

29 July 2011

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(5 pages by email)

Dear Madam

**REPORT ON ACTIVITIES FOR THE QUARTER ENDING  
30 JUNE 2011**

**HIGHLIGHTS**

- **PEL 468 Mead's Crossing-1 exploration commenced**
- **Land access, permitting, and drilling approvals received**
- **PEL 468 and 470 seismic activities completed**

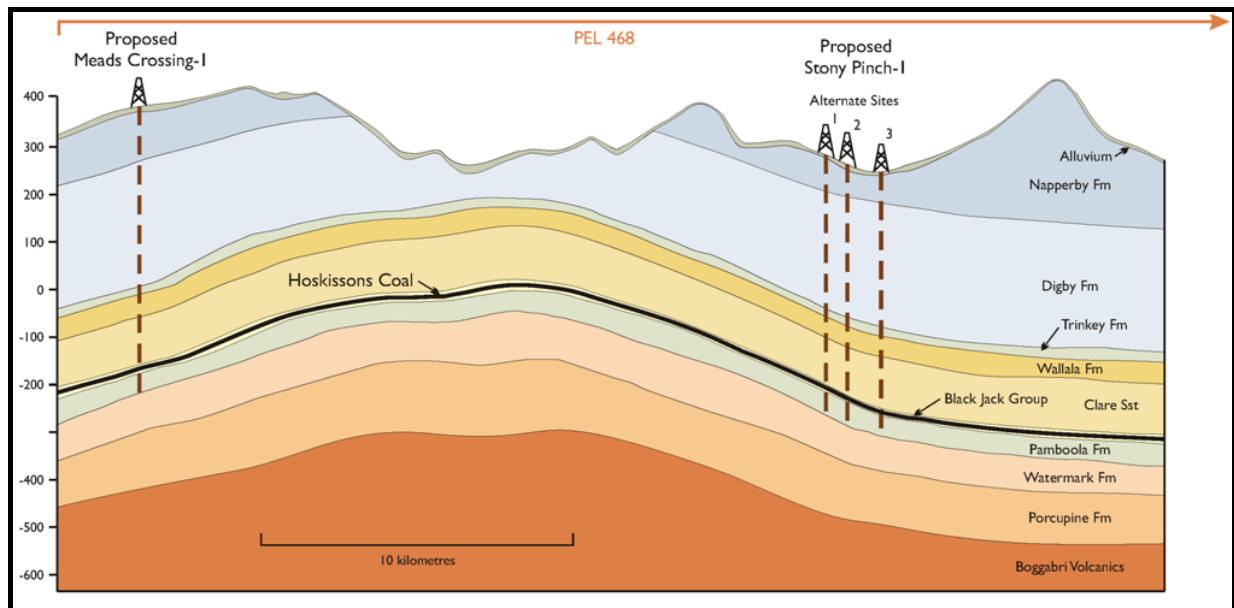
**NSW CBM/Gas Projects**

**Bylong PEL 468, Shoalhaven PEL 469 and Mooki PEL 470**

During the quarter, exploration commenced at the Company's coal bed methane ('CBM') exploration project PEL 468 (Bylong) with the initiation of a low impact seismic survey at the project located in the Sydney Basin, NSW.

All environmental and government approvals have been received to drill the first corehole at PEL 468 and the drilling rig and all related equipment is on-site at Meads Crossing-1 and the well is ready to be spudded.

Two exploration coreholes will be drilled on PEL 468 (Meads Crossing-1 and Stony Pinch-1) and will target CBM resources in the Illawarra Coal Measures. The purpose of these wells is to confirm the presence, thickness and quality of these coals and undertake an analysis of gas present and concentration. The coreholes will also test the permeability of the coals. Data collected from these combined efforts will be analysed, and used to derive a CBM Contingent Resource estimate. Regional geology at PEL 468 is shown below.

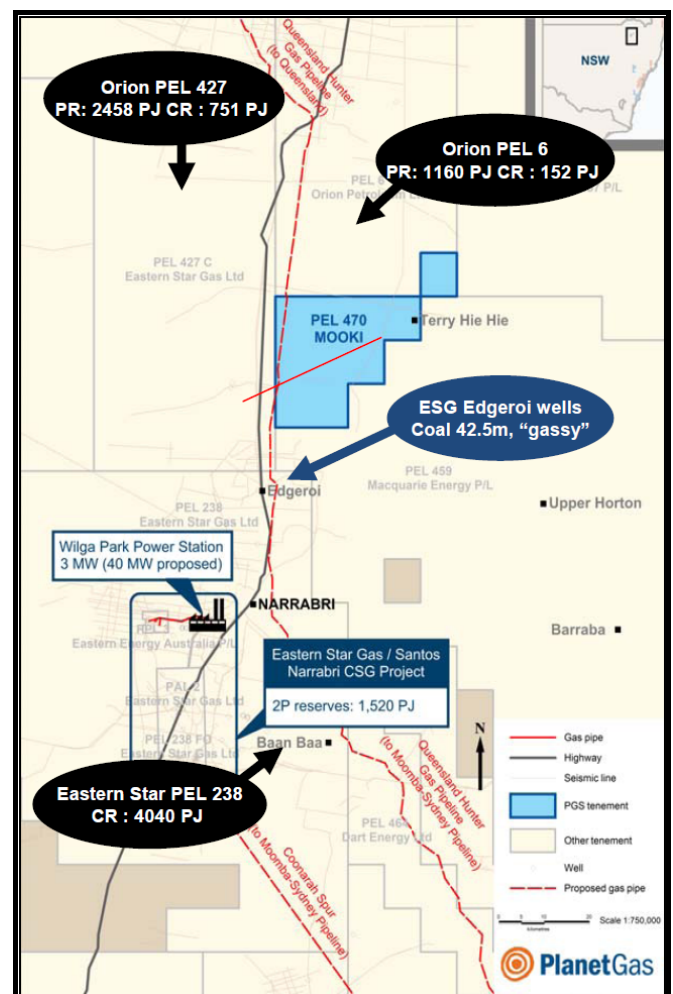


**PEL 468 schematic cross-section. For illustration only, drilling will test formations.**

The drilling of the exploration coreholes involves minimal interference or disturbance to the area in which it is taking place. No hydraulic fracturing ('fracking') or well stimulation will be undertaken during this drilling program.

Environmental studies for Stony Pinch-1 were completed during the quarter and will be submitted to the Department of Industry and Investment for review.

In PEL 470 (Mooki) the Company continued land access discussions with a number of landholders. Landholders have been selected based on the results of the Company's recently acquired seismic data, and has identified a number of geologically optimal locations.

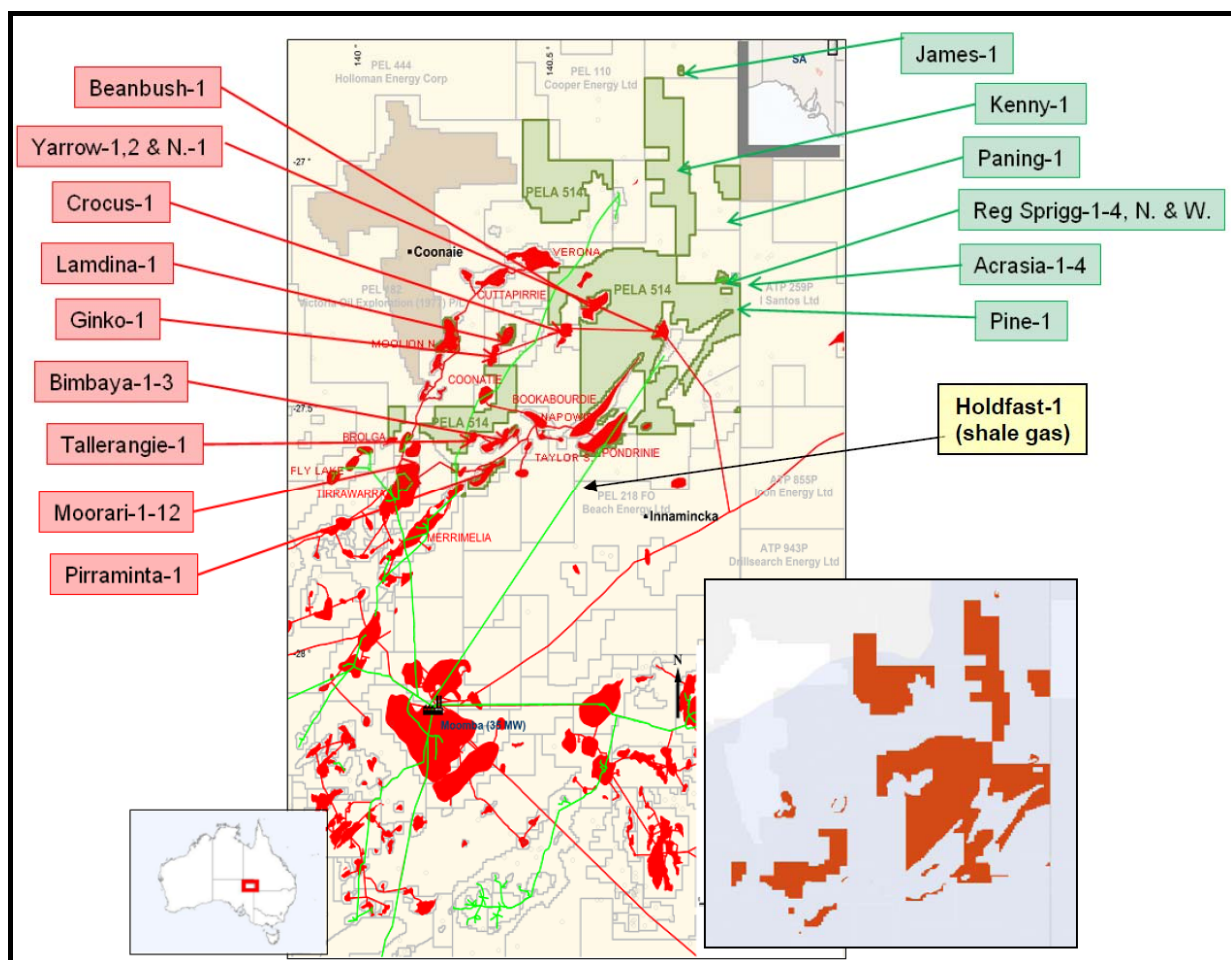


## South Australia - Cooper Basin

The Company continues native title processing on PELA 514 (100%), which was the subject of a successful tender by the Company in late 2009.

PELA 514 is prospective for conventional oil and gas, and is underlain by significant thicknesses of good quality coal, and hydrocarbon rich shales. It is also strategically located close to existing producing oil and gas fields, and underutilised infrastructure in the Cooper Basin.

The Company is encouraged by the drilling of several recent wells by neighbouring Cooper Basin operators, some of which have encountered 200 to 400 metre thicknesses of hydrocarbon rich shales, and in a recent case reported to have successfully flowed gas.



## Well positioned projects

- Santos (STO) announced acquisition of 100% of Eastern Star Gas (Gunnedah Basin) for \$0.50 per 3P gigajoule.

- Beach Petroleum (BPT) announced flow of up to 2 MMscf/d, demonstrating success in Australia's first shale gas well Holdfast-1. Holdfast-1 is located approximately 20 kilometres south of the Company's PELA 514 licence.
- Drillsearch Energy (DLS) announced the formation of a JV with QGC to the value of \$130 million to develop their shale gas acreage in the Cooper Basin.

## **USA operations**

As part of the Company's divestment plans for the USA assets, the interest of Oriva Federal leasehold was sold for with the Company retaining an overriding royalty interest of 4.5%. Oriva Throne and East Esponda were wholly assigned to the project operators, Emerald Operating Company and Anadarko Petroleum Corporation respectively. Rehabilitation work continued on the Company's Esponda West project.

## **Geothermal**

Due to changed market sentiments towards geothermal energy and based on an assessment of the prospectivity of the tenements, during the quarter the Company relinquished geothermal exploration licences EL 7146 and EL 7350.

## **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



Peter J. Nightingale  
Director

pjn6138

## 1 PLANET GAS PROJECT LIST

### AUSTRALIA

State	Tenement	Resource	Project	Status	Granted	Expiry	Company	Area (km2)
QLD	EPG29	Geothermal	Innot	Granted	13-Apr-10	30-Apr-15	Gradient Energy Ltd	596 km <sup>2</sup>
SA	GEL354-GEL365 and GEL377	Geothermal	Eromanga	Granted	26-May-08	25-May-13	Gradient Energy Ltd	6,101 km <sup>2</sup>
SA	GEL448-GEL461	Geothermal	Leigh Creek	Granted	17-Nov-09	16-Nov-14	Gradient Energy Ltd	6,590 km <sup>2</sup>
SA	PELA514	Petroleum	Cooper Basin	App Lodged 9-Dec-09 (awaiting Native Title clearance)			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>

### USA

State	Basin	Holder	Resource	Project	Area
Wyoming	Powder River	Paupers Dream Company	Oil & Gas	Esponda West	11,586 Ha