



28 October 2015

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 2015**

HIGHLIGHTS

- **Overriding Royalty Interest ('ORRI') in Kansas, Pennsylvania and New York State, USA second full quarter of production recorded.**
- **Processing of data from the PEL 638 Deeps Cooper Basin Joint Venture (Origin Energy/Senex Energy/Planet Gas) 3D seismic surveys completed.**
- **Interpretation of the processed seismic data has commenced with the aim of identifying well locations for the drilling the two wells in first half calendar 2016.**
- **Seismic survey inversion analysis over PRL 118 through PRL 128, Cooper Basin (Senex Energy/Planet Gas) was commenced during the quarter for the definition of potential stratigraphic traps in the Birkhead Formation that may be targeted for exploration drilling in calendar year 2016.**

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 500,000 barrels of oil equivalent per annum (see Figure 1).

During the quarter royalty receipts were as follows:

| | September Quarter | YTD |
|------------------------|-------------------|---------|
| Planet Gas ORRI (US\$) | 74,284 | 191,080 |

The ORRI acquisition was completed during the March quarter 2015. The acquisition forms part of a wider oil and gas strategy for the Company targeting low risk royalty and other cash flow assets with development upside.

Planet Gas Limited ABN 46 098 952 035

Level 2, 66 Hunter Street Sydney NSW 2000 Australia T +61 2 9300 3322 F +61 2 9221 6333

W www.planetgas.com

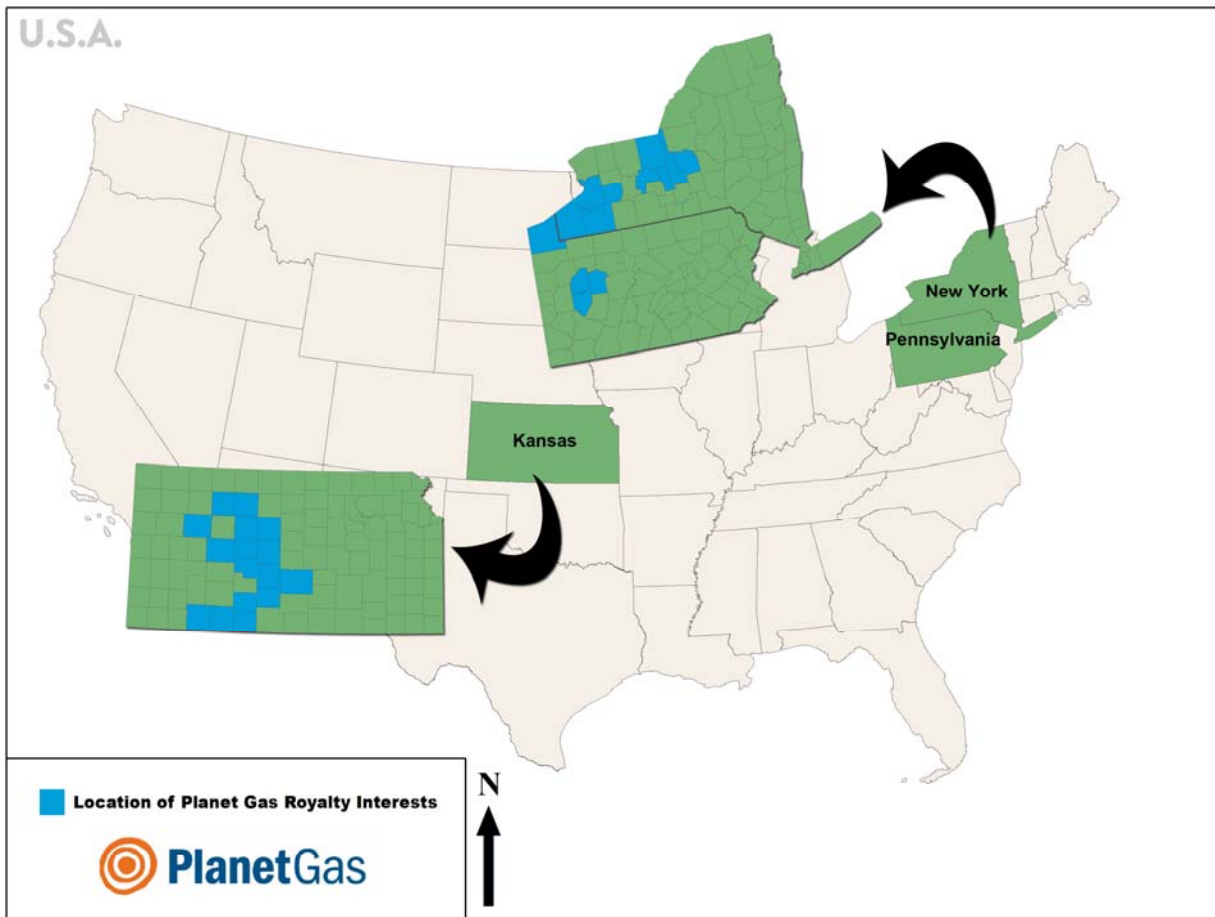


Figure 1: Location of Planet Gas Royalty Interests, United States of America

During the September quarter, crude oil prices continued to exhibit substantial volatility. West Texas Intermediate Crude (“WTI”) prices commenced the quarter at approximately US\$57.00 per barrel before dropping to below US\$40.00 per barrel towards the end of August. The WTI price by the end of the quarter was approximately US\$46.00 per barrel. During the September quarter NYMEX natural gas prices ranged between approximately US\$2.30 per MMBtu to US\$2.90 per MMBtu.

COOPER BASIN, SOUTH AUSTRALIA

PRL 118 through PRL 128 (previously PEL 514) and PEL 638

PRL 118 through PRL 128 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 (see Figure 2).

Previously, 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.

PEL 638 is divided into two joint ventures; the PEL 638 Deeps¹ 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:

- PRL 118 through PRL 128 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.

PEL 638 Deeps

As previously announced, Planet Gas' 20% interest in PEL 638 was reduced to a 12.5% free carried interest and would further reduce 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 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 a separate pilot program.

During the quarter, processing of data from both the Jonothon (150km²) and Mudrangie (99km²) 3D seismic surveys was completed and interpretation commenced. The aim of the program is identifying well locations for the drilling the two wells in first half calendar year 2016.

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

After completion of cooperation agreements with surrounding third parties and AFEs during the previous quarter, Amplitude Versus Offset ('AVO') and inversion process analysis over the Dundinna 3D seismic survey area commenced. Program completion is scheduled for the December quarter. Using shear sonic data gained from the recent northern drilling program, the aim of these processes is to identify stratigraphic traps with favourable reservoir qualities in the Birkhead Formation that may be targeted by exploration drilling in 2016.

Planet Gas' 20% interest continues to be free carried by Senex for oil exploration in PRL 118 through PRL 128 and PEL 638 Shallows.

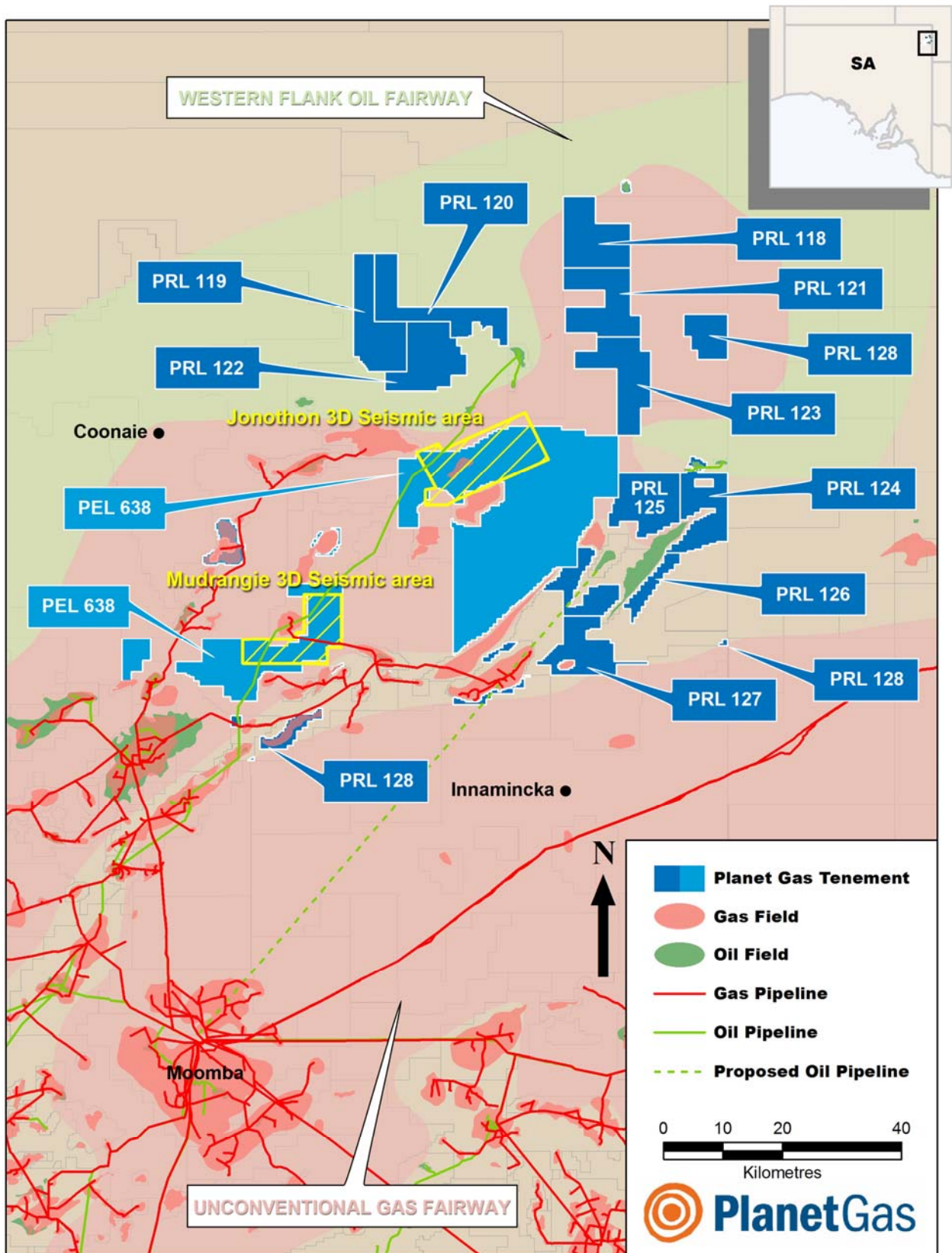


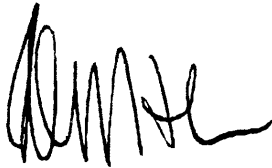
Figure 2: Location of PRL 118 through PRL 128 and PEL 638

TENEMENT INFORMATION

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

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

Yours sincerely



Peter J. Nightingale
Director

pjn8264