



31 October 2013

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 SEPTEMBER 2013**

HIGHLIGHTS

- **Planning and commencement of drilling activities at Sprigg and Pirraminta.**
- **Sprigg-1 exploration well complete subsequent to end of quarter.**
- **Interpreted 6.3 metre pay zone, well to be cased pending further testing.**
- **Pirraminta -2 exploration well drilling ahead.**
- **Initial reserves at the Sprigg field.**
- **Interpretation of 3D seismic survey at Cordillo advanced.**
- **Dundinnia 3D seismic acquisition program advanced.**

PEL 514 Cooper Basin, South Australia

PEL 514 covers an area of 1,972 km² and is located in the Cooper Basin, South Australia. The PEL is in joint venture with Senex Energy Limited ("Senex") where Senex is the operator.

Sprigg Field

During the quarter, Senex continued with the planning for the drilling of the Sprigg-1 exploration well.

The Sprigg field is located in the central eastern sector of PEL 514 (see Figure 1) and is 4.5 kilometres west of Acrasia oil field.

The exploration well was planned to be drilled to a total depth of 2,464 metres to test the oil potential of the Tinchoo Formation up dip and 240 metres west south west of the Reg Sprigg North-1 well. Additional targets were also planned to be intersected through the Hutton Sandstone and the Arrabury Formation which have produced oil in nearby wells.

The exploration well was spudded and completed subsequent to the end of the quarter having intersected an interpreted net pay zone of 6.3 metres. The well is planned to be cased pending further testing.

Also during the quarter, Senex advised on initial oil reserve estimates for the Sprigg field.

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The estimates were independently completed by DeGolyer and MacNaughton of Dallas, Texas, USA.

GROSS OIL RESERVES SPRIGG FIELD, COOPER BASIN

	1P Mbbls	2P Mbbls	3P Mbbls
SPRIGG FIELD	0.0	188.0	725.6

Mbbls: thousands of barrels of crude oil

The Sprigg field oil reserves lie entirely within the Tinchoo Formation with previous drilling in the vicinity confirming the presence of moveable hydrocarbons.

For further information on Sprigg field reserves, please refer to the release of 20 August 2013.

Pirraminta Field

Also during the quarter, Senex continued with the planning for the drilling of the Pirraminta-2 exploration well.

The Pirraminta field is located in the south western section of PEL514 (see Figure 1) and the Pirraminta-2 exploration well will be situated on a portion of the Gidgealpa-Merrimelia-Innaminka Ridge approximately 60 kilometres north northeast of Moomba.

The primary objective of the well is the oil potential of the Murta Formation which is productive in the Merrimelia oil field approximately 20 kilometres to the southwest.

The Pirraminta-2 well is located on a large 4-way dip closure and will be drilled to a total depth of 1,740 metres, with 18 metres of core to be cut through the Murta Formation to evaluate the reservoir potential.

The exploration well was spudded subsequent to the end of the quarter.

The Sprigg-1 and Pirraminta-2 exploration wells form part of the initial farm-in agreement with Senex of December 2011. As part of that agreement Senex is required to drill two wells by end November 2013 with Sprigg-1 being the first of the two well program. Planet Gas' 20% project interest is free carried for the program.

Seismic Surveys

During the quarter, interpretation of the "Cordillo" 3D seismic data covering 158.7 km² of the northern part of PEL 514 (see Figure 1) was progressed. A preliminary data set has already identified several structural leads.

The "Dundinna" 3D seismic data acquisition program covering 163.9 km² of PEL 514 (see Figure 1) was completed subsequent to the end of the quarter ahead of schedule and on budget. Data processing will commence in the December quarter.

Agreement

During the quarter all regulatory and government approvals were successfully achieved for the previously announced agreement with Senex for expanded exploration activities in PEL 514 ("the Agreement").

As part of the Agreement, Planet Gas transferred a 10% interest in PEL 514 North and a 30% interest in PEL 514 South to Senex. This Agreement reduces Planet Gas' interest in the entirety of PEL 514 to 20% with Senex holding the remaining 80%.

The consideration for the transfer was:

- \$5.0 million cash payment to Planet Gas (received); and
- Planet Gas to be free carried for a total of \$9.0 million of its share of oil exploration expenditure within the PEL.

The Agreement also specifies conditional payments of:

- A royalty to Planet Gas which is calculated as 2.0% of the net Well Head Value of all oil produced from PEL 514 capped at \$7.5 million; and
- Upon certification of 8 million barrels of Proved and Probable (2P) oil reserves in PEL 514, Planet Gas will receive a payment of \$5.0 million, and an addition payment of \$5.0 million upon certification of an additional 4 million barrels of 2P oil reserves in PEL 514.

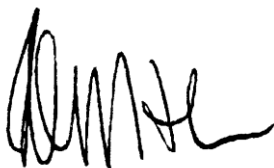
The consideration is in addition to Senex's current farm in obligations in respect of PEL 514 including the completion of the current Sprigg-1 and Pirraminta-2 exploration wells by November 2013 and the completion of the Cordillo 3D seismic program. This forms part of an Initial Agreement with Senex of December 2011.

The principal objective of the new Agreement is the exploration of conventional stratigraphic and structural traps within the Jurassic sequence, including the Birkhead Formation, which are capable of hosting oil plays similar to those at the proven Growler and Snatcher oil fields to the southwest.

As elsewhere in the Cooper Basin, PEL 514 also contains considerable potential for unconventional gas including hydrocarbon rich shales, tight gas and gassy coals.

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

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Peter J. Nightingale
Director

Pjn7460

Compliance Statement

The Reserves statement provided in the 20 August 2013 announcement and repeated in this report has been prepared by Mr R. M. Shuck, Professional Engineer, Senior Vice President, DeGolyer and MacNaughton, Dallas, Texas, USA. Mr Shuck is qualified in accordance with ASX Listing Rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.

The Reserves presented have been prepared in accordance with the Petroleum Resources Management System 2007 approved by the Society of Petroleum Engineers (SPE-PRMS).

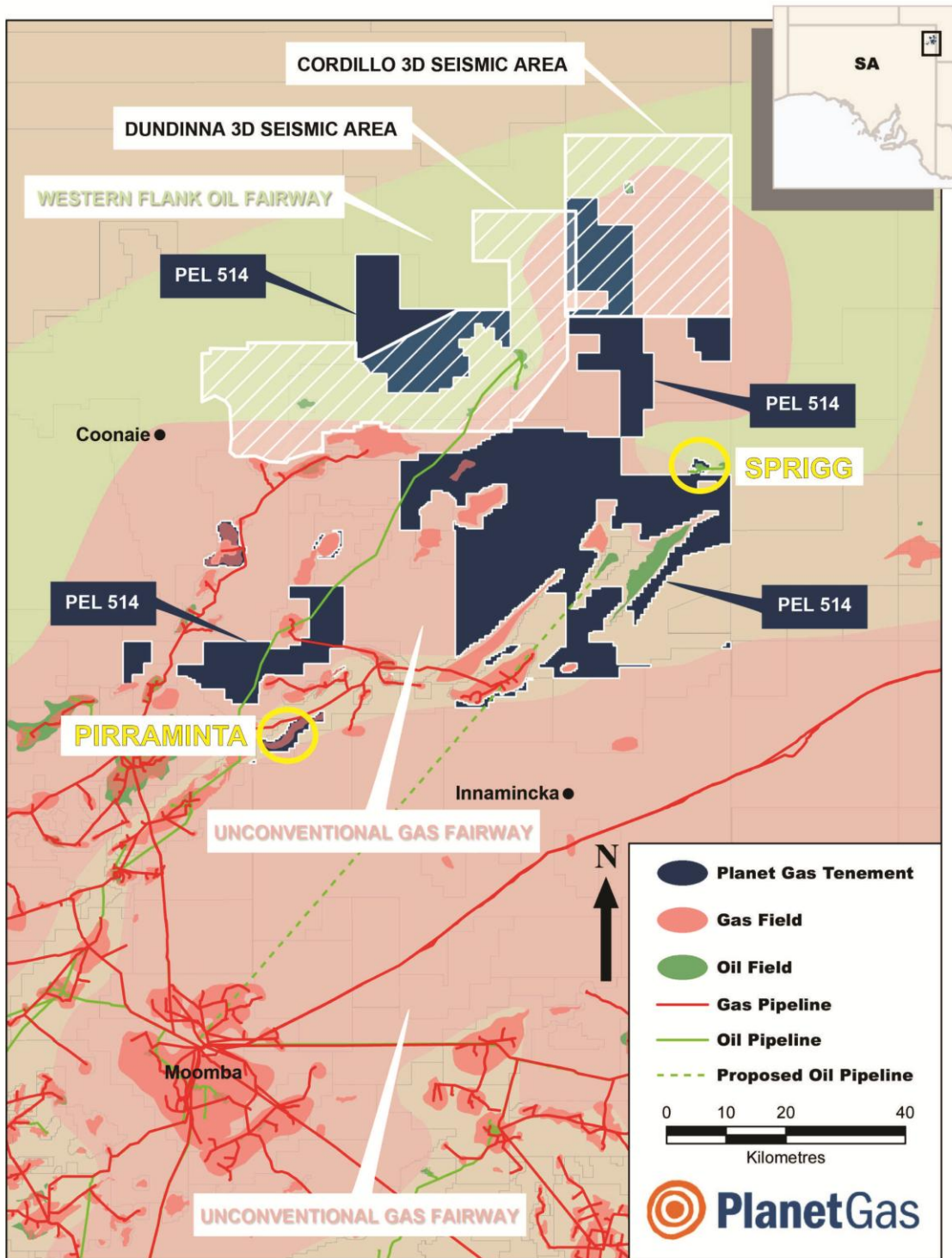


Figure 1. PEL 514 Copper Basin, South Australia