

**PLANET GAS LIMITED**  
and its controlled entities

A.B.N. 46 098 952 035

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
30 JUNE 2014**

**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

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**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

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The Directors of Planet Gas Limited (the 'Company' or 'Planet Gas') present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half-year ended 30 June 2014.

**Directors**

The names and particulars of the Directors of the Company at any time during or since the end of the half-year are:

**Norman A. Seckold, Executive Chairman**

Director since 4 December 2001.

Norman Seckold graduated with a Bachelor of Economics degree from the University of Sydney in 1970. He has spent more than 30 years in the full time management of natural resource companies, both in Australia and overseas, including the role of Chairman for a number of publicly listed companies including:

- Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA.
- Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA.
- Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA.
- Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria.
- Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria.
- Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden.
- Mogul Mining N.L., which drilled out the Magistral and Ocampo gold deposits in Mexico.
- Bolnisi Gold N.L. which discovered and is currently operating the Palmarejo and Guadalupe gold and silver deposits in Mexico.
- Cockatoo Coal Limited, an Australian coal mining, exploration and project development company.
- Cerro Resources N.L., a precious metals exploration company with a development project in Mexico.

Mr Seckold is currently Chairman of the following listed companies:

- Augur Resources Ltd, a minerals exploration and development company operating in Australia and Indonesia.
- Santana Minerals Limited, a precious metals exploration company operating in Mexico.
- Equus Mining Limited, a mineral and development company operating in Chile.

He is also a director of the unlisted public companies Mekong Minerals Limited and Nickel Mines Limited.

**Anthony J. McClure, Managing Director**

Managing Director from 31 May 2012 and Director since 27 August 2003.

Anthony McClure graduated with a Bachelor of Science (Geology) degree from Macquarie University in 1986. Mr McClure has over 25 years' technical, management and financial experience in the resource sector worldwide in project management and executive development roles. He has also worked in the financial services sector and stockbroking, primarily as a resource analyst covering both mineral and energy sectors. Mr McClure is currently a director of unlisted public companies Mekong Minerals Limited and Nickel Mines Limited.

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**DIRECTORS' REPORT**

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**Peter J. Nightingale, Executive Director and CFO**

Director since 4 December 2001.

Peter Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 25 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Bolnisi Gold N.L., Callabonna Uranium Limited, Cockatoo Coal Limited, Mogul Mining N.L., Pangea Resources Limited, Perseverance Corporation Limited, Sumatra Cooper & Gold plc, Timberline Minerals Inc. and Valdora Minerals N.L.

Mr Nightingale is currently a director of Augur Resources Ltd and unlisted public company Nickel Mines Limited.

**Anthony J. McDonald, Independent and Non-Executive Director**

Director since 19 November 2003.

Tony McDonald graduated with a Bachelor of Laws from the Queensland University of Technology in 1981. He was admitted as a solicitor in 1982. He has been involved in the natural resources sector in Australia and internationally for many years and in the past 12 years has been actively involved in management in the resources sector. He is currently Managing Director of Santana Minerals Limited, a precious metals explorer with a Mexico focus and non-executive director of unlisted Mekong Minerals Limited. In the last 3 years he has also been a director of Industrea Limited and was Managing Director of Cerro Resources N.L.

**Robert Charles Neale, Non-Executive Director**

Director since 20 November 2009.

Mr Neale is the immediate past Managing Director of New Hope Corporation Limited. He joined New Hope Corporation Limited in 1996 as General Manager, appointed as Executive Officer in 2005 and to the Board of Directors in November 2008 until his retirement in January 2014. Mr Neale has more than 45 years' experience in the mining and exploration industries covering coal, base metals, gold, synthetic fuels, bulk materials shipping, and power generation. Mr Neale is currently Chairman of Westside Corporation Limited and Dart Energy Limited.

**Robert M. Bell, Independent and Non-Executive Director**

Director since 30 October 2007.

Bob Bell graduated from Birmingham University in 1960 and moved to Australia in 1964, working as a geologist on the Roma gas fields. After a time with the Queensland Government Mines Department in the late 1970s he established his own consultancy business, specialising in oil and gas exploration in Australia and overseas. He was one of the first geologists in Australia to recognise the enormous potential of CBM in Queensland.

He was one of the founders of Queensland Gas Company which was bought by British Gas in 2009. His directorship over the last three years includes Cerro Resources N.L. and Green Invest Limited.

**PLANET GAS LIMITED  
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**DIRECTORS' REPORT**

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**OPERATING AND FINANCIAL REVIEW**

The activities of Planet Gas Limited and its controlled entities (the 'Group') during the half-year ended 30 June 2014 include the following:

- New agreement with Origin Energy Limited ('Origin') and Senex Energy Limited ('Senex') allowing for Planet Gas to be free carried for its share of \$80 million expenditure targeting tight sands in the Cooper Basin, South Australia.
- 'Cordillo' and 'Dundinna' 3D seismic surveys progressed.
- Target generation and planning for the second half-year 2014 drilling program.
- Completion of analysis of the end 2013 drilling program.

**Cooper Basin, South Australia**

**PEL 514 and PEL 638**

PEL 514 and PEL 638 cover a combined area of 1,917 km<sup>2</sup> in the Cooper Basin of north eastern South Australia, hosting an array of exploration targets for conventional and unconventional hydrocarbons.

During the half-year, PEL 638, which covers an area of 904 km<sup>2</sup> in the Patchawarra Trough, was excised from PEL 514 to facilitate the administration of a new joint venture between Origin, Senex and Planet Gas. Prior to the excising of PEL 638, Planet Gas held a 20% interest in PEL 514.

Further, PEL 638 is divided into two joint ventures; the PEL 638 Deeps joint venture (the subject of the farm-in by Origin) and the PEL 638 Shallows joint venture.

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

- PEL 514                              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.

**PEL 638 Deeps**

Planet Gas initially held a 20% interest in the PEL 638 Deeps joint venture and, as announced on 30 June 2014, the joint venture was renegotiated so that Planet Gas' interest was reduced to a 12.5% free carried interest, reducing 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 up to seven 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 separate pilot programs.

Planning for the acquisition of 250 km<sup>2</sup> of 3D seismic will commence in the second half of the year.

**PLANET GAS LIMITED  
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**DIRECTORS' REPORT**

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**PEL 514 and PEL 638 Shallows**

The existing farm-in arrangements between Planet Gas and Senex with regards to oil exploration will continue in PEL 514 and PEL 638 Shallows. Planet Gas' 20% interest continues to be free carried by Senex for oil exploration.

During the half-year, processing and interpretation of the 'Cordillo' 3D seismic data covering 158.7 km<sup>2</sup> and the 'Dundinna' 3D seismic data covering 163.9 km<sup>2</sup> of PEL 514 was progressed.

Under the second farm-in agreement of May 2013, Senex is required to complete a two well drilling program by November 2014.

During the half-year, final testing of the Sprigg-1 exploration well was completed. No significant hydrocarbons were intersected over a four zone selective completion. The well has been suspended as a future water well and attributable reserves have been written off.

**No Material Changes**

Planet Gas confirms that it is not aware of any new information or data that would materially affect the information included in the market announcements dated 7 April 2014, and 29 April 2014, and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed.

**Corporate Activities**

During the half-year, a gas farm-out agreement was agreed between Origin and Senex primarily with regards to the exploration of gas in tight sands in PEL 514 and PEL 638. This agreement was followed by a further agreement between Origin, Senex and Planet Gas as detailed above.

During the half-year, the Company continued to assess new projects to expand the Company's activities outside of its key assets in South Australia. Evaluation involves new project generation both locally and abroad for potential acquisitions commensurate with the Company's strategy for development.

**Subsequent Events**

Subsequent to the end of the half-year, the Company announced that it had entered into an agreement with Macquarie Americas Corporation Limited (a Macquarie Bank Limited subsidiary) whereby Planet Gas USA Inc. (wholly owned subsidiary of the Company) would purchase a 3.0% Overriding Royalty Interest over established oil and gas production assets in Kansas, Pennsylvania and New York State, USA which total approximately 500,000 barrels of oil equivalent production per annum.

Purchase consideration is US\$4.58 million, with US\$1.38 million funded from the Company's existing cash reserves and US\$3.2 million by a drawdown from a 5 year US\$15.0 million debt facility provided by Macquarie Bank Limited.

On 20 August 2014, 70,500,000 options issued by the Company expired. No options were exercised prior to the expiry date. The Company does not have any other options on issue.

No other matters or circumstances have arisen since the end of the half-year, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**PLANET GAS LIMITED  
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**DIRECTORS' REPORT**

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**Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 30 June 2014.

Signed at Sydney this 8th day of September 2014  
in accordance with a resolution of the Board of Directors:



**Norman A. Seckold**  
Chairman



**Anthony J. McClure**  
Managing Director



**LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE *CORPORATIONS ACT 2001***

To the Directors of Planet Gas Limited:

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

**KPMG**

**Adam Twemlow**  
Partner

Brisbane

8 September 2014



**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	Notes	30 June 2014 \$	30 June 2013 \$
<b>CONTINUING OPERATIONS</b>			
Revenue from sale of coal seam gas		1,634	1,217
Administration and consultants' expenses		(390,681)	(445,826)
Depreciation expense		(698)	(5,836)
Pre-licence costs - exploration expenditure		-	(239)
Travel expenses		(2,135)	(1,206)
Other expenses		(24,579)	(18,021)
<b>Operating loss before financing income</b>		<b>(416,459)</b>	<b>(469,911)</b>
Financial income		52,032	4,279
<b>Net financing income</b>		<b>52,032</b>	<b>4,279</b>
<b>Loss before tax</b>		<b>(364,427)</b>	<b>(465,632)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(364,427)</b>	<b>(465,632)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in the fair value of available for sale financial assets		(10,950)	(24,741)
Foreign currency translation differences - foreign operations		(290)	1,068
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(11,240)</b>	<b>(23,673)</b>
<b>Other comprehensive loss for the period</b>		<b>(11,240)</b>	<b>(23,673)</b>
<b>Total comprehensive loss for the period</b>		<b>(375,667)</b>	<b>(489,305)</b>
Basic and diluted loss per share (cents)		(0.07)	(0.09)

The above Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Notes	30 June 2014 \$	31 December 2013 \$
<b>Current assets</b>			
Cash and cash equivalents		3,876,032	4,414,517
Trade and other receivables		10,094	-
Term deposit		50,000	-
Other assets		9,641	28,781
<b>Total current assets</b>		<b>3,945,767</b>	<b>4,443,298</b>
<b>Non-current assets</b>			
Investments	5	19,605	30,555
Property, plant and equipment		-	698
Exploration and evaluation expenditure	4	866,123	756,780
Other assets		-	50,000
<b>Total non-current assets</b>		<b>885,728</b>	<b>838,033</b>
<b>Total assets</b>		<b>4,831,495</b>	<b>5,281,331</b>
<b>Current liabilities</b>			
Trade and other payables		72,413	146,582
Total current liabilities		72,413	146,582
<b>Total liabilities</b>		<b>72,413</b>	<b>146,582</b>
<b>Net assets</b>		<b>4,759,082</b>	<b>5,134,749</b>
<b>Equity</b>			
Issued capital	6	49,781,972	49,781,972
Option premium reserve		4,379,880	4,379,880
Fair value reserve		19,605	30,555
Foreign currency translation reserve		(2,786,322)	(2,786,032)
Accumulated losses		(46,636,053)	(46,271,626)
<b>Total equity</b>		<b>4,759,082</b>	<b>5,134,749</b>

The above Condensed Consolidated Interim Statement of Financial Position should be read  
in conjunction with the accompanying notes

**PLANET GAS LIMITED  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

**Attributable to equity holders of the Company**

	Issued capital \$	Accumulated losses \$	Option premium reserve \$	Fair value reserve \$	Foreign currency translation reserve \$	Total equity \$
Balance at 1 January 2013	49,781,972	(50,378,192)	4,456,501	32,848	(2,787,423)	1,105,706
<b>Total comprehensive income for the period</b>						
Loss for the period	-	(465,632)	-	-	-	(465,632)
Foreign currency translation differences	-	-	-	-	1,068	1,068
Net change in fair value of available- for- sale financial assets	-	-	-	(24,741)	-	(24,741)
Total other comprehensive loss	-	-	-	(24,741)	1,068	(23,673)
<b>Total comprehensive loss</b>	-	(465,632)	-	(24,741)	1,068	(489,305)
Transactions with owners recorded directly in equity						
<b>Contribution by and distribution to owners</b>	-	-	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>49,781,972</b>	<b>(50,843,824)</b>	<b>4,456,501</b>	<b>8,107</b>	<b>(2,786,355)</b>	<b>616,401</b>
Balance at 1 January 2014	49,781,972	(46,271,626)	4,379,880	30,555	(2,786,032)	5,134,749
<b>Total comprehensive income for the period</b>						
Loss for the period	-	(364,427)	-	-	-	(364,427)
Foreign currency translation differences	-	-	-	-	(290)	(290)
Net change in fair value of available- for-sale financial assets	-	-	-	(10,950)	-	(10,950)
Total other comprehensive loss	-	-	-	(10,950)	(290)	(11,240)
Total comprehensive loss	-	(364,427)	-	(10,950)	(290)	(375,667)
Transactions with owners recorded directly in equity						
<b>Contribution by and distribution to owners</b>	-	-	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>49,781,972</b>	<b>(46,636,053)</b>	<b>4,379,880</b>	<b>19,605</b>	<b>(2,786,322)</b>	<b>4,759,082</b>

The above Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes

**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	30 June 2014 \$	30 June 2013 \$
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	1,634	1,217
Cash payments in the course of operations	<u>(482,808)</u>	<u>(259,779)</u>
Cash used in operations	(481,174)	(258,562)
Interest received	<u>52,032</u>	<u>7,206</u>
<b>Net cash used in operating activities</b>	<u>(429,142)</u>	<u>(251,356)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(109,343)	(99,616)
Payments for fixed assets	-	-
Receipt from the sale of investments	<u>-</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(109,343)</u>	<u>(99,616)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	-
Transaction costs on share issue	<u>-</u>	<u>-</u>
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(538,485)	(350,972)
Cash and cash equivalents at the beginning of the financial period	4,414,517	441,484
Effect of exchange rate fluctuations on cash held	<u>-</u>	<u>70</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u>3,876,032</u>	<u>90,582</u>

The above Condensed Consolidated Interim Statement of Cash Flows should be read  
in conjunction with the accompanying notes

**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

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**NOTE 1 - REPORTING ENTITY**

Planet Gas Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily engaged in the acquisition, exploration and development of oil and gas interests in Australia and the USA.

The consolidated annual financial statements of the Group as at and for the year ended 31 December 2013 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at [www.planetgas.com](http://www.planetgas.com).

**NOTE 2 - BASIS OF PREPARATION**

**(a) Statement of compliance**

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*.

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2013 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These condensed consolidated interim financial statements were approved by the Board of Directors on 8 September 2014.

**(b) Estimates**

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

**PLANET GAS LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

**NOTE 4 - EXPLORATION AND EVALUATION EXPENDITURE**

	<b>30 June 2013</b>	<b>31 December 2013</b>
	\$	\$
Carrying amount at beginning of year	<b>756,780</b>	676,314
Additions	<b>109,343</b>	214,140
Disposals	-	(133,674)
Net book value	<b><u>866,123</u></b>	<u>756,780</u>

The ultimate recoupment of exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

During the half-year ended 30 June 2014, the Group assessed its exploration and evaluation expenditure assets for impairment and recorded no impairment.

On 24 February 2014, a farm-in agreement was announced between Origin Energy Limited and Senex Energy Limited in respect of PEL 514. The farm-in agreement announced on 24 February 2014 had no impact on the Group's 20% interest in PEL 514. Following on from this agreement a new permit, PEL 638, was excised from PEL 514 in which the Group retained a 20% interest.

On 30 June 2014, the Group's interest in the PEL 638 Deeps was reduced from 20% to 12.5%. The Group has retained its 20% interest in PEL 638 Shallows and PEL 514.

**NOTE 5 - AVAILABLE FOR SALE FINANCIAL ASSETS**

Equity investments - available for sale at fair value	<u>19,605</u>	<u>30,555</u>
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At 30 June 2014, the Directors compared the carrying value of the investment to market value and recorded a reduction in fair value of \$10,950 in equity (30 June 2013 - \$24,741 reduction in equity). This was based on a closing bid price of 3.6 cents at 30 June 2014 (31 December 2013 - 5.6 cents).

The equity investment is an ASX listed company, and is therefore designated as Level 1 in the fair value hierarchy (quoted unadjusted prices in active markets).

The carrying value of the equity investments is the same as the fair value.

**NOTE 6 - ISSUED CAPITAL**

	<b>30 June 2014</b>		<b>31 December 2013</b>	
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
Ordinary shares, fully paid at 1 July	<b>537,622,535</b>	<b>49,781,972</b>	537,622,535	49,781,972
Movement in ordinary shares	-	-	-	-
Balance at end of period	<b><u>537,622,535</u></b>	<b><u>49,781,972</u></b>	<u>537,622,535</u>	<u>49,781,972</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**PLANET GAS LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

**NOTE 6 - ISSUED CAPITAL (CONTINUED)**

The following options were on issue at 30 June 2014, each exercisable to acquire one ordinary share:

Exercise period	Exercise price	Opening Balance	Options Issued	Options Cancelled/ Expired	Closing Balance
On or before 20 August 2014	\$0.132	60,000,000	-	-	60,000,000
On or before 20 August 2014	\$0.132	8,000,000	-	-	8,000,000
On or before 20 August 2014	\$0.132	2,500,000	-	-	2,500,000
		<u>70,500,000</u>	<u>-</u>	<u>-</u>	<u>70,500,000</u>

Subsequent to half-year end the 70,500,000 options on issue expired unexercised.

**NOTE 7 - OPERATING SEGMENTS**

All production and development activity has now ceased and therefore the Group now solely undertakes exploration and evaluation activities predominantly within Australia and the USA.

**NOTE 8 - RELATED PARTY DISCLOSURE**

During the half-year ended 30 June 2014, Norman A. Seckold and Peter J. Nightingale had a controlling interest in an entity, Mining Services Trust, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the half-year amounted to \$90,000 (2013 - \$210,011). There were no amounts outstanding as at 30 June 2014 (2013 - \$95,505).

During the half-year ended 30 June 2014, \$6,250 was payable to Rosignol Consultants Pty Limited for amounts outstanding in relation to directors fees owing to Peter J. Nightingale (2013 - \$nil).

**NOTE 9 - SUBSEQUENT EVENTS**

Subsequent to the end of the half-year the Company announced that it had entered into an agreement with Macquarie Americas Corporation Limited (a Macquarie Bank Limited subsidiary) whereby Planet Gas USA Inc (wholly owned subsidiary in the Group) would purchase a 3.0% Overriding Royalty Interest over established oil and gas production assets in Kansas, Pennsylvania and New York State, USA which total approximately 500,000 barrels of oil equivalent production per annum.

The purchase consideration is US\$4.58 million, with US\$1.38 million funded from the Company's existing cash reserves and US\$3.2 million by a drawdown from a 5 year US\$15.0 million debt facility provided by Macquarie Bank Limited.

On 20 August 2014, 70,500,000 options issued by the Company expired. No options were exercised prior to the expiry date. The Company does not have any other options on issue.

No other matters or circumstances have arisen since the end of the half-year, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**PLANET GAS LIMITED  
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**DIRECTORS' DECLARATION**

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In the opinion of the Directors of Planet Gas Limited (the Company):

- (1) the condensed consolidated interim financial statements and notes set out on pages 7 to 13, are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney this 8th day of September 2014  
in accordance with a resolution of the Board of Directors:



**Norman A. Seckold**  
Chairman



**Anthony J. McClure**  
Managing Director





## **Independent auditor's review report to the members of Planet Gas Limited**

We have reviewed the accompanying interim financial report of Planet Gas Limited, which comprises the condensed consolidated interim statement of financial position as at 30 June 2014, condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### ***Directors' responsibility for the interim financial report***

The Directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Planet Gas Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**Independent auditor's review report to the members of Planet Gas Limited (continued)**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Planet Gas Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

**KPMG**

A handwritten signature in blue ink, appearing to read 'Adam Twemlow', with a long horizontal flourish extending to the right.

**Adam Twemlow**  
Partner  
Brisbane  
8 September 2014

**PLANET GAS LIMITED  
AND ITS CONTROLLED ENTITIES**

**CORPORATE DIRECTORY**

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**Directors:**

Mr Norman A. Seckold (Chairman)  
Mr Anthony J. McClure (Managing Director)  
Mr Peter J. Nightingale  
Mr Robert M. Bell  
Mr Anthony J. McDonald  
Mr Robert C. Neale

**Company Secretary:**

Mr Marcelo Mora

**Principal Place of Business and Registered Office:**

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Homepage: [www.planetgas.com](http://www.planetgas.com)

**Auditors:**

KPMG  
Level 16, Riparian Plaza  
71 Eagle Street  
BRISBANE QLD 4000

**Share Registrar:**

Computershare Investor Services Pty Limited  
117 Victoria Street  
West End QLD 4101

Phone: 61-7 3237 2100  
Fax: 61-7 3229 9860

**Solicitors:**

Minter Ellison  
88 Phillip Street  
SYDNEY NSW 2000