



28 April 2016

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(5 pages by email)

Dear Madam,

**REPORT ON ACTIVITIES FOR THE QUARTER ENDED
31 MARCH 2016**

HIGHLIGHTS

- **Overriding Royalty Interest ('ORRI') in Kansas, Pennsylvania and New York State, USA production continues to be affected by low price environment.**
- **Recent oil price recovery will have a positive effect to revenues in June quarter.**
- **Interpretation of 3D seismic data from the PEL 638 Deeps Cooper Basin Joint Venture (Origin Energy/Senex Energy/Planet Gas) continued.**
- **The Origin/Senex/Planet Gas Joint Venture is currently assessing a range of prospective drilling locations with a view to meeting the permit commitment obligation to drill two wells by November 2016.**
- **Seismic survey inversion analysis over PRL 118 through PRL 128, Cooper Basin (Senex Energy/Planet Gas) was completed during the quarter targeting potential stratigraphic traps in the Birkhead Formation.**

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 follows:

	March Quarter	YTD
Planet Gas ORRI (US\$)	40,482	40,482

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.

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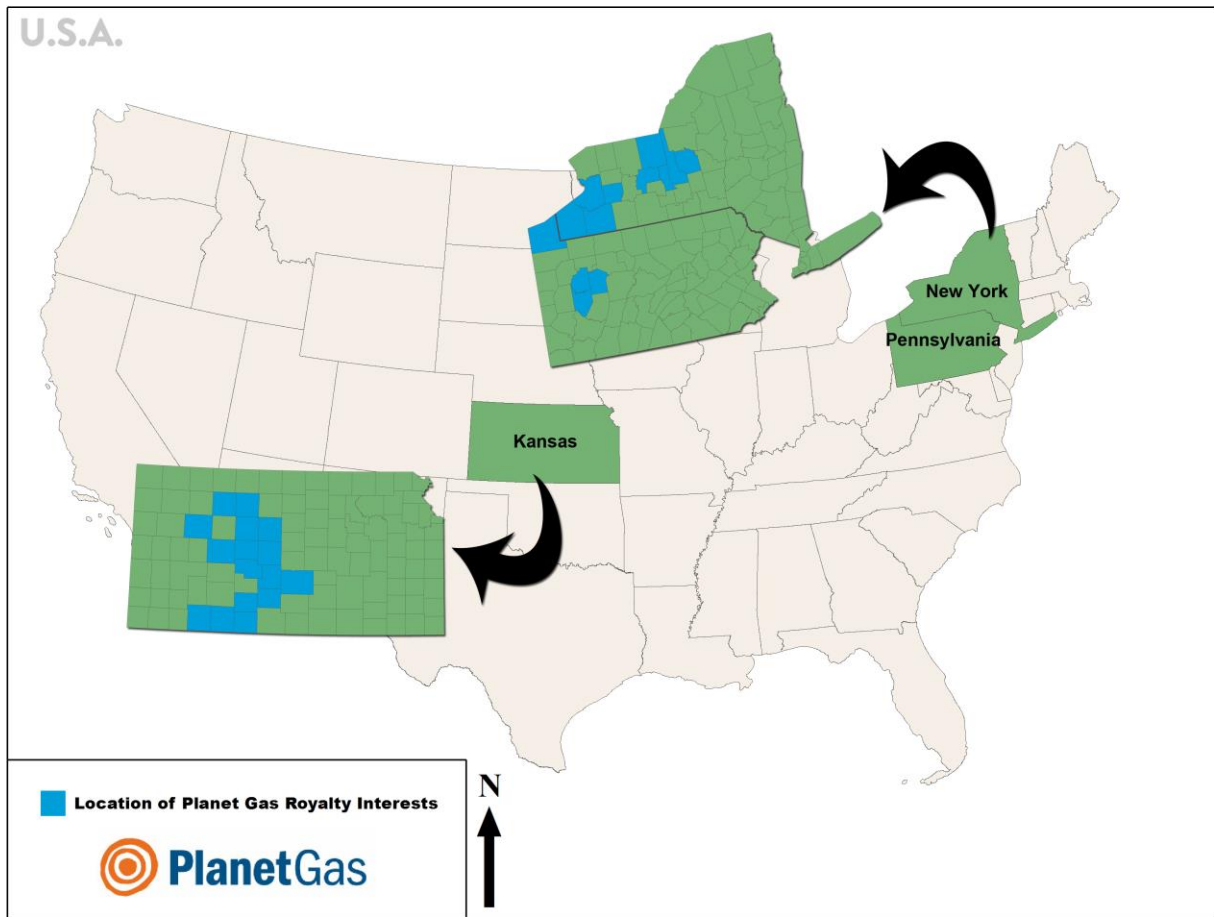


Figure 1: Location of Planet Gas Royalty Interests, United States of America

ORRI revenue for the Company fell by approximately 33% from US\$60,957 in the December 2015 quarter to US\$40,482 in the March 2016 quarter reflecting reduced production and the continued negative crude oil and natural gas trading environment.

During the March quarter, crude oil prices exhibited some recovery after a period of substantial volatility. For January 2016, West Texas Intermediate Crude (“WTI”) prices averaged approximately US\$32.00 per barrel before recovering to an average of US\$38 per barrel for March 2016. However, during the quarter, NYMEX natural gas prices continued to fluctuate substantially ranging between approximately US\$1.50 per MMBtu to US\$2.50 per MMBtu.

Assuming further consolidation of WTI prices, June 2016 quarter revenue receipts are expected to partially recover.

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.

Following the work during the previous quarter involving interpretation of data from both the Jonothon (150km²) and Mudrangie (99km²) 3D seismic surveys, the Joint Venture has been actively progressing planning for the next stage of the work program, and is currently assessing a range of prospective drilling locations with a view to meeting the permit commitment obligation to drill two wells by 8 November 2016. The initial two well campaign will target large-scale prospective gas resources in the joint venture permit.

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

Amplitude Versus Offset ("AVO") and inversion process analysis over the Dundinna 3D seismic survey area was completed during the quarter. Further studies are planned to identify leads and prospects. No exploration drilling is scheduled for FY 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.

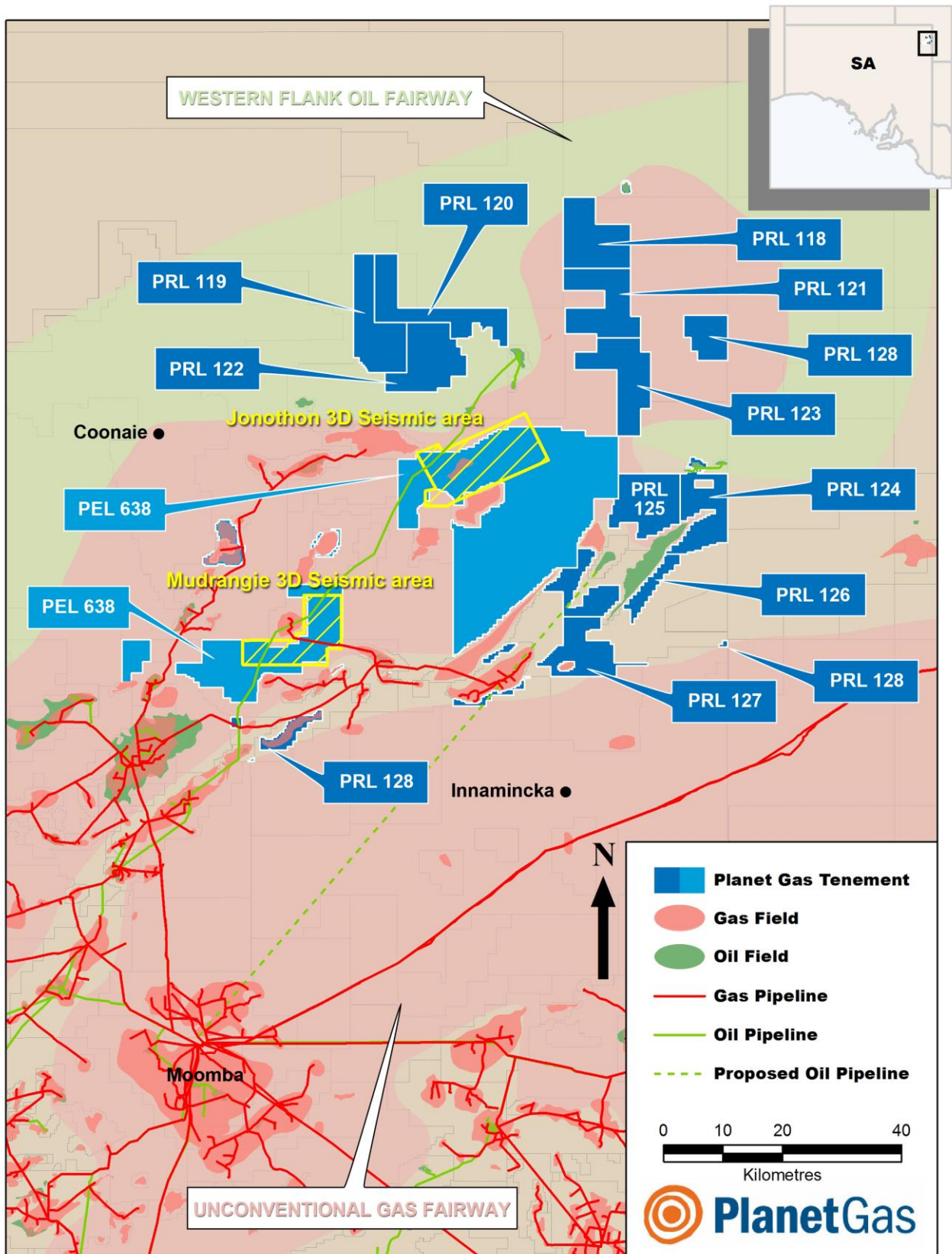


Figure 2: Location of PRL 118 through PRL 128 and PEL 638

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

pjn8466