

Planet Gas Limited and its Controlled Entities  
ABN 46 098 952 035



2013 | ANNUAL  
REPORT

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# CHAIRMAN'S LETTER



Dear Fellow Shareholder,

I am pleased to report that the 2013 year included the further development of exploration efforts within PEL 514 in the Cooper Basin of South Australia. Our joint venture partner and operator of the permit, Senex Energy Limited ('Senex'), continued with 3D seismic surveys and drilled two wells within the PEL. We view the year's activities in a positive manner and in particular in the lead up to the 2014 program and beyond.

Our joint venture with Senex is primarily focused on relatively moderate risk oil exploration and development. However, the Cooper Basin has recently seen a dramatic revitalisation, primarily in unconventional gas exploration. The region saw the entry by the USA major oil and gas company, Chevron, and exploration by Santos and others continue to provide a substantial stimulus for the unconventional gas business case for the region.

We are delighted to report, subsequent to the end of the 2013 financial year, the entry of Origin Energy Limited ('Origin') into PEL 514 for the exploration of gas and primarily tight gas sands. Origin is a leading Australian integrated energy company with its enterprise activities including gas and oil exploration and production, power generation and energy retailing. Origin has committed to substantial expenditure in PEL 514 which will hopefully result in considerable benefit to Planet Gas shareholders.

During 2013, we completed the rationalisation of the Company, in particular with the exit of non-performing New South Wales coal seam gas assets. The Company is now financially secure and well positioned with significant exposure to the exploration of oil and gas projects in the Cooper Basin.

We look forward to a productive 2014.

Yours sincerely

A stylized, handwritten signature in black ink, appearing to read 'Norman A. Seckold'.

**Norman A. Seckold**  
Chairman



# REVIEW OF OPERATIONS

## SUMMARY

During the 2013 year, Planet Gas Limited ('Planet Gas' or 'the Company') saw the expansion of exploration activities in the Cooper Basin of South Australia including initial drilling activities. Historical and residual projects in the Company were removed during the year and in particular Planet Gas extracted itself from all coal seam gas activities in New South Wales and all geothermal activities. Planet Gas is now solely focused on the Cooper Basin.

The Company's joint venture with Senex Energy Limited ('Senex') over PEL 514 in the Cooper Basin continued in the exploration for oil and, subsequent to the end of the year, the Company included Origin Energy Limited ('Origin') as its partner, primarily for the exploration of unconventional gas.

During 2013:

- Drilling of Sprigg-1 and Pirraminta-2 wells was completed.
- 'Cordillo' 3D seismic processing and interpretation covering 158.7 km<sup>2</sup> was progressed.
- 'Dundinna' 3D seismic data acquisition program covering 163.9 km<sup>2</sup> was completed.
- A second farm-in agreement was entered into with Senex providing for Planet Gas to be free carried for upcoming programs.
- A rationalisation program was completed with the withdrawal from New South Wales coal seam gas projects.







*Sprigg-1 exploration well*

“

2013 included the further development of exploration efforts within PEL 514 in the Cooper Basin of South Australia

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# REVIEW OF OPERATIONS

## CORPORATE ACTIVITIES

In May 2013, the Company entered into a second farm-in agreement with Senex for future expanded exploration activities in PEL 514.

As part of the agreement, Planet Gas transferred a 10% interest in PEL 514 North and a 30% interest in PEL 514 South to Senex, thereby reducing Planet Gas' interest in the entirety of PEL 514 to 20% with Senex holding the remaining 80% (prior to the Senex transaction with Origin as detailed below).

The consideration for the transfer was:

- \$5.0 million cash payment to Planet Gas; and
- Planet Gas to be free carried for a total of \$9.0 million of its share of oil exploration expenditure within PEL 514.

The agreement also specifies conditional payments of:

- A royalty to Planet Gas which is calculated as 2.0% of the Net Well Head Value of all oil produced from PEL 514 capped at \$7.5 million; and
- Upon certification of 8 million barrels of Proved and Probable (2P) oil reserves in PEL 514, Planet Gas will receive a further payment of \$5.0 million and an additional payment of \$5.0 million upon certification of an additional 4 million barrels of 2P oil reserves in PEL 514.

Subsequent to end of the year, a gas farm-out agreement was reached between Senex and Origin

in relation to 904 km<sup>2</sup>, or approximately 47%, of the area of PEL 514 covering part of the Patchawarra Trough in PEL 514. A stratigraphical division separates the 'Deeps' and 'Shallows' of this area, with Origin having an interest in the Deeps of the Permian system (see Figure 1).

The Deeps work program is split into Stage 1 and Stage 2 with total expenditure of up to \$80 million (see Table 1). The joint venture parties may also elect to fund additional work programs of up to \$67 million. 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 will evaluate the commercial viability of the gas resource by undertaking extended flow testing through separate pilot programs.

Through Stage 1, Origin will earn a 30% interest in the Deeps from Senex and may increase its interests by a further 10% upon the completion of Stage 2. Senex will reduce to a 40% interest after Stage 2 while Planet Gas will maintain its 20% interest.

Senex will be the operator of the programs with Origin having the right to become operator following the completion of Stage 2.

The existing farm-in arrangements between Planet Gas and Senex with regards to oil exploration will continue in the remainder of PEL 514 covering 1,013 km<sup>2</sup> (the 'Remainder area') and also in the Shallows. Planet Gas' 20% interest continues to be free carried by Senex for a total of \$9.0 million of Planet Gas' share of oil exploration expenditure by Senex.



# REVIEW OF OPERATIONS

**Table 1**

PEL 514 Transaction Details with Origin	
PEL 514 licence area	1,917 km <sup>2</sup>
Farm-out area to Origin	904 km <sup>2</sup> (47% of total area) - Deeps only
Stage 1 work program	\$40 million
Participating interest earned by Origin	30%
Planet Gas participating interest	20%
Stage 2 work program	\$40 million
Participating interest earned by Origin	10%
Planet Gas participating interest	20%
Additional work programs (Stage 1 and 2 - equity basis)	\$67 million (subject to operating committee approval)
Total work programs	\$147 million

## PEL 514 - Cooper Basin, South Australia

PEL 514 covers 1,917 square kilometres and is located in the Cooper Basin of north eastern South Australia. The PEL has a five year term which commenced on 9 November 2011.

In recent years, the Cooper Basin has seen a substantial increase in oil and unconventional gas exploration. This considerable potential should see underutilised infrastructure continuing to deliver oil and gas to eastern Australia for years to come.

PEL 514 contains an array of targets for conventional and unconventional hydrocarbon exploration.

Conventional oil and gas prospectivity lies within the Jurassic and Cretaceous Namur and Hutton sandstones, the Murta Formation and also the Triassic sands, Permian gas in the Toolachee and Patchawarra Formations and liquids-rich gas in the Tirrawarra Formation. The Birkhead channel sands which produce oil nearby to PEL 514 are considered targets.

Tights gas in sands and gas in coals and shales are present across the area. Tight gas targets are considered in the deep Permian system of the Patchawarra Trough while coal seam gas potential is evidenced in the Cretaceous Winton, Permian Toolachee and Patchawarra horizons. There is also shale gas potential in the Daralingie shale and the Murteree member of the Roseneath, Epsilon and Murteree ('REM') shales.

## Seismic Surveys

During the year, interpretation and mapping of the 'Cordillo' 3D seismic data covering 158.7 km<sup>2</sup> of the northern part of PEL 514 (see Figure 1) was progressed. This work has identified several key play types including Tinchoo Formation structural traps and Toolachee Formation stratigraphic traps. This area is of particular interest given oil shows in the previously drilled Kenny-1 well and oil flows from the James-1 well (both wells proximate to PEL 514) and the proximity of the Cuisinier oil field to the east.

Towards the end of 2013, the 'Dundinna' 3D seismic data acquisition program, covering 163.9 km<sup>2</sup> of PEL 514 (see Figure 1) was completed. Processing has commenced and is expected to be completed in mid 2014.







# REVIEW OF OPERATIONS

## PEL 514 - Cooper Basin, South Australia (Cont.)

### Drilling

The Sprigg field is located in the central eastern sector of PEL 514 (see Figure 1) and is 4.5 kilometres west of Acrasia oil field.

The exploration well was drilled to a total depth of 2,472 metres testing the oil potential of the Tinchoo Formation up dip and 240 metres west south west of the Reg Sprigg North-1 well. Additional targets were also intersected through the Hutton Sandstone and the Arrabury Formation which have produced oil in nearby wells.

The well intersected oil shows in the Panning Member and the Murta Formation with 6.3 metres of interpreted net pay in the Murta Formation.

The running of 7 inch casing has been completed and, pending work-over rig availability, it is planned to flow test the Panning Member, the Murta Formation and two other zones in early 2014.

During the 2013 year, the Piraminta-2 well was completed to a total depth of 1,771 metres. The well failed to intersect hydrocarbons and has been cased and suspended as a future water well.

### Reserves Statement as 31 December 2013

In August 2013 the Company reported initial oil reserve estimates for the Sprigg field located within PEL 514 which were independently completed by DeGolyer and MacNaughton of Dallas, Texas, USA.

Undeveloped Oil Reserves Sprigg Field, Cooper Basin				
	1P Mbbbls	2P Mbbbls	3P Mbbbls	Reconciliation from previous year
Gross	0.0	188.0	725.6	First time calculation
Net (Planet Gas 20% interest)	0.0	37.6	145.1	First time calculation

Mbbbls: thousands of barrels of crude oil.

The Sprigg field is located in the central eastern sector of PEL 514 (see Figure 1). The Sprigg field lies immediately to the west of the Acrasia production field which is also operated by Senex.

The preparation of these reserves has been estimated using the deterministic method.

The reference point used for the purpose of measuring and assessing the estimated reserves is the point of sale of petroleum and petroleum production.

The Sprigg field oil reserves lie entirely within the Tinchoo Formation with previous drilling in the vicinity confirming the presence of moveable hydrocarbons.

### Other Projects

Due to continued substantial uncertainty for the exploration and development of the coal seam gas ('CSG') industry in New South Wales, during the year Planet Gas withdrew from farm-in agreements with Leichhardt Resources Pty Limited covering PELs 468, 469 and 470.

The Company fully impaired the carrying value of its exploration and evaluation expenditure in relation to its New South Wales CSG investments during the year ended 31 December 2012.

# REVIEW OF OPERATIONS

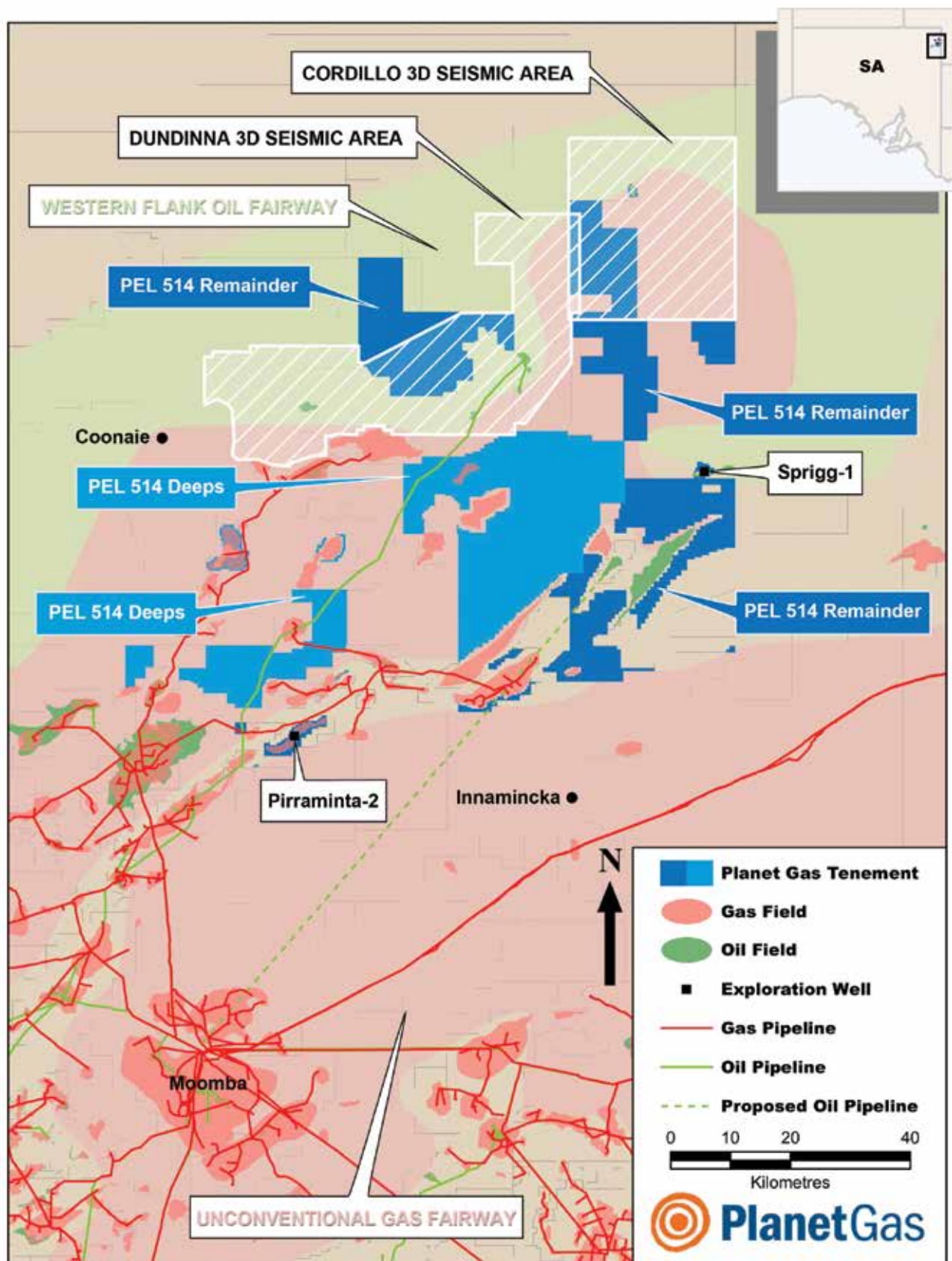


Figure 1 PEL 514 project location



# REVIEW OF OPERATIONS

## No Material Changes

The consent of the qualified petroleum reserve evaluator for the Reserves Statement in this Annual Report was provided in the market announcement dated 20 August 2013. Planet Gas confirms that it is not aware of any new information or data that materially affects the information included in this Annual Report and that all material assumptions and technical parameters underpinning the estimates in the market announcement dated 20 August 2013 continue to apply and have not materially changed.

## Reserves and Resources Governance Arrangements

Senex is the operator of PEL 514 and provides information to the Company with regards to that project. Reserve estimates for the Company have been independently completed by DeGolyer and MacNaughton of Dallas, Texas, USA.

Governance arrangements and internal controls by Planet Gas include annual reviews with respect to its estimates of petroleum reserves and the estimation process unless material information provides for such processes be conducted prior to each annual review.

Planet Gas has put in place an Estimation and Reporting of Reserves and Resources Guideline which sets out the governance arrangements and internal controls regarding the reported estimates of petroleum reserves and resources and the estimation process to apply

at Planet Gas. The guideline provides for an annual review of all reserves and resources by the Company's consultants DeGolyer and MacNaughton of Dallas, Texas, USA and for an annual audit covering all material assets over a rolling three year period.

All audits will be undertaken by independent third party resource evaluators who are petroleum reserves and resources evaluators qualified in accordance with ASX Listing Rule requirements. Public reporting of all reserves or resources estimates is only permitted with the approval of the Board of Directors. All public reporting of the reserves or resources estimates is in accordance with the requirements set out in Chapter 5 of the ASX Listing Rules and the Company's Continuous Disclosure Policy.

The reserves and resources reported in the Annual Report were estimated and reviewed in accordance with these guidelines.

## Compliance Statement

The reserve information in this report is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr R.M. Shuck, Professional Engineer who is a qualified petroleum reserves and resources evaluator, Senior Vice President, DeGolyer and MacNaughton, Dallas, Texas, USA and a member of Society of Petroleum Engineers and who consented as to the form and context in which the estimated petroleum reserves and supporting information are presented in this report.



# STATEMENT OF CORPORATE GOVERNANCE

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, which comply with the Australian Stock Exchange ('ASX') Corporate Governance Council recommendations, unless otherwise stated.

## CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Group's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council ('Council'). Whilst the Group's practices are largely consistent with the Council's guidelines, the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Group's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Group and the best interests of shareholders as a whole. When the Group is not able to implement one of the Council's recommendations the Group applies the 'if not, why not' explanation approach by applying practices in accordance with the spirit of the relevant principle.

The following discussion outlines the ASX Corporate Governance Council's eight principles and associated recommendations and the extent to which the Group complies with those recommendations.

Details of all of the Council's recommendations can be found on the ASX website at <http://www.asx.com.au>

### Principle 1 - Lay Solid Foundations for Management and Oversight

#### Board of Directors

The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Group. The Board is also responsible for the overall corporate governance and management oversight of the Group and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Group as a whole.

The Board also ensures that the Group complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Group.

Where the Board considers that particular expertise or information is required, which is not available from within their members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Group;
- the prudential control of the Group's finances and operations and monitoring the financial performance of the Group;
- the resourcing, review and monitoring of executive management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Group has followed Recommendation 1.1 by establishing the functions reserved to the Board and those delegated to senior executives as disclosed above.

The Group has followed Recommendation 1.2 by evaluating the performance of senior executives. The Board reviews the performance of the Group's senior executives on a face to face basis with the performance evaluation of the Managing Director being conducted by the Chairman of the Board.

The Group has taken the appropriate measure to provide each Director and senior executive with a copy of the Group's policies which spells out the rights, duties and responsibilities that they should follow.

The Group has followed Recommendation 1.3 by conducting the evaluations of senior executives in accordance with the process described above.



# STATEMENT OF CORPORATE GOVERNANCE

## Principle 2 - Structure the Board to add value

### Board of Directors - Composition, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the Group's current size, scale and nature of its activities.

#### Independent Directors

As only two of the Company's six Directors are classified as Independent Directors, the Group does not follow Recommendation 2.1. However, it is the Board's opinion that all Directors bring to the Board their independent judgement, irrespective of whether they are independent or not.

#### Regular assessment of independence

An independent Director, in the view of the Group, is a non-executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Group, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional advisor or a material consultant to the Group, or an employee materially associated with a service provider;
- is not a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group other than as a Director of the Group;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group.

The composition of the Board is reviewed periodically with regards to the optimum number and skills of Directors required for the Board to properly perform its responsibilities and functions.

#### Chairperson and Managing Director

Norman A. Seckold, a non-independent Director, holds the office of Chair. The Group does not follow Recommendation 2.2 because the small size of the Group does not warrant the appointment of more Directors. However, the Board considers that Norman A. Seckold best serves the office of Chairman due to his extensive experience in the industry.

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable the Directors to perform their duties as a Board.

The Managing Director is responsible and accountable to the Board for the Group's management. Anthony J. McClure has been appointed as the Managing Director of the Group and performs the role of Chief Executive Officer. Therefore, the Group follows Recommendation 2.3.

#### Board nominations

Having regard to the current membership of the Board and the size, organisational complexity and scope of operation of the Group, a Nomination Committee has not been established and therefore Recommendation 2.4 has not been followed.

#### Performance review and evaluation

The Group has followed Recommendations 2.5 and 2.6 by disclosing the process for evaluating the performance of the Board, and disclosure requirements under Principle 2 below.

It is the policy of the Board to ensure that the Directors and executives of the Group are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Group is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

#### Induction and education

The Group has the policy to provide each new Director or officer with a copy of the following documents:

- Code of Conduct;
- Continuous Disclosure Policy;
- Share Trading Policy; and
- Shareholders Communication Policy.

# STATEMENT OF CORPORATE GOVERNANCE

## Access to information

Each Director has access to Board papers and all relevant documentation.

## Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Group. The Board consists of a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public Group administration, and, director-level business or corporate experience required by the Group.

## Professional advice

Board members, with the approval of the Chairman, may seek from time to time external professional advice.

## Term of appointment as a Director

The Constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors (excluding the Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

## Remuneration

The remuneration of the Directors is determined by the Board as a whole, with the Director to whom a particular decision relates being absent from the meeting during the time that the remuneration level is discussed and decided upon.

For details on the amount of remuneration and any amount of equity based executive remuneration payment for each Director, refer to the Key Management Personnel note to the financial statements and the Remuneration Report in the Directors' Report.

## Internal controls

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The system of internal control adopted by the Group seeks to provide an appropriate division of responsibility and careful selection and training of personnel relative to the level of activities and size of the Group.

## Principle 3 - Promote ethical and responsible decision making

### Code of Conduct and Ethical Standards

All Directors, executives and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, endeavouring at all times to enhance the reputation and performance of the Group. Every employee has direct access to a Director to whom they may refer any ethical issues that may arise from their employment. The Group has followed Recommendation 3.1 and has adopted a formal Code of Conduct.

### Access to Group information and confidentiality

All Directors have the right of access to all relevant Group books and to the Group's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Group have agreed to keep confidential information received in the course of exercising their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

### Share dealings and disclosures

The Group has adopted a policy relating to the trading of Company securities. The Board restricts Directors, executives and employees from acting on material information until it has been released to the market. Executives, employees and Directors should consult with the Chairman prior to dealing in securities in the Company or other companies with which the Company has a relationship.

Share trading by Directors, executives or employees is not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

The trading windows for restricted persons are 60 days after the release of the half year results, the full year results or the holding of the Annual General Meeting. Restricted persons are prohibited from trading in the Company's securities outside these trading windows unless in special circumstances and with the approval of the Chairman.



# STATEMENT OF CORPORATE GOVERNANCE

## Conflicts of interest

To ensure that Directors are at all times acting in the best interests of the Group, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot, or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates.

## Related party transactions

Related party transactions include any financial transaction between a Director and the Group as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Group also discloses related party transactions in its financial statements as required under relevant Accounting Standards.

## Board diversity

The Company's Board does take into account the gender, age, ethnicity and cultural background of potential Board members. However, given the small size of the Group and the role of the full Board, a formal diversity policy has not been established and therefore Recommendations 3.2 and 3.3 have not been followed. The Company advises that no women are employed directly by the Company, including as key management personnel.

## Principle 4 - Safeguard integrity in financial reporting

### Audit Committee

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, an Audit Committee has not been established and therefore Recommendations 4.1, 4.2, 4.3 and 4.4 have not been followed.

The objective of an Audit Committee is to make recommendations to the Board regarding various matters including the adequacy of the external audit, risk management and compliance procedures, to evaluate from time to time the effectiveness of the

financial statements prepared for the Board and to ensure that independent judgement is always exercised. These functions of an Audit Committee are performed by the full Board.

## Principle 5 - Make timely and balanced disclosure

The Group has followed Recommendations 5.1 and 5.2 and has adopted a formal Continuous Disclosure Policy.

### Continuous Disclosure to the ASX

The Board has designated the Managing Director and CFO as being responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. Accordingly the Company will notify the ASX promptly of information:

- concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities.

## Principle 6 - Respect the rights of shareholders

The Company has followed Recommendations 6.1 and 6.2 and has designed a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings as disclosed below.

### Communication to the market and shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. The Board considers that information will be communicated to shareholders and the market through:

- the Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- the Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- the half-yearly financial statements;
- quarterly cash flow reports; and
- other announcements released to the ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders or made available through the Company's website.

# STATEMENT OF CORPORATE GOVERNANCE

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements are made available on the Company's website, [www.planetgas.com](http://www.planetgas.com), and on the ASX website, [www.asx.com.au](http://www.asx.com.au), under ASX code 'PGS'.

## Principle 7 - Recognise and manage risk

The Group has followed Recommendation 7.1 and has designed policies for the oversight and management of material business risks as disclosed below.

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, Recommendation 7.2 is not relevant because the Board has the oversight function of risk management and internal control systems. Therefore, the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

### Internal control and risk management

The Board reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

Appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

### Internal audit function

The internal audit function is carried out by the Board. The Group does not have an internal audit department nor has an internal auditor. The size of the Group does not warrant the need or the cost of appointing an internal auditor.

### CEO and CFO declarations

The Group has followed Recommendation 7.3. The Board has determined that the Managing Director and the CFO are the appropriate persons to make the CEO and CFO declarations as required under section 295A of the Corporations Act. The Board is also satisfied that the internal control system is operating effectively in all material respects.

The Group has followed Recommendation 7.4 by disclosing the information above.

## Principle 8 - Remunerate fairly and responsibly

Having regard to the current membership of the Board and the size, organisational complexity and scope of operations of the Group, a Remuneration Committee has not been established and therefore Recommendations 8.1, 8.2, 8.3 and 8.4 have not been followed.

However, the functions and responsibilities listed below were carried out by the Board.

### Remuneration responsibilities

The role and responsibility of the Board is to review and make recommendations in respect of:

- executive remuneration policy;
- executive Director and senior management remuneration;
- executive incentive plan;
- non-executive Directors' remuneration;
- performance measurement policies and procedures;
- termination policies and procedures;
- equity based plans; and
- required remuneration and remuneration benefits public disclosure.

### Remuneration policy

The Directors' remuneration is adopted by shareholders at the Annual General Meeting. The salary and emoluments paid to officers are approved by the Board. Consultants are engaged as required pursuant to service agreements. The Group ensures that fees, salaries and emoluments are in line with general standards for publicly listed companies of the size and type of the Group. All salaries of Directors and officers are disclosed in the Annual Report of the Group.

In line with Recommendation 8.2, the Group has a policy to remunerate its Directors and officers based on fixed and incentive component salary packages to reflect the short and long term objectives of the Group.

The salary component of the Managing Director's remuneration is made up of:

- fixed remuneration; and
- equity based remuneration when invited to participate by the Board in the executive share option plan of the Company.

The salary component of non-executive and executive Directors is made up of:

- fixed remuneration; and
- equity based remuneration when invited to participate by the Board in the executive share option plan of the Company.



# DIRECTORS' REPORT

The Directors present the consolidated financial report of Planet Gas Limited ('Planet Gas' or 'the Company') and its controlled entities for the financial year ended 31 December 2013. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

## Directors

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

### Norman Alfred 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 and 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 John 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.

### Peter James 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.

# DIRECTORS' REPORT

## Robert Michael 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.

## Anthony John 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 NL.

## 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.

## Directors' and Executives' Remuneration

For details on the amount of remuneration for each Director, refer to the Remuneration Report below.

## Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors (while they were a Director) of the Company during the year are:

Director	Board Meetings	
	Held	Attended
Norman A. Seckold	4	4
Anthony J. McClure	4	4
Peter J. Nightingale	4	4
Robert M. Bell	4	4
Anthony J. McDonald	4	4
Robert C. Neale	4	3

## Directors' Interests

Directors' beneficial shareholdings at the date of this report are:

Director	Fully paid ordinary shares	Options over ordinary shares
Norman A. Seckold	72,247,482	-
Anthony J. McClure	5,154,181	2,000,000
Peter J. Nightingale	12,128,487	8,000,000
Robert M. Bell	1,250,000	2,000,000
Anthony J. McDonald	7,851,923	8,000,000
Robert C. Neale	-	-



# DIRECTORS' REPORT

## Option Holdings

### Options granted to Directors

At the date of this report, the beneficial interests of each Director of the Company in options over the unissued share capital of the Company are:

Specified Directors	Held at 1 January 2013	Granted as remuneration	Expired	Held at 31 December 2013	Vested during the year	Vested and exercisable at date of report
Norman A. Seckold	-	-	-	-	-	-
Anthony J. McClure	2,000,000	-	-	2,000,000	-	2,000,000
Peter J. Nightingale	8,000,000	-	-	8,000,000	-	8,000,000
Robert M. Bell	2,000,000	-	-	2,000,000	-	2,000,000
Anthony J. McDonald	8,000,000	-	-	8,000,000	-	8,000,000
Robert C. Neale	-	-	-	-	-	-

No options over unissued ordinary shares have been granted to Directors or executives of the Group subsequent to year end.

### Unissued shares of the Company under option

At the date of this report, unissued ordinary shares of the Company under option are:

Number of options	Exercise price	Expiry date
70,500,000	\$0.132	20 August 2014

Details of options issued by the Company are set out in the share based payments note to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the *Corporations Act 2001*. This register may be inspected free of charge.

All options expire on the earlier of their expiry date or termination of the employee's employment. The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of any other body corporate.

### Shares issued on exercise of options

The Group has not issued any ordinary shares of the Company as a result of the exercise of options during or since the end of the financial year.

## Principal Activities

The Group is engaged in the acquisition and exploration of oil and gas projects.

## Financial Results

The consolidated profit after income tax attributable to members of the Company for the year was \$4,029,945 (2012 - \$5,563,010 loss).

The Group net profit for the year ended 31 December 2013 was largely generated by the second agreement entered with Senex that was completed during July 2013 whereby the Company sold a 10% interest in PEL 514 North and a 30% interest in PEL 514 South in the Cooper Basin, South Australia. As a result of this agreement, the Company received an initial cash consideration of \$5.0 million.

# DIRECTORS' REPORT

## Review of Operations

The review of operations is set out on pages 2 to 9 of this Annual Report.

## Dividends

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2013. No dividends have been paid or declared during the financial year (2012 - \$nil).

## Changes in State of Affairs

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 31 December 2013 were as follows:

- Planet Gas entered a second farm-in agreement with Senex for future expanded exploration activities in PEL 514 in South Australia.
- During July 2013, all regulatory and government approvals were successfully achieved and therefore all conditions precedent to the second agreement signed with Senex were satisfied and the Company received the initial \$5.0 million cash consideration.
- During the year, the Company announced the withdrawal from the coal seam gas activities in the Sydney and Gunnedah Basins of New South Wales. By mutual agreement, the Company and Leichhardt Resources Pty Limited agreed to exit from each farm-in agreement and the Company will retain no residual interest or liability.

## Environmental Regulations

The Company's operations are subject to significant environmental regulations under both Australian Commonwealth and State legislation in relation to its activities.

The Board of Directors regularly monitors compliance with environmental regulations. The Directors are not aware of any breaches of these regulations up to the date of this report.

## Subsequent Events

Subsequent to the end of the year a gas farm-out agreement was reached between Senex and Origin concerning PEL 514. The farm-out agreement comprises 904 km<sup>2</sup>, or approximately 47% of the area of PEL 514. A stratigraphic division separates the 'Deeps' and 'Shallows' with the Origin agreement relating only to the Deeps.

The Deeps work program is split into Stages 1 and Stage 2 with total expenditure of up to \$80 million. The joint venture parties may also elect to fund additional work programs of up to \$67 million.

This gas farm-out agreement between Senex and Origin does not affect Planet Gas' 20% interest in PEL 514 or the existing agreement between Planet Gas and Senex.

No other matters or circumstances have arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## Likely Developments

Planet Gas considers growth as a vital strategy for the Group taking into consideration its existing operations in the Cooper Basin in South Australia or by the addition of new projects through mergers or acquisitions.

During the course of the 2014 financial year, the Group will focus on its oil and gas interest on PEL 514 on the Cooper Basin. The Directors expect to receive further results of the exploration program at PEL 514 which they will make public once the information is received, in accordance with ASX listing rules.

Further information as to likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because disclosure of this information would be likely to result in unreasonable prejudice to the Group.

## Indemnification of Officers and Auditors

During or since the financial year, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Company against a liability incurred as such by an officer or auditor. In addition, the Company has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.



# DIRECTORS' REPORT

## Remuneration Report - Audited

### Principles of Compensation - Audited

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Company and the Company Secretary. No other employees have been deemed to be key management personnel.

The remuneration policy of Directors and senior executives is to ensure the remuneration package properly reflects the persons' duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board is responsible for reviewing its own performance. The evaluation process is designed to assess the Group's business performance, whether long term strategic objectives are being achieved, and the achievement of individual performance objectives.

Remuneration generally comprises of salary and superannuation. Longer term incentives are able to be provided through the Company's share option program which acts to align the Director's and senior executive's actions with the interests of the shareholders. The remuneration disclosed below represents the cost to the Group for services provided under these arrangements.

No Directors or senior executives received performance related remuneration. Options issued in prior periods as remuneration were subject to minimum service periods being met. All outstanding options have fully vested at 31 December 2013.

All Directors, except for Robert Neale, who is paid through the Company's payroll, are compensated for their services by way of arrangements with related parties. The previous CEO was employed directly by the Group. The salary component of the previous CEO's remuneration was made up of fixed and equity based remuneration in accordance with his employee service agreement and a termination payment.

There were no remuneration consultants used by the Company during the year ended 31 December 2013, or in the prior year.

# DIRECTORS' REPORT

## Remuneration Report - Audited (Cont.)

### Details of remuneration for the year ended 31 December 2013 - Audited

Details of the nature and amount of each major element of the remuneration of each Director of the Company and other key management personnel of the Group are:

Specified Directors and Executives	Year	Primary Fees/ Salary \$	Termination payments \$	Superannuation \$	Bonuses \$	Fair value of Options \$	Total \$	Proportion of remuneration related %	Value of options as a proportion of remuneration %
<b>Executive Directors</b>									
Norman A. Seckold (Chairman)	2013	90,000	-	-	-	-	90,000	-	-
	2012	90,000	-	-	-	-	90,000	-	-
Anthony J. McClure	2013	270,000	-	-	-	-	270,000	-	-
	2012	270,000	-	-	-	-	270,000	-	-
Peter J. Nightingale (Director and CFO)	2013	75,000	-	-	-	-	75,000	-	-
	2012	75,000	-	-	-	-	75,000	-	-
<b>Non-executive Directors</b>									
Robert M. Bell	2013	24,000	-	-	-	-	24,000	-	-
	2012	24,000	-	-	-	-	24,000	-	-
Anthony J. McDonald	2013	60,000	-	-	-	-	60,000	-	-
	2012	60,000	-	-	-	-	60,000	-	-
Robert C. Neale	2013	22,646	-	-	-	-	22,646	-	-
	2012	24,000	-	-	-	-	24,000	-	-
Total all specified Directors	2013	541,646	-	-	-	-	541,646	-	-
	2012	543,000	-	-	-	-	543,000	-	-
<b>Executives</b>									
Ian Halstead*	2013	-	-	-	-	-	-	-	-
	2012	145,333	87,500	6,333	-	-	239,166	-	-
Total, all specified executives	2013	-	-	-	-	-	-	-	-
	2012	145,333	87,500	6,333	-	-	239,166	-	-

\* Ian Halstead ceased to be CEO on 31 May 2012.

There are no service contracts and no bonuses or other performance related compensation payments were paid during the current year to Directors or executives. The Group employed no other key management personnel.

No shares were granted to key management personnel as compensation during the years ended 31 December 2013 or 31 December 2012.



# DIRECTORS' REPORT

## Remuneration Report - Audited (Cont.)

### Analysis of options and rights over equity instruments granted as compensation - Audited

Details of vesting profiles of the options granted as remuneration to each key management person and executive of the Group are detailed below. All options refer to ordinary shares of the Company, which are exercisable on a one-for-one basis.

Director/Executive	Options granted		Financial year in which grant vested
	Number	Date	
Anthony J. McClure	2,000,000	20 August 2009	31 December 2009
Peter J. Nightingale	8,000,000	20 August 2009	31 December 2009
Robert M. Bell	2,000,000	20 August 2009	31 December 2009
Anthony J. McDonald	8,000,000	20 August 2009	31 December 2009

No options vested or were forfeited in the year.

### Analysis of movements in options - Audited

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person and executive is detailed below.

Director/Executive	Granted in the year	Valuation of options exercised in the year	Lapsed in the year
Anthony J. McClure	-	-	-
Peter J. Nightingale	-	-	-
Robert M. Bell	-	-	-
Anthony J. McDonald	-	-	-

There were no options over ordinary shares of the Company granted, exercised, forfeited or lapsed unexercised during the year ended 31 December 2013.

During the year ended 31 December 2012, 4,000,000 fully vested options previously granted to Ian Halstead lapsed as they were not exercised within two months of his termination as the Chief Executive Officer.

In the event that the employment or office of the option holder is terminated, any options which have not reached their vesting date will lapse and any options which have reached their vesting date may be exercised within two months from the date of termination of employment. Vesting conditions relate solely to service periods.

No terms of equity-settled share based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the issuing entity during the 2013 and 2012 financial years.

# DIRECTORS' REPORT

## Remuneration Report - Audited (Cont.)

### Consequences of performance on shareholders' wealth - Audited

In considering the Group's performance and benefits for shareholders' wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years.

	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
Net profit/(loss) attributable to equity holders of the parent	4,029,945	(5,563,010)	(7,324,678)	(5,316,871)	(10,282,193)
Dividends paid	-	-	-	-	-
Change in share price	0.01	(0.01)	(0.01)	(0.07)	(0.11)
Return on capital employed*	78.48%	(503.12%)	(108.27%)	(41.69%)	(58.66%)

\* Return on capital employed is calculated by dividing the profit or loss for the year by total assets less current liabilities.

The overall level of key management personnel's compensation has been determined based on market conditions and advancement of the Group's projects.

### Non-audit Services

During the year ended 31 December 2013 KPMG, the Group's auditor, did not perform other services in addition to the audit and review of the financial statements.

Details of the amounts paid to KPMG and its related practices for audit and non-audit services provided during the year are set out below.

	2013 \$	2012 \$
<b>Statutory Audit</b>		
Auditors of the Company		
- audit and review of financial reports	53,150	52,650
<b>Services other than Statutory Audit</b>		
Other services		
- project review and strategy	-	8,950

# DIRECTORS' REPORT

## **Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration is set out on page 24 and forms part of the Directors' Report for the year ended 31 December 2013.

Signed at Sydney this 27<sup>th</sup> day of March 2014 in accordance with a resolution of the Board of Directors:

A stylized, cursive signature in black ink, appearing to read 'Norman'.

**Norman A. Seckold**  
Chairman

A stylized, cursive signature in black ink, appearing to read 'Anthony J. McClure'.

**Anthony J. McClure**  
Managing Director



# LEAD AUDITOR'S INDEPENDENCE DECLARATION



## 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 audit for the year ended 31 December 2013, there have been:

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

KPMG

KPMG

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

**Adam Twemlow**  
**Partner**

**27 March 2014**

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Revenue from the sale of coal bed methane</b>		2,544	2,625
		2,544	2,625
Finance income	4	54,572	151,355
<b>Net finance income</b>		54,572	151,355
Other income	4	4,866,326	89,498
Consultants' and administration expenses		(796,220)	(1,252,780)
Depreciation expense		(33,986)	(19,380)
Pre-licence costs - exploration expenditure		(239)	(567,636)
Impairment loss - write-off of exploration and evaluation	8	-	(3,891,271)
Other expenses		(63,052)	(75,421)
<b>Profit/(loss) before income tax expense</b>		4,029,945	(5,563,010)
Income tax expense	5	-	-
<b>Profit/(loss) for the year</b>		4,029,945	(5,563,010)
<b>Other comprehensive income</b>			
<b>Items that may be classified subsequently to profit or loss</b>			
Foreign currency translation differences - foreign operations	13	1,391	(19,025)
Net change in fair value of available-for-sale financial assets	13	(2,293)	(192,295)
Net change in fair value of available-for-sale financial assets transferred to profit or loss	13	-	(103,356)
<b>Total other comprehensive loss</b>		(902)	(314,676)
<b>Total comprehensive income/(loss) for the year</b>		4,029,043	(5,877,686)
<b>Basic and diluted profit/(loss) per share (cents)</b>	14	0.75	(1.04)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents		4,414,517	441,484
Trade and other receivables	6	-	13,619
Other assets	9	28,781	42,550
<b>Total current assets</b>		4,443,298	497,653
<b>Non-current assets</b>			
Investments	7	30,555	32,848
Property, plant and equipment	10	698	35,048
Exploration and evaluation expenditure	8	756,780	676,314
Other assets	9	50,000	50,000
<b>Total non-current assets</b>		838,033	794,210
<b>Total assets</b>		5,281,331	1,291,863
<b>Current liabilities</b>			
Trade and other payables	11	146,582	186,157
<b>Total current liabilities</b>		146,582	186,157
<b>Total liabilities</b>		146,582	186,157
<b>Net assets</b>		5,134,749	1,105,706
<b>Equity</b>			
Issued capital	12	49,781,972	49,781,972
Option premium reserve	13	4,379,880	4,456,501
Fair value reserve	13	30,555	32,848
Foreign currency translation reserve	13	(2,786,032)	(2,787,423)
Accumulated losses		(46,271,626)	(50,378,192)
<b>Total equity</b>		5,134,749	1,105,706

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2013

	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 2012	49,563,983	(44,996,853)	4,638,172	328,499	(2,768,398)	6,765,403
<b>Total comprehensive income for the year</b>						
Loss for the year	-	(5,563,010)	-	-	-	(5,563,010)
Total other comprehensive loss	-	-	-	(295,651)	(19,025)	(314,676)
Total comprehensive loss for the year	-	(5,563,010)	-	(295,651)	(19,025)	(5,877,686)
<b>Transactions with owners recorded directly in equity</b>						
<b>Contribution by and distribution to owners</b>						
Ordinary shares issued	220,000	-	-	-	-	220,000
Transaction costs on issue of shares	(2,011)	-	-	-	-	(2,011)
Transfer of expired options	-	181,671	(181,671)	-	-	-
<b>Balance at 31 December 2012</b>	<b>49,781,972</b>	<b>(50,378,192)</b>	<b>4,456,501</b>	<b>32,848</b>	<b>(2,787,423)</b>	<b>1,105,706</b>
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 year</b>						
Profit for the year	-	4,029,945	-	-	-	4,029,945
Total other comprehensive income/(loss)	-	-	-	(2,293)	1,391	(902)
Total comprehensive income/(loss) for the year	-	4,029,945	-	(2,293)	1,391	4,029,043
<b>Transactions with owners recorded directly in equity</b>						
<b>Contribution by and distribution to owners</b>						
Transfer of expired options	-	76,621	(76,621)	-	-	-
<b>Balance at 31 December 2013</b>	<b>49,781,972</b>	<b>(46,271,626)</b>	<b>4,379,880</b>	<b>30,555</b>	<b>(2,786,032)</b>	<b>5,134,749</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		2,544	2,625
Cash payments in the course of operations		(870,313)	(1,394,186)
Cash used in operations		(867,769)	(1,391,561)
Interest received		54,572	50,926
Other income		-	89,498
<b>Net cash used in operating activities</b>	15	(813,197)	(1,251,137)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(214,140)	(790,369)
Payments for property, plant and equipment		-	(1,397)
Receipt from the sale of plant and equipment		300	-
Receipt on disposal of exploration asset		5,000,000	-
Receipt from the sale of investment		-	388,800
Receipts from security deposits		-	233,768
<b>Net cash from/(used) in investing activities</b>		4,786,160	(169,198)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	220,000
Transaction costs on share issue		-	(21,310)
<b>Net cash provided by financing activities</b>		-	198,690
<b>Net increase/(decrease) in cash held</b>		3,972,963	(1,221,645)
<b>Cash and cash equivalents at 1 January</b>		441,484	1,663,186
<b>Effect of exchange rate adjustments on cash held</b>		70	(57)
<b>Cash and cash equivalents at the end of the financial year</b>	15	4,414,517	441,484

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 1. REPORTING ENTITY

Planet Gas Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 2, 66 Hunter Street, Sydney, NSW, 2000. The consolidated financial statements of the Company for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity, primarily engaged in the acquisition, exploration and development of oil and gas properties in Australia.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

The consolidated financial statements were authorised for issue by the Directors on 27 March 2014.

#### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the Statement of Financial Position:

- Investments - available-for-sale financial assets are measured at fair value.

#### (c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

#### (d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most

significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

- Note 5 - Unrecognised deferred tax assets; and
- Note 8 - Exploration and evaluation expenditure.

#### (e) Changes in accounting policies

The Group has adopted the following standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

##### (i) AASB 10 Consolidated Financial Statements (2011)

As a result of AASB 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has the power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 (2011) requires the Group consolidate investees that it controls on the basis of de facto circumstances.

In accordance with the transitional provisions of AASB 10 (2011), the Group reassessed the control conclusion for its investees at 1 January 2013 and have concluded that no adjustments to the financial statements are required.

##### (ii) AASB 11 Joint Arrangements (2011)

As a result of AASB 11, the Group has changed its accounting policy for its interest in joint arrangements. Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Group has assessed the impact of this change and has concluded that there is no impact on the financial statements.

##### (iii) AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group has assessed the disclosure requirements under this standard and have concluded that no changes to current disclosures are required.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 2. BASIS OF PREPARATION (Cont.)

#### (e) Changes in accounting policies (Cont.)

##### (iv) AASB 13 Fair Value Measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date.

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively, however, this has not had a significant impact on the measurement of the Group's assets and liabilities.

##### (v) Presentation of transactions recognised in other comprehensive income

From 1 January 2013 the Group applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net loss. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the Statement of Profit or Loss and Other Comprehensive Income.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all entities in the Group.

#### (a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entities and the revenue can be reliably measured.

#### Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

#### Sale of oil, gas and coal bed methane

Revenue from the sale of oil, gas and coal bed methane is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

#### (b) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as intangible exploration and evaluation assets on an area of interest basis, less any impairment losses. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to developing mine properties.

#### (c) Property, plant and equipment

##### Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (c) Property, plant and equipment (Cont.)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

#### **Depreciation**

Items of plant and equipment are initially recorded at cost and are depreciated over their estimated useful lives using the declining balance method from the date of acquisition.

Office equipment and software is depreciated at rates between 30% and 60% per annum.

Plant and equipment is depreciated at a rate of 33.3% per annum.

#### (d) Financial instruments

##### **Non-derivative financial assets**

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories:

##### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which take into account any dividend income, are recognised in profit or loss.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents and trade and other receivables.

##### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (d) Financial instruments (Cont.)

##### *Available-for-sale financial assets*

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss is reclassified to profit or loss.

##### *Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise trade and other payables.

##### *Share Capital*

##### *Ordinary Shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### (e) Basis of consolidation

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### *Transactions eliminated on consolidation*

Intra-group balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

##### (f) Trade and other receivables/payables

Trade receivables/payables are carried at amortised cost. For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

##### (g) Impairment

##### *Non-derivative financial assets*

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For an investment in an equity security classified as available-for-sale, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group consider a decline of 20 per cent to be significant and a period of 9 months to be prolonged.

##### *Financial assets measured at amortised cost*

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised within profit or loss. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Available-for-sale financial assets*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss recognised previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (g) Impairment (Cont.)

##### **Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Impairment losses are recognised in profit or loss.

##### **Reversals of impairment**

An impairment loss in respect of a financial asset carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of non-financial assets, an impairment loss is reversed if there has been a conclusive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

#### (i) Income tax

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

##### **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Planet Gas Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (j) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### (k) Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the foreign currency translation reserve ('FCTR'), a separate component of equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

Any references to functional currency, unless otherwise stated, are to the functional currency of the Company, Australian dollars.

When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

#### (l) Segment reporting

##### *Determination and presentation of operating segments*

The Group determines and presents operating segments based on the information that is provided internally to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

#### (m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (n) Employee benefits

##### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

##### *Share-based payment transactions*

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met,

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (n) Employee benefits (Cont.)

such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

#### (o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

#### Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

#### (p) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### Investments in equity securities

The fair values of investments in equity securities are determined with reference to the quoted market price that is most representative of the fair value of the security at the measurement date.

#### Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), expected dividends, and the risk-free interest rate (based on government bonds).

The grant-date fair value of share-based payment awards is recognised as an expense, with a corresponding increase in equity, over the period that the recipient unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for

which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Service and non-market performance conditions are not taken into account in determining fair value.

#### (q) Government grants

Government grants that relate to capitalised exploration and evaluation expenditure is deducted from the carrying amount of the asset when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. When the assets are reclassified from exploration and evaluation expenditure to mining property and development assets the grant is recognised in profit or loss over the life of the asset as a reduced amortisation expense.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income.

#### (r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

#### AASB 9 Financial Instruments (2013), AASB 9 Financial Instruments (2010) and AASB 9 Financial Instruments (2009) (together AASB 9)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets.

AASB 9 (2013) introduces new requirements for hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2017. The effective date is subject to review pending the finalisation of the outstanding phases of the standard. However, early adoption is permitted. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

#### 4. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Profit/(loss) from operating activities before income tax includes the following items of income and expense:

Depreciation of non-current assets		
- plant and equipment	33,986	19,380
Foreign exchange (gain)/loss	(70)	57
Superannuation	-	34,655
Other income		
- research and development rebate	-	89,498
- gain on sale of exploration tenement	(4,866,326)	-
Auditors' remuneration		
- audit and review of financial reports	53,150	52,650
Non-statutory audit services		
- project review strategy	-	8,950
<b>Financial income and expense</b>		
<b>Recognised in profit or loss</b>		
Interest revenue	54,572	47,999
Net gain on disposal of available-for-assets transferred from equity	-	103,356
	54,572	151,355
<b>Recognised in other comprehensive income</b>		
Net change in fair value of available-for-sale financial assets	(2,293)	(192,295)
Net gain on disposal of available-for-assets transferred to profit or loss	-	(103,356)
	(2,293)	(295,651)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 5. INCOME TAX EXPENSE

#### Current tax expense

Current year

1,209,233

(656,710)

Adjustments for prior year

(432,378)

(778,955)

Tax (profit)/losses not recognised

(776,855)

1,435,665

-

-

Numerical reconciliation of income tax expense to prima facie tax payable:

Profit/(loss) before tax

4,029,945

(5,563,010)

Prima facie income tax liability/(benefit) at the Australian tax rate of 30% (2012 - 30%)

1,208,984

(1,668,903)

Adjustments to prima facie tax due to:

- capital gain on disposals

-

114,421

- non deductible expenses /(non assessable income)

34,915

(56,861)

- effect of DTAs on tax (gains)/losses not brought to account

(1,209,233)

656,710

- effect of DTAs on temporary differences not brought to account

(34,666)

954,633

-

-

Tax expense

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Capital losses

781,964

781,964

Tax losses

11,381,366

11,513,139

Net deductible temporary differences

2,774,071

2,808,736

Potential tax benefit at 30%

14,937,401

15,103,839

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the tax benefits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 6. TRADE AND OTHER RECEIVABLES

GST receivable

### 7. INVESTMENTS

Investments - available-for-sale at fair value

2013 \$	2012 \$
-	13,619
30,555	32,848

At 31 December 2013 the Directors compared the carrying value of the investment to market value and recorded a reduction in fair value within equity of \$2,293 (2012 - \$192,295). This was based on a closing bid price of \$0.056 at 31 December 2013.

### 8. EXPLORATION AND EVALUATION EXPENDITURE

Carrying amount at beginning of year

Additions

Disposal

Impairments

Net book value

676,314	4,359,852
214,140	207,733
(133,674)	-
-	(3,891,271)
756,780	676,314

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 year ended 31 December 2013, the Group assessed its exploration and evaluation expenditure assets for impairment and recorded no impairment.

During the year ended 31 December 2012, the Group relinquished its geothermal licence at Innot Springs and also fully impaired the carrying value of its coal bed methane projects in the Sydney and Gunnedah Basins. The total impairment for the year ended 31 December 2012 was \$3,891,271.

In May 2013, the Company entered into a second farm-in agreement with Senex Energy Limited ('Senex') for future expanded exploration activities in PEL 514.

As part of the agreement, the Group transferred a 10% interest in PEL 514 North and a 30% interest in PEL 514 South to Senex, thereby reducing the Group's interest in the entirety of PEL 514 to 20%.

The consideration for the transfer was:

- \$5.0 million cash payment to the Group; and
- the Group to be free carried for a total of \$9.0 million of its share of oil exploration expenditure within PEL 514.

The agreement also specifies conditional payments of:

- a royalty to the Group which is calculated as 2.0% of the Net Well Head Value of all oil produced from PEL 514 capped at \$7.5 million; and
- upon certification of 8 million barrels of Proved and Probable (2P) oil reserves in PEL 514, the Group will receive a further payment of \$5.0 million and an additional payment of \$5.0 million upon certification of an additional 4 million barrels of 2P oil reserves in PEL 514.

As a result of the \$5.0 million received in respect of the partial sale of the Group's interest in PEL 514 to Senex, \$133,674 of capitalised exploration and evaluation expenditure was derecognised and a gain on disposal of \$4,866,326 was recognised in profit or loss.

The conditional payments outlined above have not been included in the calculation of the gain on disposal given the uncertainty of these conditions being met.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 9. OTHER ASSETS

#### Current assets

Prepayments

28,781 42,550

#### Non-current assets

Security deposits

50,000 50,000

### 10. PROPERTY, PLANT AND EQUIPMENT

Office equipment - at cost

75,228 75,228

Accumulated depreciation

(74,166) (63,053)

Disposal of office equipment

(364) -

Net book value

698 12,175

Software - at cost

53,324 53,324

Accumulated depreciation

(53,324) (30,451)

Net book value

- 22,873

Plant and equipment - at cost

- 15,037

Accumulated depreciation

- (15,037)

Net book value

- -

Total property, plant and equipment

698 35,048

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

#### Office equipment

Carrying amount at beginning of year

12,175 18,098

Additions

- 1,396

Reallocation of assets

- (566)

Depreciation

(11,113) (6,139)

Disposal

(364) -

Net foreign currency differences on translation

- (614)

Net book value

698 12,175

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 10. PROPERTY, PLANT AND EQUIPMENT (Cont.)

#### Software

Carrying amount at beginning of year	
Reallocation of assets	
Depreciation	
Net book value	

#### Plant and equipment

Carrying amount at beginning of year	
Depreciation	
Net foreign currency differences on translation	
Net book value	

### 11. TRADE AND OTHER PAYABLES

#### Current liabilities

Creditors and accruals	
Accrued Directors' fees	

2013 \$	2012 \$
22,873	33,726
-	566
(22,873)	(11,419)
-	22,873
-	1,258
-	(1,822)
-	564
-	-
146,582	110,157
-	76,000
146,582	186,157



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 12. ISSUED CAPITAL

537,622,535 (2012 - 537,622,535) fully paid ordinary shares

2013 \$	2012 \$
49,781,972	49,781,972

#### Fully paid ordinary shares

Balance at the beginning of the financial year

Fully paid ordinary shares issued  
13 January 2012 at \$0.026 per share

Less costs of issue

Balance at the end of the financial year

2013		2012	
No.	\$	No.	\$
537,622,535	49,781,972	529,160,997	49,563,983
-	-	8,461,538	220,000
-	-	-	(2,011)
537,622,535	49,781,972	537,622,535	49,781,972

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

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

The following options were on issue at 31 December 2013, each exercisable to acquire one ordinary share:

Grant date	Expiry date	Exercise price \$	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Cancelled during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
20 August 2009	20 August 2014	0.132	60,000,000	-	-	-	60,000,000	60,000,000
28 May 2010	20 August 2014	0.132	8,000,000	-	-	-	8,000,000	8,000,000
17 August 2010	20 August 2014	0.132	4,500,000	-	-	2,000,000	2,500,000	2,500,000
			72,500,000	-	-	2,000,000	70,500,000	70,500,000

The following options were on issue at 31 December 2012, each exercisable to acquire one ordinary share:

Grant date	Expiry date	Exercise price \$	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Cancelled during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
20 August 2009	20 August 2014	0.132	60,000,000	-	-	-	60,000,000	60,000,000
28 May 2010	20 August 2014	0.132	8,000,000	-	-	-	8,000,000	8,000,000
17 August 2010	20 August 2014	0.132	8,500,000	-	-	4,000,000	4,500,000	4,500,000
28 January 2011	20 August 2014	0.132	1,000,000	-	-	1,000,000	-	-
			77,500,000	-	-	5,000,000	72,500,000	72,500,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 13. RESERVES

#### Option premium reserve

Opening balance

Expiry/cancellation of options

Closing balance

The option premium reserve is used to recognise the grant date fair value of options issued but not exercised. Refer to Note 21 for further details on share based payments.

#### Fair value reserve

Opening balance

Net change in fair value of available-for-sale financial assets

Net change in fair value of available-for-sale financial assets transferred to profit or loss

Closing balance

	2013 \$	2012 \$
Opening balance	4,456,501	4,638,172
Expiry/cancellation of options	(76,621)	(181,671)
Closing balance	4,379,880	4,456,501
Opening balance	32,848	328,499
Net change in fair value of available-for-sale financial assets	(2,293)	(192,295)
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	(103,356)
Closing balance	30,555	32,848

Changes in fair value of investments, such as equities classified as available-for-sale financial assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired. Refer to Note 7 for further details on investments.

#### Foreign currency translation reserve

Opening balance

Translation adjustment on foreign operations during the year

Closing balance

Opening balance	(2,787,423)	(2,768,398)
Translation adjustment on foreign operations during the year	1,391	(19,025)
Closing balance	(2,786,032)	(2,787,423)

The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 14. PROFIT/(LOSS) PER SHARE

Basic and diluted profit/(loss) per share has been calculated using:

Net profit/(loss) for the year attributable to equity holders of the parent

2013 \$	2012 \$
4,029,945	(5,563,010)

#### Weighted average number of ordinary shares

Issued ordinary shares at the beginning of the year

537,622,535	529,160,997
-------------	-------------

Effect of shares issued

-	8,160,992
---	-----------

Weighted average number of ordinary shares at the end of the year

537,622,535	537,321,989
-------------	-------------

#### Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at the end of the year

537,622,535	537,321,989
-------------	-------------

Effect of share options on issue

-	-
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Weighted average number of ordinary shares (diluted) at the end of the year

537,622,535	537,321,989
-------------	-------------

As the exercise price of the options is greater than the average market price of the ordinary shares in the Company for the year, none of the potentially dilutive securities are currently dilutive.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

#### Reconciliation of net loss from operating activities after tax to net cash used in operating activities

Profit/(loss) from operating activities after tax

2013 \$	2012 \$
4,029,945	(5,563,010)

#### Non-cash items

Net gain on disposal of available-for-sale financial assets transferred from equity

-	(103,356)
---	-----------

Net gain on disposal of plant and equipment

64	-
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Depreciation of plant and equipment

33,986	19,380
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Impairment of exploration, evaluation and development expenditure

-	3,891,271
---	-----------

Foreign exchange (gain)/loss on cash

(70)	59
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Gain on sale of exploration tenement

(4,866,326)	-
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#### Items classified as investing activities

Exploration and evaluation expenditure

-	567,636
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#### Changes in assets and liabilities

Trade and other receivables

13,618	(10,507)
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Other assets

13,770	-
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Trade and other payables

(38,184)	(17,297)
----------	----------

Provisions

-	(35,313)
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#### Net cash used in operating activities

(813,197)	(1,251,137)
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#### Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and cash on deposit net of bank overdrafts and excluding security deposits. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

#### Cash

4,414,517	441,484
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 16. RELATED PARTY DISCLOSURES

#### Parent and ultimate controlling party

Planet Gas Limited is both the parent and ultimate controlling party of the Group.

#### Key management personnel and Director transactions

During the year ended 31 December 2013, Norman A. Seckold and Peter J. Nightingale had joint control of 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 year amounted to \$300,011 (2012 - \$332,465). At the end of the year the amount outstanding was \$18,000 (2012 - \$nil). These services are invoiced monthly in advance and payable within 30 days.

### 17. KEY MANAGEMENT PERSONNEL DISCLOSURES

Information regarding key management personnel's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report.

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

#### Movement in shares

Key management personnel	Held at 1 January 2013	Purchased shares	Sales	Held at 31 December 2013
Norman A. Seckold	72,247,482	-	-	72,247,482
Anthony J. McClure	5,154,181	-	-	5,154,181
Peter J. Nightingale	12,128,487	-	-	12,128,487
Robert M. Bell	1,250,000	-	-	1,250,000
Anthony J. McDonald	7,851,923	-	-	7,851,923
Robert C. Neale	-	-	-	-

Key management personnel	Held at 1 January 2012	Purchased shares	Sales	Held at 31 December 2012
Norman A. Seckold	72,247,482	-	-	72,247,482
Anthony J. McClure	5,154,181	-	-	5,154,181
Peter J. Nightingale	12,128,487	-	-	12,128,487
Robert M. Bell	1,250,000	-	-	1,250,000
Anthony J. McDonald	7,851,923	-	-	7,851,923
Robert C. Neale	-	-	-	-
Ian G. Halstead*	721,175	-	-	N/A

\*Ceased to be Chief Executive Officer on 31 May 2012.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 17. KEY MANAGEMENT PERSONNEL DISCLOSURES (Cont.)

#### Movement in options

The movement during the reporting period in the number of options over ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Key management personnel	Held at 1 January 2013	Granted as remuneration	Expired	Exercised	Held at 31 December 2013
Norman A. Seckold	-	-	-	-	-
Anthony J. McClure	2,000,000	-	-	-	2,000,000
Peter J. Nightingale	8,000,000	-	-	-	8,000,000
Robert M. Bell	2,000,000	-	-	-	2,000,000
Anthony J. McDonald	8,000,000	-	-	-	8,000,000
Robert C. Neale	-	-	-	-	-

Key management personnel	Held at 1 January 2012	Granted as remuneration	Expired	Exercised	Held at 31 December 2012
Norman A. Seckold	-	-	-	-	-
Anthony J. McClure	2,000,000	-	-	-	2,000,000
Peter J. Nightingale	8,000,000	-	-	-	8,000,000
Robert M. Bell	2,000,000	-	-	-	2,000,000
Anthony J. McDonald	8,000,000	-	-	-	8,000,000
Robert C. Neale	-	-	-	-	-
Ian G. Halstead*	4,000,000	-	4,000,000	-	-

\*Ceased to be Chief Executive Officer on 31 May 2012.

#### Key management personnel compensation

Primary fees/salary

Termination payment

Superannuation

2013 \$	2012 \$
541,646	688,333
-	87,500
-	6,333
541,646	782,166

At 31 December 2013 there were no fees outstanding (2012 - \$76,000). There were no loans made to key management personnel or their related parties during the 2013 and 2012 financial years.

The Board reviews remuneration arrangements annually based on services provided. Apart from the details disclosed in this note and Note 16, no Director has entered into a contract with the Company during the year and there were no contracts involving Directors' interests subsisting at year end.

No options held by key management personnel are vested but not exercisable at 31 December 2013 or 31 December 2012.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURES

The Group's financial instruments comprise deposits with banks, receivables, investments in available-for-sale financial assets, trade and other payables and from time to time short term loans from related parties. The Group does not trade in derivatives or in foreign currency.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risks. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The primary responsibility to monitor the financial risks lies with the Managing Director and the CFO under the authority of the Board.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the Group. At balance date, the Group has available funds of \$4,414,517 for its immediate use.

Contractual maturities of financial liabilities are:

Financial liabilities	Carrying amount \$	Contractual cash flows \$	Less than 6 months \$	6 to 12 months \$	1 to 5 years \$	More than 5 years \$
<b>31 December 2013</b>						
Trade and other payables	146,582	(146,582)	(146,582)	-	-	-
<b>31 December 2012</b>						
Trade and other payables	186,157	(186,157)	(186,157)	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure as follows:

	2013 \$	2012 \$
Cash and cash equivalents	4,414,517	441,484
Other financial assets	50,000	63,619
	4,464,517	505,103

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURES (Cont.)

#### Credit risk (Cont.)

##### Cash and cash equivalents

At 31 December 2013, the Group held cash and cash equivalents of \$4,414,517 (2012 - \$441,484), which represent its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- based on rating agency Standard & Poor's.

##### Other financial assets

For the years ended 31 December 2013 and 31 December 2012 these mainly represent environmental bond deposits with Australian banks.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Interest rate risk

The Group's income statement is affected by changes in interest rates due to the impact of such changes on interest income and expenses.

At year end, the interest rate risk profile of the Group's interest bearing financial instruments was:

	2013 \$	2012 \$
<b>Variable rate instruments</b>		
Cash and cash equivalents	4,414,517	441,484
Other financial assets	50,000	50,000
	<u>4,464,517</u>	<u>491,484</u>

There are no fixed rate instruments (2012 - \$nil).

The Group does not have interest rate swap contracts. The Group has a high interest yield account from which it draws cash when required to pay liabilities as they fall due. The Group normally invests its funds in the interest bearing account to maximise the available interest rates. The Group analyses its interest rate exposure when considering renewals of existing positions including alternative financing arrangements.

#### Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures at balance date.

At 31 December 2013, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

	Post tax profit Higher/(Lower)	Total equity Higher/(Lower)
	2013 \$	2013 \$
+ 1.0% higher interest rate	21,256	21,256
- 0.5% lower interest rate	(10,628)	(10,628)

A change in the interest rate by the same amounts specified in the table above at the prior year reporting date would have increased/(decreased) equity and loss for the period by an immaterial amount.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURES (Cont.)

#### Market risk (Cont.)

##### Currency risk

The Group is only exposed to currency risk on deposits paid that are denominated in United States currency. The Group's gross financial position exposure to foreign currency risk at balance date was US\$9,910 (2012 - US\$8,248).

##### Sensitivity analysis

A 10% strengthening of the Australian dollar against the United States dollar at 31 December 2013 would have decreased post tax profit and net assets of the Group by \$1,447 (2012 - \$795). A 10% weakening of the Australian dollar against the United States dollar at 31 December 2013 would have had the equal but opposite effect to the Group's post tax profit and net assets, on the basis that all other variables remain constant. The analysis is performed on the same basis for the comparative period.

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2013	2012	2013	2012
AUD/USD	0.9678	1.0355	0.8873	1.0384

##### Price risk

The Group is exposed to equity securities prices risk. This arises from investments held by the Group and classified in the balance sheet as available-for-sale assets. The Group is not exposed to commodity price risk.

As at 31 December 2013, the Group's investments in available-for-sale assets consists of an investment in Rampart Energy Limited (refer Note 7). A 10% increase/(decrease) in this the price of this investment would result in a corresponding \$3,066 (2012 - \$3,284) increase/(decrease) in equity.

##### Capital management

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital supported by financial assets. There are no externally imposed capital requirements on the Group.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of cash levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS DISCLOSURES (Cont.)

#### Estimation of fair values

The carrying amounts of financial assets and financial liabilities included in the balance sheet approximate fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2013</b>				
Available-for-sale financial assets	30,555	-	-	30,555
<b>31 December 2012</b>				
Available-for-sale financial assets	32,848	-	-	32,848

All available-for-sale financial assets relate to investments held in listed equity securities (designated as Level 1 financial assets). The fair value is based on quoted market prices at the end of the reporting period. The quoted market price used is the current bid price at the reporting date.

There have been no transfers between the levels of valuation method for each classification of financial asset held during the years ended 31 December 2013 and 31 December 2012.

### 19. CONTROLLED ENTITIES

#### Parent entity

Planet Gas Limited is an Australian incorporated company listed on the Australian Stock Exchange.

Controlled entity	Country of incorporation	Ownership interest	
		2013 %	2012 %
Gradient Energy Pty Limited	Australia	100	100
Planet Cooper Basin Pty Limited	Australia	100	100
Planet Gas & CBM Pty Limited	Australia	100	100
Planet Unconventional Energy Pty Limited	Australia	100	100
Planet Gas USA, Inc	USA	100	100
Planet Gas Properties LLC	USA	100	100
Planet Gas Resources LLC	USA	100	100

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 20. OPERATING SEGMENTS

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

### 21. SHARE BASED PAYMENTS

The Company has a share option program that entitles key management personnel, senior employees and consultants to purchase shares in the entity. The vesting conditions of options issued under the program are based on minimum service periods being achieved. There are no other vesting conditions attached to options issued under the program.

In the event that the employment or office of the option holder is terminated, any options which have not reached their exercise period will lapse and any options which have reached their exercise period may be exercised within three months of the date of termination of employment. Any options not exercised within this three month period will lapse.

During the year ended 31 December 2013 no options were issued under the share option program (2012 - nil).

#### Options outstanding at 31 December 2013

Grant date	Number of options	Exercise price	Price volatility	Fair value at grant date	Contractual life of options	Vesting date*
20 August 2009	60,000,000	\$0.132	79.94%	\$0.064	5.00 years	20 August 2009
28 May 2010	8,000,000	\$0.132	79.94%	\$0.057	4.23 years	6 September 2011
17 August 2010	2,500,000	\$0.132	55.68%	\$0.038	4.01 years	6 September 2011

\*Vesting conditions are based on minimum service periods being achieved.

#### Movement of options during the year ended 31 December 2013

Outstanding at the beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Vested and exercisable at the end of the year
60,000,000	-	-	-	-	60,000,000	60,000,000
8,000,000	-	-	-	-	8,000,000	8,000,000
4,500,000	-	2,000,000	-	-	2,500,000	2,500,000
72,500,000	-	2,000,000	-	-	70,500,000	70,500,000

#### Options outstanding at 31 December 2012

Grant date	Number of options	Exercise price	Price volatility	Fair value at Grant date	Contractual life of options	Vesting date*
20 August 2009	60,000,000	\$0.132	79.94%	\$0.064	5.00 years	20 August 2009
28 May 2010	8,000,000	\$0.132	79.94%	\$0.057	4.23 years	6 September 2011
17 August 2010	4,500,000	\$0.132	55.68%	\$0.038	4.01 years	6 September 2011

\* Vesting conditions are based on minimum service periods being achieved.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 21.SHARE BASED PAYMENTS (Cont.)

#### Movement of options during the year ended 31 December 2012

Outstanding at the beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Vested and exercisable at the end of the year
60,000,000	-	-	-	-	60,000,000	60,000,000
8,000,000	-	-	-	-	8,000,000	8,000,000
8,500,000	-	4,000,000	-	-	4,500,000	4,500,000
1,000,000	-	1,000,000	-	-	-	-
77,500,000	-	5,000,000	-	-	72,500,000	72,500,000

#### Weighted average exercise price of options

Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
2013	\$0.132	-	-	-	\$0.132	\$0.132	0.132
2012	\$0.132	-	-	-	\$0.132	\$0.132	0.132

The Option Premium Reserve is used to record the options issued to key management personnel, senior employees and consultants. Options are valued using the Black-Scholes option pricing model.

The weighted average remaining contractual life of share outstanding at the end of the year was 0.64 years (2012 - 1.64 years).

#### Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the key management personnel, senior employees and consultants become unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes formulas taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

The fair value of 60,000,000 options granted on 20 August 2009 was \$3,821,704. The Black-Scholes formula model inputs were the Company's share price of \$0.102 at the grant date, a volatility factor of 79.94% based on historic share price performance and a risk free interest rate of 5.28% based on the 10 year government bond rate.

The fair value of 8,000,000 options granted on 28 May 2010 was \$462,400. The Black-Scholes formula model inputs were the Company's share price of \$0.10 at the grant date, a volatility factor of 79.94% based on historic share price performance and a risk free interest rate of 5.28% based on the 10 year government bond rate.

The fair value of 8,500,000 options granted on 17 August 2010 was \$325,638 (6,000,000 options were cancelled since the grant date). The Black-Scholes formula model inputs were the Company's share price of \$0.09 at the grant date, a volatility factor of 55.68% based on historic share price performance and a risk free interest rate of 5.29% based on the 10 year government bond rate.

#### Expenses arising from share-based payment transactions

Total expenses from share-based payment transactions recognised during the year ended 31 December 2013 as part of share-based remuneration expenses was \$nil (2012 - \$nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2013

### 22. PARENT ENTITY DISCLOSURES

As at 31 December 2013 the parent entity of the Group was Planet Gas Limited.

	Company	
	2013 \$	2012 \$
<b>Result of the parent entity</b>		
Net loss	(825,743)	(1,658,523)
Other comprehensive loss	(2,293)	(295,651)
<b>Total comprehensive loss</b>	<b>(828,036)</b>	<b>(1,954,174)</b>
<b>Financial position of the parent entity at year end</b>		
Current assets	4,426,955	484,337
Non-current assets	31,253	67,896
<b>Total assets</b>	<b>4,458,208</b>	<b>552,233</b>
Current liabilities	3,813,199	185,072
<b>Total liabilities</b>	<b>3,813,199</b>	<b>185,072</b>
<b>Net assets</b>	<b>645,009</b>	<b>367,161</b>
<b>Equity</b>		
Share capital	49,781,972	49,781,972
Reserves	4,410,435	4,489,349
Accumulated losses	(53,547,398)	(53,904,160)
<b>Total equity</b>	<b>645,009</b>	<b>367,161</b>

The Directors are of the opinion that no contingencies existed at, or subsequent to year end.

The Company had no capital commitments at the balance date.

### 23. SUBSEQUENT EVENTS

Subsequent to the end of the year a gas farm-out agreement was reached between Senex and Origin concerning PEL 514. The farm-out agreement comprises 904 km<sup>2</sup>, or approximately 47% of the area of PEL 514. A stratigraphic division separates the 'Deeps' and 'Shallows' with the Origin agreement relating only to the Deeps.

The Deeps work program is split into Stages 1 and Stage 2 with total expenditure of up to \$80 million. The joint venture parties may also elect to fund additional work programs of up to \$67 million.

This gas farm-out agreement between Senex and Origin does not affect Planet Gas' 20% interest in PEL 514 or the existing agreement between Planet Gas and Senex.

No other matters or circumstances have arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.



# DIRECTORS' DECLARATION

1. In the opinion of the Directors of Planet Gas Limited:
  - (a) the consolidated financial statements and notes thereto, set out on pages 25 to 53, and the Remuneration Report as set out on pages 19 to 22 of the Directors' Report are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the financial position of the Group as at 31 December 2013 and of its performance, for the year ended on that date;
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required under section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 31 December 2013.
3. The directors draw attention to Note 2(a) of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed at Sydney this 27<sup>th</sup> day of March 2014 in accordance with a resolution of the Board of Directors:



**Norman A. Seckold**  
Chairman



**Anthony J. McClure**  
Managing Director

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PLANET GAS LIMITED



### ***Report on the financial report***

We have audited the accompanying financial report of Planet Gas Limited (the 'Company'), which comprises the consolidated statement of financial position as at 31 December 2013, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, Notes 1 to 23 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 year's end or from time to time during the financial year.

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

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

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

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

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

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PLANET GAS LIMITED



### **Auditor's opinion**

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

### **Report on the remuneration report**

We have audited the Remuneration Report included in pages 19 to 22 of the Directors' Report for the year ended 31 December 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

### **Auditor's opinion**

In our opinion, the Remuneration Report of Planet Gas Limited for the year ended 31 December 2013 complies with Section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

**KPMG**  
**27 March 2014**

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

**Adam Twemlow**  
**Partner**

# ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information as at 28 February 2014 required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

## Home Exchange

The Company is listed on the Australian Stock Exchange. The Home Exchange is Sydney.

## Audit Committee

As at the date of the Directors' Report, an audit committee of the Board of Directors is not considered warranted due to the composition of the Board and the size, organisational complexity and scope of operations of the Group.

## Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

## Distribution of Shareholders

As at 28 February 2014, the total distribution of fully paid shareholders, being the only class of equity, was as follows:

Range	Fully Paid Ordinary Shares	20 August 2014 \$0.132 Options
1 - 1,000	65	-
1,001 - 5,000	112	-
5,001 - 10,000	144	-
10,001 - 100,000	679	3
100,001 and over	453	13
Total	1,453	16

As at 28 February 2014, 519 shareholders held less than marketable parcels of 22,727 shares.

## On Market Buy Back

There is no on market buy-back.

# ADDITIONAL STOCK EXCHANGE INFORMATION

## Twenty Largest Shareholders

As at 28 February 2014 the twenty largest quoted shareholders held 52.28% of the fully paid ordinary shares as follows:

	Name	Quantity	%
1	Hueridge Pty Ltd	107,315,500	19.96
2	Archimedes Securities Pty Ltd <Golden Valley S/F A/C>	72,247,480	13.44
3	Rigi Investments Pty Limited	13,650,000	2.54
4	Rosignol Pty Ltd <Nightingale Family A/C>	7,995,673	1.49
5	Trio Investments Pty Limited	7,851,923	1.46
6	Lyric-Pasan Pty Ltd <Holt Superannuation fund A/C>	7,000,000	1.30
7	Benjamin Shaw	6,600,000	1.23
8	Removale Pty Ltd	6,090,000	1.13
9	Berpaid Pty Ltd	5,375,000	1.00
10	Mr Graham Leslie Smith	5,123,278	0.95
11	Mr Dallas John William Allman & Mrs Judith Dawn Allman <DJW & JD Allman S/F A/C>	5,000,000	0.93
12	Mr Peter Zardo & Mrs Phoebe Anne Zardo <Zardo Super Fund A/C>	4,475,000	0.83
13	National Nominees Limited	4,450,000	0.83
14	McBratney Services Pty Ltd <MC Bratney Twelfth Ave A/C>	4,447,484	0.83
15	Serlett Pty Ltd <Diligent Super Fund A/C>	4,300,000	0.80
16	Bruce Riederer	4,000,000	0.74
17	Dr Andrew Solomons	3,851,547	0.72
18	Rosignol Consultants Pty Ltd	3,781,250	0.70
19	Mr Anthony J McClure	3,750,000	0.70
20	Umbiram Pty Ltd <Michael Hoy Superfund A/C>	3,750,000	0.70

## Options

Number of holders	Number of options	Grant date	Vesting date	Exercise price	Expiry date
5	60,000,000	20 August 2009	20 August 2009	\$0.132	20 August 2014
9	8,000,000	20 May 2010	6 September 2011	\$0.132	20 August 2014
2	2,500,000	17 August 2010	6 September 2011	\$0.132	20 August 2014



# CORPORATE DIRECTORY

## 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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SYDNEY NSW 2000

Phone: +61 2 9300 3322

Fax: +61 2 9221 6333

## AUDITORS

### KPMG

Level 16, Riparian Plaza  
71 Eagle Street  
BRISBANE QLD 4000

## SOLICITORS

### Minter Ellison

88 Phillip Street  
SYDNEY NSW 2000

## SHARE REGISTRARS

### Computershare Investor Services Pty Limited

117 Victoria Street  
West End Queensland 4101

Phone: +61 7 3237 2100

Fax: +61 7 3229 9860



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