertaking to fund Planet Gas' \$8.0 million share of the Phase 1 work program. The Planet Gas interest in PEL 638 will further reduce to 10.0% in the event that Origin proceeds with the Phase 2 work program. Planet Gas' interest in PEL 638 Deeps is free carried for Phases 1 and 2 of the Origin farm-in work programs up to a total of \$13.0 million (Planet Gas share). Planet Gas' 20% interest in PEL 638 Shallows and PEL 514 remains at 20% and continues to be free carried.

For further information, please contact Anthony McClure or Peter Nightingale on (61-2) 9300 3322.

Yours sincerely



Peter J. Nightingale
Director

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