



24 July 2018

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(4 pages by email)

Dear Madam,

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED  
30 JUNE 2018**

**HIGHLIGHTS**

- **Overriding Royalty Interest ('ORRI') in Kansas, Pennsylvania and New York State, USA production revenues in line with the previous quarter.**
- **The Lattice/Senex/Planet Gas joint venture in the Cooper Basin is currently being assessed.**

**OVERRIDING ROYALTY INTEREST, USA**

Planet Gas Limited ('Planet Gas' or 'the Company') holds a 3% Overriding Royalty Interest ('ORRI') over established oil and gas production assets in Kansas, Pennsylvania and New York State in the United States of America. The ORRI is over approximately 450,000 barrels of oil equivalent per annum (see Figure 1).

During the quarter ORRI revenue was as follows:

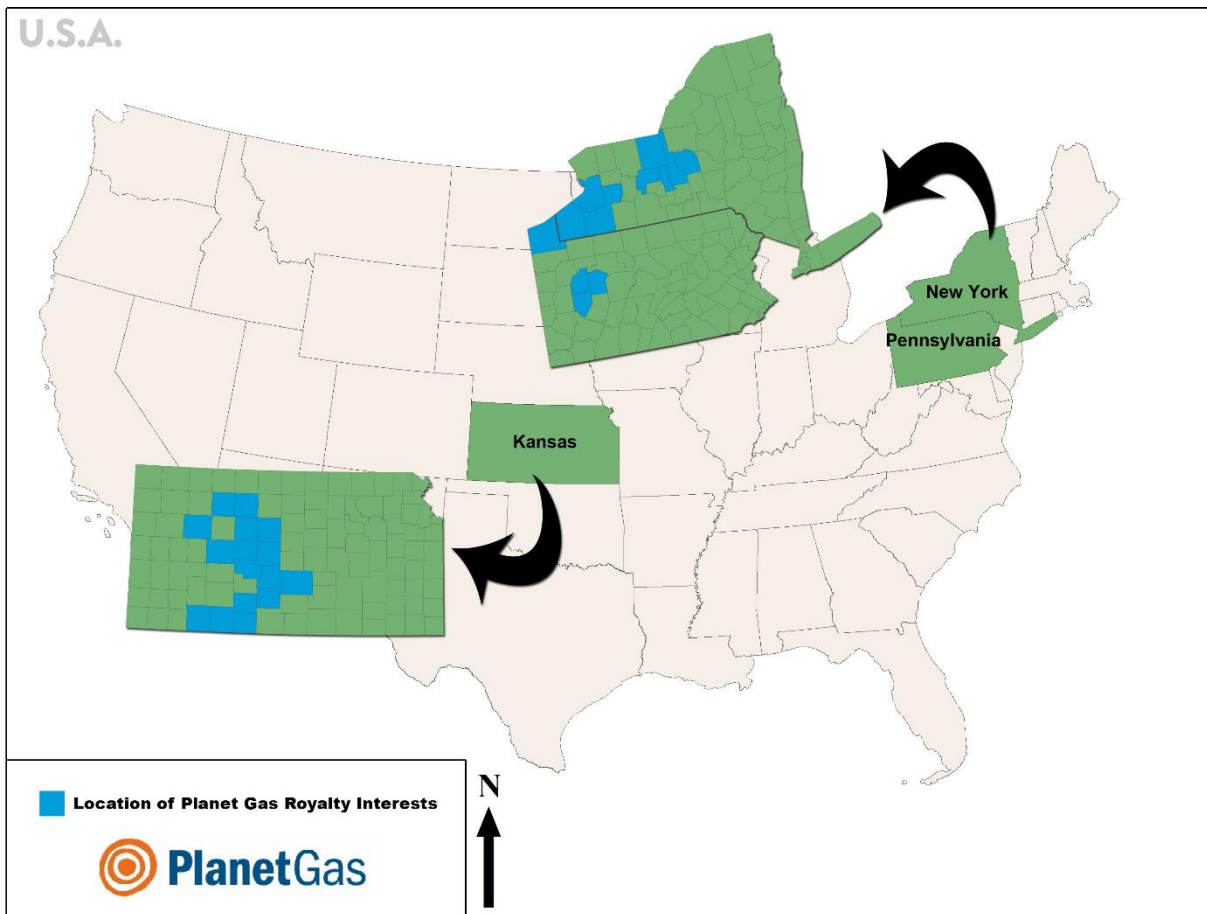
	June Quarter	YTD
Planet Gas ORRI (US\$)	83,612	158,826

Revenues during the June 2018 quarter increased by 11% when compared to the previous quarter. During the June quarter, crude oil prices remained volatile with West Texas Intermediate Crude ("WTI") prices ranging from approximately US\$61 per barrel to US\$74 per barrel. During the quarter, NYMEX natural gas prices remained stable averaging approximately US\$2.80 per MMBtu.

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**Figure 1: Location of Planet Gas Royalty Interests, United States of America**

## COOPER BASIN, SOUTH AUSTRALIA

### PRL 118 through PRL 128 (previously PEL 514) and PRL 221 through PRL 230 (previously PEL 638)

PRL 118 to 128 and PRL 221 to 230 cover a combined area of 1,917 km<sup>2</sup> in the Cooper Basin of north eastern South Australia, hosting an array of exploration targets for conventional and unconventional hydrocarbons (see Figure 2).

PRL 221 to 230, previously, PEL 638, which covers an area of 904 km<sup>2</sup> in the Patchawarra Trough, was excised from PEL 514 to facilitate the administration of the joint venture between Senex Energy Limited ('Senex', ASX: SXY), Lattice Energy Limited a subsidiary of Beach Energy Limited ('Beach', ASX: BPT) and Planet Gas. Prior to the excising of PEL 638, Planet Gas held a 20% interest in PEL 514.

PRL 221 to 230 are divided into two joint ventures; the PRL 221 through PRL 230 Deeps<sup>1</sup> joint venture (the subject of the farm-in by Lattice) and the PRL 221 through PRL 230 Shallows<sup>1</sup> joint venture.

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

- PRL 118 through PRL 128                      20% free carried.
- PRL 221 through PRL 230 Shallows      20% free carried.
- PRL 221 through PRL 230 Deeps        12.5% free carried reducing to 10% in the event that the Joint venture proceeds with Stage 2 of the farm-in program.

<sup>1</sup> A stratigraphic division separates the 'Deeps' and 'Shallows' with the Lattice agreement relating to the Deeps of the Permian system.

## PRL 221 through PRL 230 Deeps (previously PEL 638 Deeps)

As previously announced, Planet Gas' 20% interest in PRL 221 through PRL 230 Deeps was reduced to a 12.5% free carried interest and would further reduce to a 10% interest based on work program expenditures by the joint venture in the event that joint venture proceeds with Stage 2 of the farm-in program.

The farm-in programs include the drilling of exploration and appraisal wells and, in the event of potentially producible hydrocarbons, fracture stimulation and flow testing. Stage 1 will evaluate the potential of the tight gas sands and provide proof of concept of the Permian system.

During the quarter Lattice agreed to transfer its interests in the joint venture to Senex. As such, limited work was carried out during the June 2018 quarter. The joint venture is evaluating future options for work programs.

## PRL 118 through PRL 128 (previously PEL 514) and PRL 221 through PRL 230 Shallows (previously PEL 638 Shallows)

Limited work was carried out during June 2018 quarter and no exploration drilling is currently scheduled.

Planet Gas' 20% interest continues to be free carried by Senex for oil exploration in PRL 118 through PRL 128 and PRL 221 through PRL 230 Shallows.

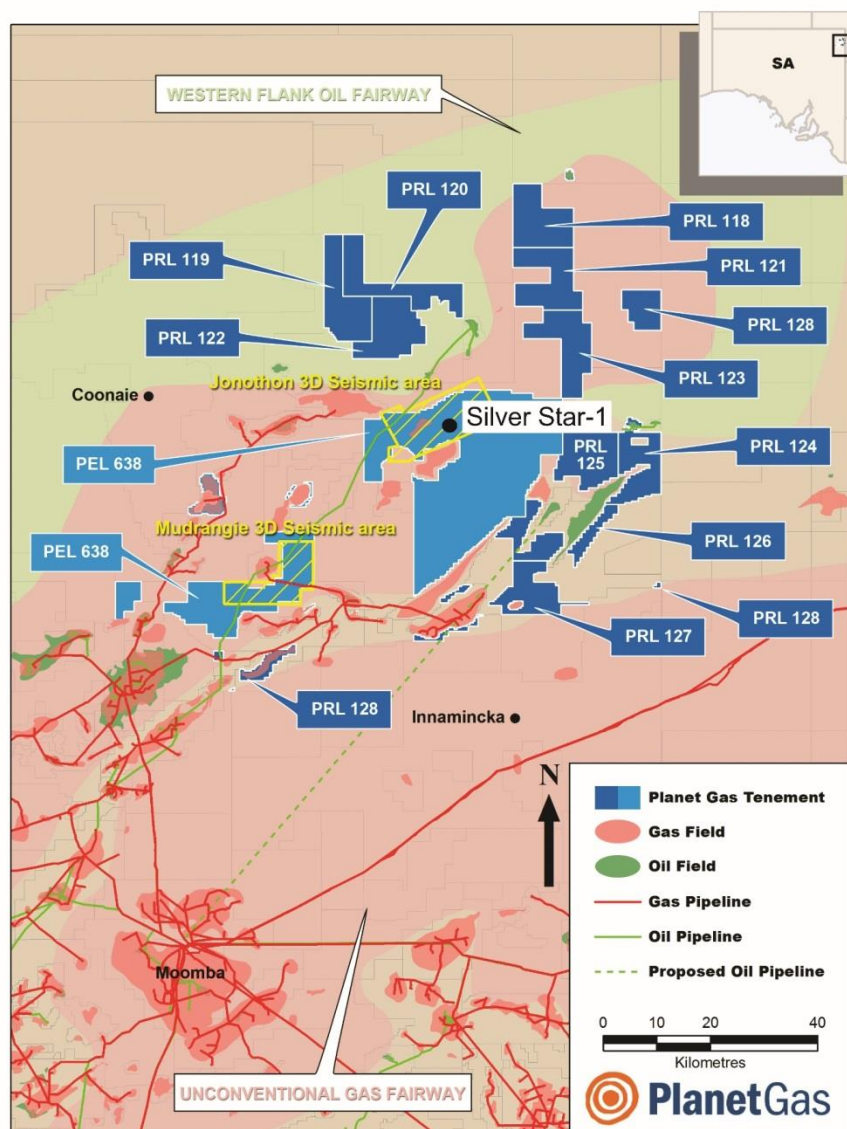


Figure 2: Location of PRL 118 through 128 and PRL 221 through 230 (former PEL 638)

## TENEMENT INFORMATION

Tenement	Location	Ownership	Change in quarter
PRLs 118 through 128 (previously PEL 514)	Cooper Basin S.A.	20.0%	-
PRL 221 through 230 Shallows (previously PEL 638 Shallows)	Cooper Basin S.A.	20.0%	-
PRL 221 through 230 Deepes (previously PEL 638 Deepes)	Cooper Basin S.A.	12.5%	-

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

Yours sincerely



Peter J. Nightingale  
Director

pjn9489