



23 October 2018

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(2 pages by email)

Dear Madam,

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

HIGHLIGHTS

- **Sale of the Company's entire interest (debt and equity) in its wholly owned subsidiary, Planet Gas USA Inc. ('PGS USA') to High Peak Royalties Limited (subject to Planet Gas shareholder approval).**
- **The Company will be released from all indebtedness (primarily as guarantor of PGS USA) owed to Macquarie Bank Limited pursuant to a loan facility agreement with PGS USA of approximately US\$2.75 million.**
- **Sale of the Company's interest in the Cooper Basin, South Australia to Senex Energy Limited.**
- **Retention of a 2% royalty interest on certain potential future cashflow from the Cooper Basin acreage.**

OVERRIDING ROYALTY INTEREST, USA

Subsequent to the end of the September quarter, the Company entered into a Sale and Purchase agreement for the disposal of its wholly owned subsidiary Planet Gas USA Inc., to High Peak Royalties Limited ('High Peak'). The transaction is subject to shareholder approval.

Consideration for the sale is \$1 and will result in Planet Gas Limited being released from all indebtedness (primarily as guarantor of PGS USA) owed to Macquarie Bank Limited ('Macquarie') pursuant to a loan facility agreement with PGS USA of approximately US\$2.75 million.

The sale is subject to shareholder approval for the purposes of Listing Rule 11.2 (to be sought at a meeting to be convened shortly), due diligence and High Peak and Macquarie finalising certain financing terms.

During the quarter ORRI revenue was as follows:

	September Quarter	YTD
Planet Gas ORRI (US\$)	88,030	246,856

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Revenues during the September 2018 quarter increased by 5% when compared to the previous quarter. During the September quarter, crude oil prices remained volatile with West Texas Intermediate Crude 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\$2.93 per MMBtu.

COOPER BASIN, SOUTH AUSTRALIA

During the September quarter, the Company sold its 20% participating interest in the CBOS North Shallows Joint Venture and a 12.5% participating interest in the CBOS North Deeps Joint Venture to Senex Energy Limited ('Senex') as well as the remaining hydrocarbon interest in the Copper Basin for a consideration of \$400,000. Planet Gas Limited will also retain a 2% overriding royalty interest on potential future cashflow from the acreages subject to certain conditions.

TENEMENT INFORMATION

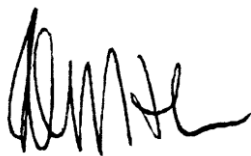
Tenement	Location	Interest at the beginning of the quarter	Interest at end of the quarter
PRLs 118 through 128 (previously PEL 514)	Cooper Basin S.A.	20.0%	0%*
PRL 221 through 230 Shallows (previously PEL 638 Shallows)	Cooper Basin S.A.	20.0%	0%*
PRL 221 through 230 Deeps (previously PEL 638 Deeps)	Cooper Basin S.A.	12.5%	0%*

* Planet Gas will retain a 2% overriding royalty interest on potential future cashflow from the acreages subject to certain conditions.

The Company continues to consider investment opportunities that may add shareholder value. Assuming the sale of PGS USA completes, any acquisition will require re-compliance with Chapters 1 and 2 of the Listing Rules.

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

Yours sincerely



Peter J. Nightingale
Director

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