



27 April 2018

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 2018**

HIGHLIGHTS

- **Overriding Royalty Interest ('ORRI') in Kansas, Pennsylvania and New York State, USA production revenues in line with the previous quarter.**
- **The Lattice/Senex/Planet Gas joint venture in the Cooper Basin is currently being assessed.**

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 as follows:

	March Quarter	YTD
Planet Gas ORRI (US\$)	75,214	75,214

Revenues during the March 2018 quarter remained in line when compared to the previous quarter. During the March quarter, crude oil prices remained relatively stable with West Texas Intermediate Crude ("WTI") prices ranging from approximately US\$59 per barrel to US\$66 per barrel. During the quarter, NYMEX natural gas prices were volatile ranging from approximately US\$2.55 per MMBtu to US\$3.63 per MMBtu.

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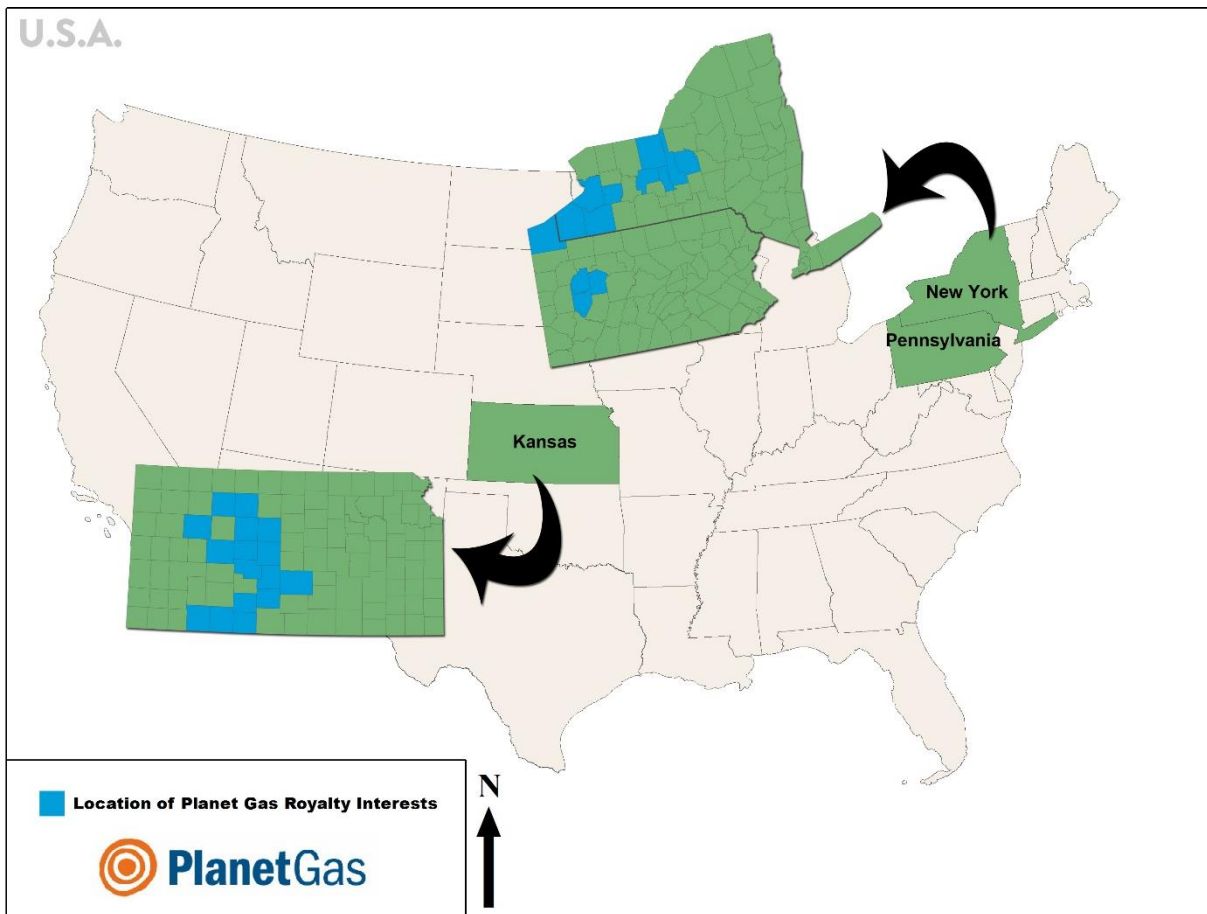


Figure 1: Location of Planet Gas Royalty Interests, United States of America

COOPER BASIN, SOUTH AUSTRALIA

PRL 118 through PRL 128 (previously PEL 514) and PRL 221 through PRL 230 (previously PEL 638)

PRL 118 to 128 and PRL 221 to 230 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).

PRL 221 to 230, previously, PEL 638, which covers an area of 904 km² in the Patchawarra Trough, was excised from PEL 514 to facilitate the administration of the joint venture between Origin Energy Limited ('Origin', ASX: ORG), now acquired by Beach Energy Limited ('Beach', ASX: BPT), 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.

PRL 221 to 230 are divided into two joint ventures; the PRL 221 through PRL 230 Deeps¹ joint venture (the subject of the farm-in by Origin now Beach) and the PRL 221 through PRL 230 Shallows¹ joint venture.

Planet Gas' interest in each of these areas is summarised as follows:

- PRL 118 through PRL 128 20% free carried.
- PRL 221 through PRL 230 Shallows 20% free carried.
- PRL 221 through PRL 230 Deeps 12.5% free carried reducing to 10% in the event that the Joint venture proceeds with Stage 2 of the farm-in program.

¹ A stratigraphic division separates the 'Deeps' and 'Shallows' with the Origin, now Beach agreement relating to the Deeps of the Permian system.

PRL 221 through PRL 230 Deeps (previously PEL 638 Deeps)

As previously announced, Planet Gas' 20% interest in PRL 221 through PRL 230 Deeps was reduced to a 12.5% free carried interest and would further reduce to a 10% interest based on work program expenditures by the joint venture in the event that joint venture 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 up to \$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 PRL 221 through PRL 230 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, now Beach, having the right to become operator following the completion of Stage 2.

The farm-in programs include the drilling of exploration and appraisal wells and, in the event of potentially producible hydrocarbons, fracture stimulation and flow testing. Stage 1 will evaluate the potential of the tight gas sands 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.

The Silver Star-1 gas exploration well was spudded in March 2017 with the Easternwell 106 rig specifically chosen to accommodate the technical specifications of the well.

In April 2017, the well had reached the planned Total Depth of 3,770 metres with several gas shows encountered in primary and secondary targets. During May 1,180 metres horizontal section was drilled to a total depth of 4,969 metres within the Patchawarra Formation, with gas saturation levels in line with expectations.

While running production casing into the well, unstable coals through the horizontal section collapsed and damaged the casing. The well is currently suspended.

The joint venture remains committed to evaluating material gas resources and to follow up drilling opportunities.

Origin completed the sale of its subsidiary Lattice Energy Limited that includes certain assets including interests in PRL 221 through PRL 230 Deeps to Beach Energy Limited.

PRL 118 through PRL 128 (previously PEL 514) and PRL 221 through PRL 230 Shallows (previously PEL 638 Shallows)

Limited work was carried out during March 2018 quarter and no exploration drilling is currently scheduled.

Planet Gas' 20% interest continues to be free carried by Senex for oil exploration in PRL 118 through PRL 128 and PRL 221 through PRL 230 Shallows.

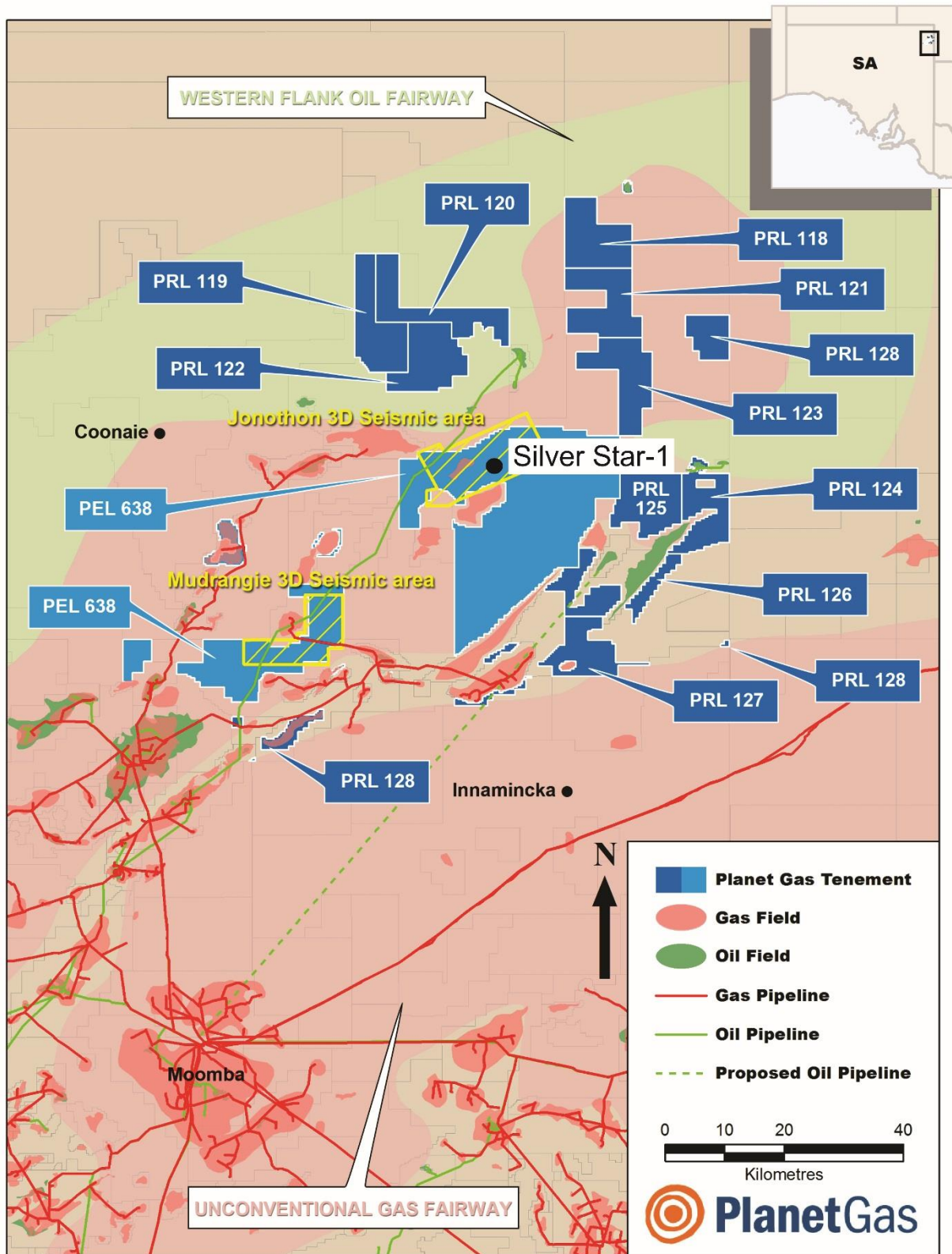


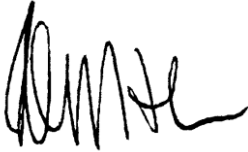
Figure 2: Location of PRL 118 through 128 and PRL 221 through 230 (former PEL 638)

TENEMENT INFORMATION

Tenement	Location	Ownership	Change in quarter
PRLs 118 through 128 (previously PEL 514)	Cooper Basin S.A.	20.0%	-
PRL 221 through 230 Shallows (previously PEL 638 Shallows)	Cooper Basin S.A.	20.0%	-
PRL 221 through 230 Deepes (previously PEL 638 Deepes)	Cooper Basin S.A.	12.5%	-

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

Yours sincerely



Peter J. Nightingale
Director

pjn9367