

31 January 2012

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 DECEMBER 2011**

**HIGHLIGHTS**

- **PEL 514 licence executed.**
- **Environmental approvals received for Stony Pinch-1 core hole in PEL 468.**
- **Additional capital raised to support ongoing operational and exploration costs in the Sydney, Gunnedah and Cooper basins.**

**South Australia - Cooper Basin**

During the quarter Planet Gas Limited (the 'Company') executed licence documents and PEL 514 was subsequently issued by the South Australia Government.

Senex Energy Limited ('Senex') will farm-in to PEL 514 through the 100% funding of three exploration wells. Senex is a well-established operator in the Cooper Basin and will assume operatorship of the permit. The farm-in agreement divides the licence into the Northern and Southern Areas.

***PEL 514 Northern Area***

The Northern Area of PEL 514 adjoins Senex permits PEL 100, PEL 110 and PEL 90. The permit area includes Birkhead time structures capable of hosting Birkhead channel oil plays such as those discovered at Growler and Snatcher oil fields. Oil discoveries in permits neighbouring PEL 514 also support the potential for hydrocarbons in the area.

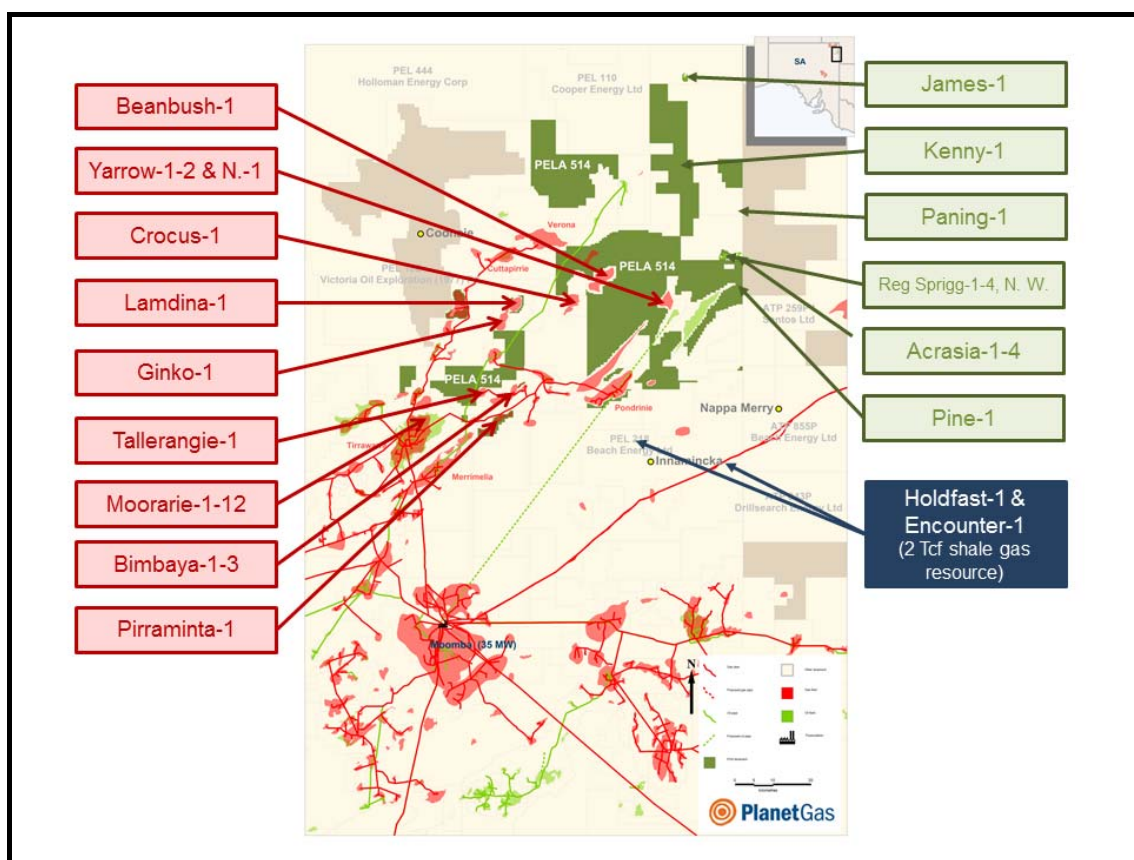
Under the farm-in agreement, Senex has agreed to fund 100% of the cost of two wells to earn a 50% interest in the Northern Area.

## PEL 514 Southern Area

The Southern Area of PEL 514 is highly prospective for unconventional gas, containing measures of coal, tight sands and shales.

Significant thicknesses of coal in the Patchawarra and Toolachee formations have been recorded from wells drilled adjacent to, and within, the PEL 514 permit boundaries. The Murteree shales unit of the REM Shales is also present in this part of the Patchawarra Trough.

Senex has agreed to fund 100% of the cost of a third well to earn a 70% interest in the Southern Area.



Oil and gas discoveries in and around PEL 514

## New South Wales - Sydney and Gunnedah Basins

During the quarter, coal bed methane exploration conditions in NSW remained challenging. Both Santos and AGL drilling sites were picketed as members of the community attempted to prevent exploration works.

The challenges are likely to continue, however despite this, the Company continues its efforts to provide accurate information to, and allay the fears of, the local communities in which it operates.

In support of the Company's adherence to industry best practice, the Company received environmental approval from the NSW Government to drill the second exploration core hole in PEL 468, Stony Pinch-1.

The Company is looking forward to further exploring these highly prospective CBM licences in 2012.

### **Capital Raising**

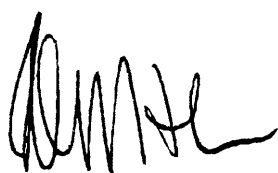
During the quarter, the Company completed a Share Purchase Plan and issued 35,307,692 new fully paid ordinary shares, raising \$918,000. In addition, subsequent to the end of the quarter, Hueridge Pty Ltd (a wholly owned subsidiary of New Hope Corporation Limited) subscribed for new shares totalling \$220,000 to maintain a 19.9% interest in the Company.

### **Statement of Competent Person**

The information in this report that relates to 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 Norman Seckold, Peter Nightingale, or Ian Halstead on (61-2) 9300 3322.

Yours sincerely

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

Peter J. Nightingale  
Director

pjn6498

## PLANET GAS PROJECT LIST

### AUSTRALIA

State	Tenement	Resource	Project	Status	Granted	Expiry	Company	Area (km <sup>2</sup> )
QLD	EPG 29	Geothermal	Innot	Granted	13-Apr-10	30-Apr-15	Gradient Energy Ltd	596 km <sup>2</sup>
SA	PEL 514	Petroleum	Cooper Basin	Granted	9-Nov-11	8-Nov-16	Planet Cooper Basin Pty Ltd	1,917 km <sup>2</sup>

### FARM-IN AGREEMENTS

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



Tenement Location Map