

29 April 2011

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

(6 pages by email)

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 31 MARCH 2011

HIGHLIGHTS

- **Seismic surveying completed at PEL 468 and PEL 470**
- **Exploration corehole drilling to start May/June**
- **Drilling results to form the basis for CBM resource estimation**

AUSTRALIAN OPERATIONS

NSW CBM/Gas Projects

Bylong PEL 468, Shoalhaven PEL 469 and Mooki PEL 470

During the quarter ended 31 March 2011, physical operations commenced at the Company's coal bed methane ('CBM') exploration project Bylong PEL 468 and Mooki PEL 470 with the initiation of a low impact seismic survey. The projects are located in the Sydney and Gunnedah Basins respectively.

Three exploration coreholes will be drilled during May/June subject to receipt of all necessary approvals. Data collected from these combined efforts will be analysed and used to derive CBM resource estimates.

CBM resources in the Illawarra Coal Measures (or equivalent) and the Shoalhaven Group are being targeted at Bylong PEL 468, which is adjacent to a recent CBM discovery by a neighbouring operator.

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

E pnightingale@planetgas.com W www.planetgas.com

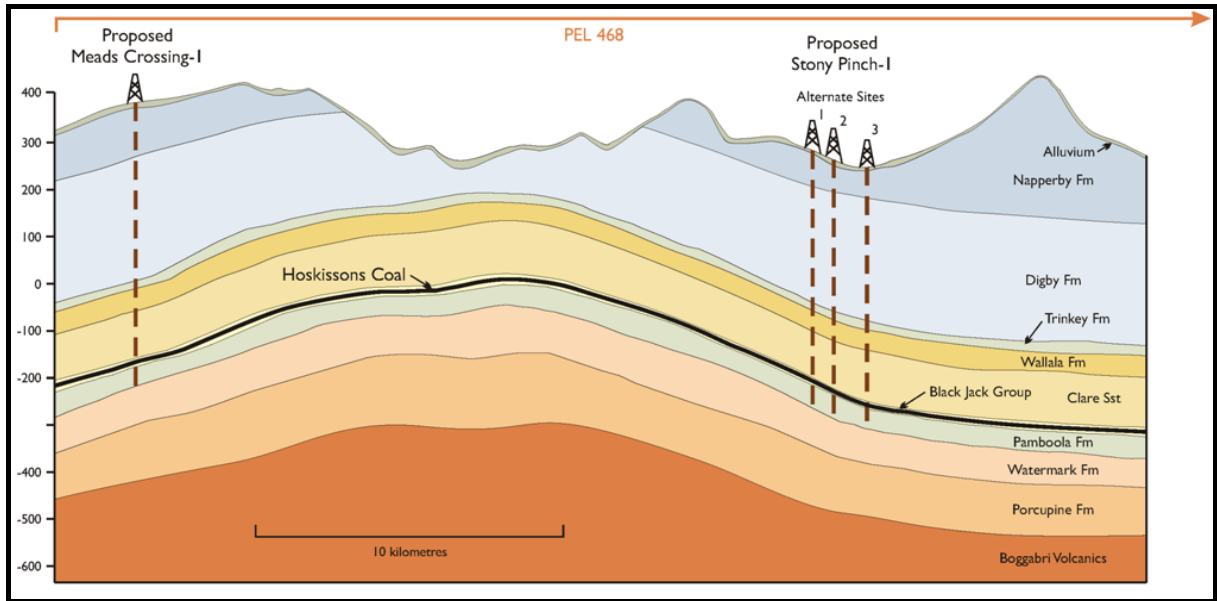


Figure 1 - PEL 468 schematic cross-section. For illustration only, drilling will test formations.

The Maules Creek coals are being targeted at Mooki PEL 470, which is adjacent to an existing CBM gas development project at Narrabri.

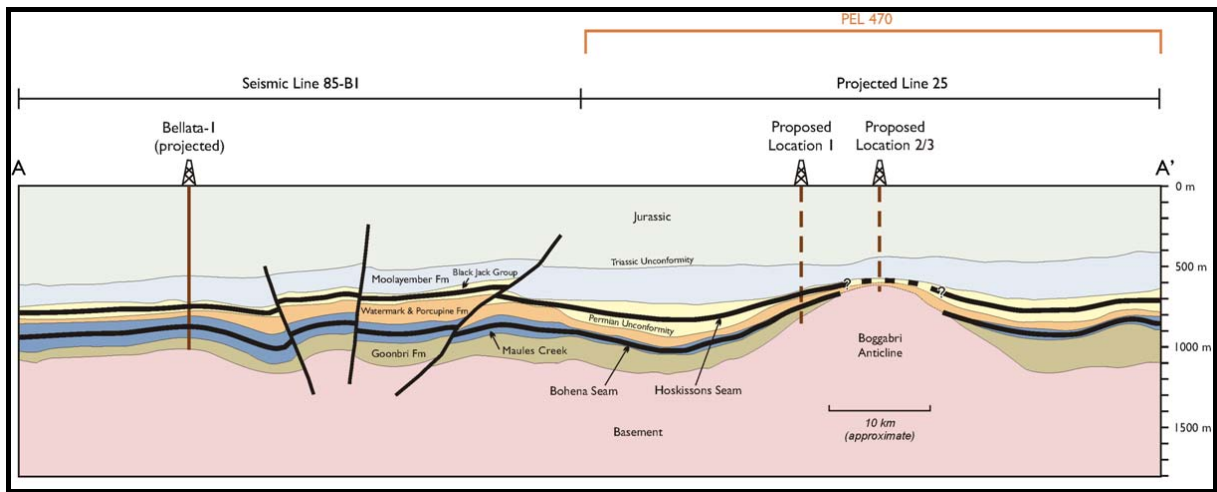


Figure 2 - PEL 470 schematic cross-section. For illustration only, drilling will test formations.

The early stage exploration work being undertaken involves minimal interference or disturbance to the area where it is taking place. No hydraulic fracturing or ‘fracking’ is involved in these operations.

Shoalhaven PEL 469 is still under development. However, seismic has not been completed as the regional shire council has restricted access to the road easement. This problem is expected to be resolved in the near future.

Other Projects

During the quarter, the Company's Sydney Basin geothermal tenements were relinquished. This is in line with stated objectives to rationalise this section of the business.

Rehabilitation work was ongoing on the Company's Powder River Basin projects.

Statement of Competent Person

The information in this report that relates to Petroleum Exploration Results is based on information compiled by Mr Ian Halstead, geologist, who is a Member of the American Association of Petroleum Geologists. Ian Halstead is a full-time employee of the Company who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Halstead has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, please contact Ian Halstead, Norman Seckold or Peter Nightingale on (61-2) 9300 3322.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PJN', written in a cursive style.

Peter J. Nightingale
Director

pjn5983

1 PLANET GAS PROJECT LIST

AUSTRALIA

State	Tenement	Resource	Project	Status	Granted	Expiry	Company	Area (km ²)
NSW	EL7146	Geothermal	Clarence Moreton	Granted	28-May-08	28-May-12	Gradient Energy Ltd	1,942 km ²
NSW	EL7350	Geothermal	Gloucester	Granted	10-Jun-09	10-Jun-11	Gradient Energy Ltd	1,230 km ²
QLD	EPG29	Geothermal	Innot	Granted	13-Apr-10	30-Apr-15	Gradient Energy Ltd	596 km ²
SA	GEL354-GEL365 and GEL377	Geothermal	Eromanga	Granted	26-May-08	25-May-13	Gradient Energy Ltd	6,101 km ²
SA	GEL448-GEL461	Geothermal	Leigh Creek	Granted	17-Nov-09	16-Nov-14	Gradient Energy Ltd	6,590 km ²
SA	PELA514	Petroleum	Cooper Basin	App Lodged 9-Dec-09 (awaiting Native Title clearance)			Planet Cooper Basin Pty Ltd	1,917 km ²

FARM-IN AGREEMENTS

State	Tenement	Resource	Project	Status	Granted	Expiry	Company	Area (km ²)
NSW	PEL 468	CBM/Gas	Bylong	Farm-in stage 2	NA	NA	Planet Gas & CBM Pty Ltd	1,736 km ²
NSW	PEL 469	CBM/Gas	Shoalhaven	Farm-in stage 2	NA	NA	Planet Gas & CBM Pty Ltd	3,173 km ²
NSW	PEL 470	CBM/Gas	Mooki	Farm-in stage 2	NA	NA	Planet Gas & CBM Pty Ltd	745 km ²



Location Map of the Australian Projects

USA

State	Basin	Holder	Resource	Project	Area
Wyoming	Powder River	Paupers Dream Company	Oil & Gas	Esponda East	469 Ha
Wyoming	Powder River	Paupers Dream Company	Oil & Gas	Esponda West	11,586 Ha
Wyoming	Powder River	Paupers Dream Company	Oil & Gas	Oriva Throne	146 Ha
Wyoming	Powder River	Paupers Dream Company	Oil & Gas	Oriva Federal	359 Ha