



# CSG 2011

## Planet Gas and CBM Ltd



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# Company Snapshot



## TEAM:

- Highly qualified Board and management team

## PROJECTS:

- Low risk CBM exploration onshore Australia, in areas of existing production and infrastructure (5,579 km<sup>2</sup>)
- Low risk conventional oil and gas exploration onshore Australia, in area of existing infrastructure (1,972 km<sup>2</sup>)
- Active new ventures programs for CBM and conventional oil and gas

## CASH

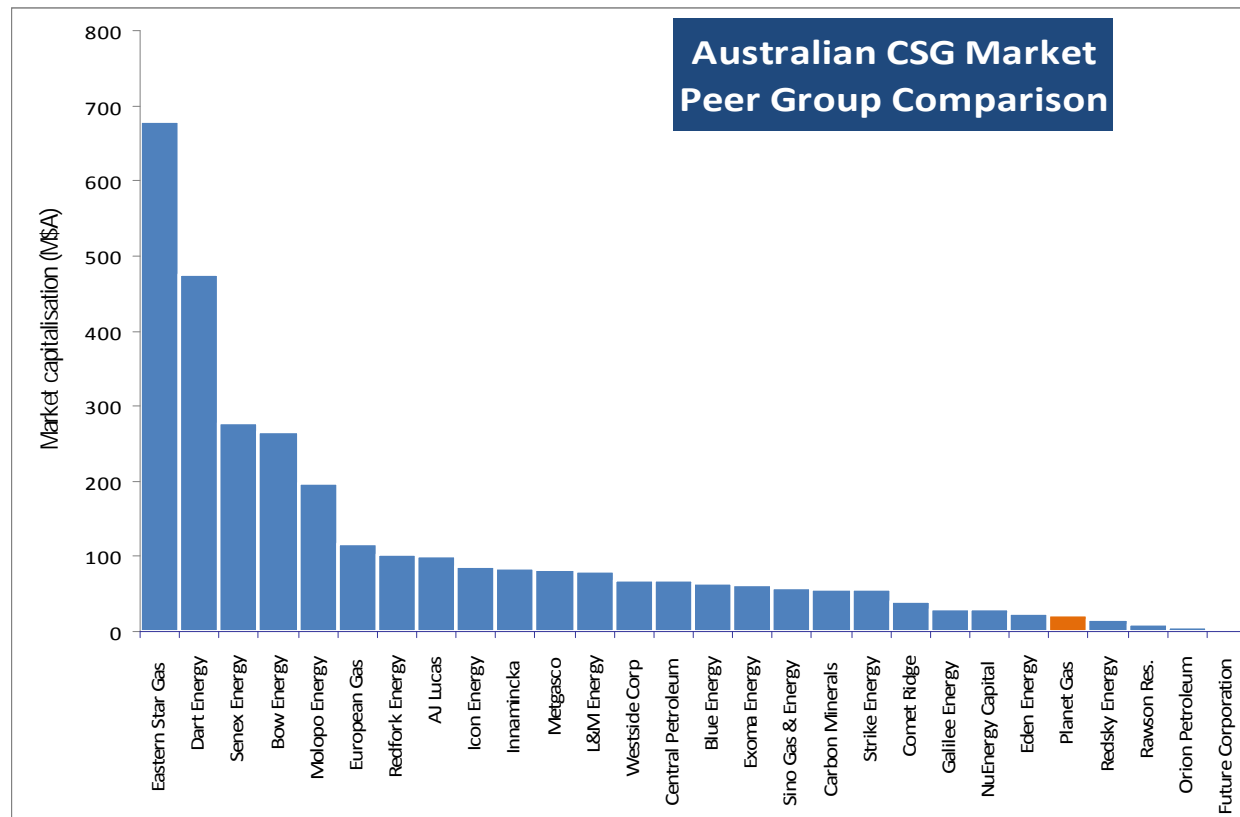
- \$4.7 M in working capital to fund drill ready projects, exploration and overheads through 2011



<b>Price:</b>	<b>4 cents</b>
<b>ASX code:</b>	<b>PGS</b>
<b>Issued shares:</b>	<b>493.8M</b>
<b>Options:</b>	<b>76.5M (13.2 cents)</b>
<b>Market capitalisation:</b>	<b>\$27.6M</b>
<b>Cash:</b>	<b>\$4.7 M (May 2011)</b>
<b>Strategic investor:</b>	<b>19.9% New Hope Corporation Ltd</b>



# Planet Gas peer group

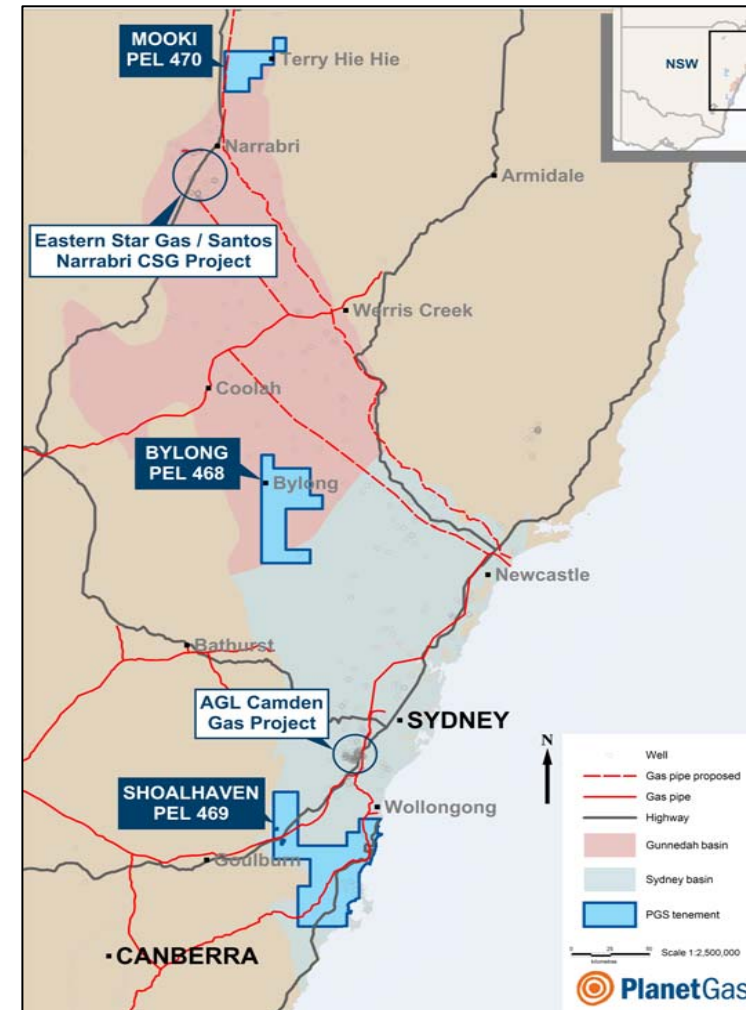




# Planet Gas CBM Highlights 2010

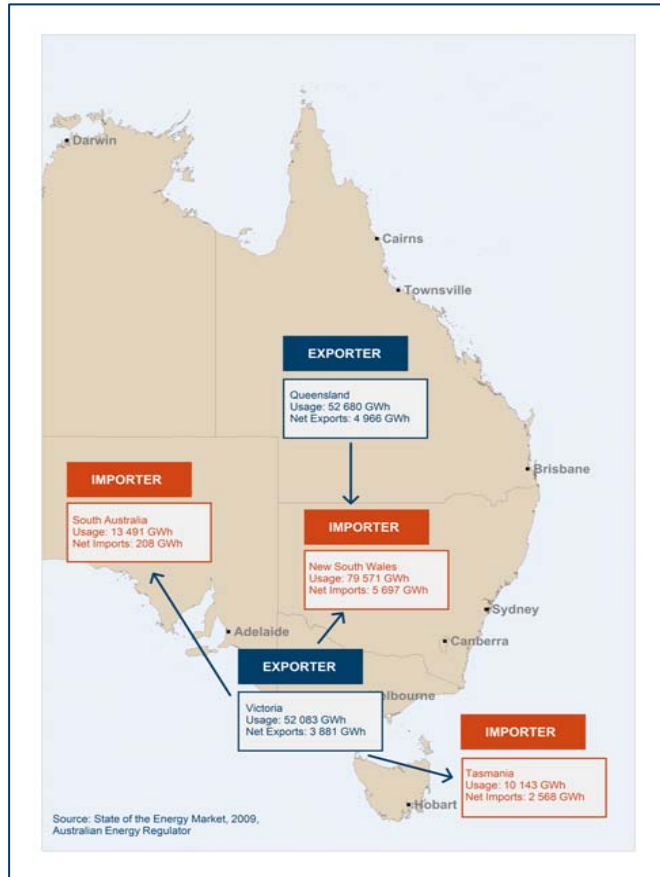


- ✓ Executed a farm-in agreement for 50% equity in three Coal Bed Methane prospective PELs 468, 469 and 470 in New South Wales, covering 5579 km<sup>2</sup>
- ✓ Progressed to phase 2 of the farm-in, and commenced planning for the acquisition of 80 line km of seismic and the drilling of four exploration coreholes
- ✓ Commenced Native Title process for Cooper Basin PELA 514 (CO2009-C) continuing technical evaluation of existing data and risking/ranking of prospects, sought potential farminees





# Why NSW CBM ?



Projects with development approval				
Power station	Location	Owner	Technology	Capacity
Bamarang Stage 1	Nowra	Delta Electricity	OCGT	400 MW
Bamarang Stage 2	Nowra	Delta Electricity	conversion to CCGT	Base load
Bayswater B	Bayswater Power Station	Macquarie Generation	CCGT or Ultra-supercritical Coal	2000 MW
Leafs Gully	Appin	AGL	Gas	360 MW
Marulan	Marulan	Delta Electricity	OCGT/CCGT	450 MW
Marulan	Marulan	International Power / EnergyAustralia	OCGT	350 MW
Mount Piper Power Station Extension	Mount Piper Power Station	Delta Electricity	CCGT or Ultra-supercritical Coal	2000 MW
Munmorah Power Station Rehabilitation	Munmorah Power Station	Delta Electricity	Coal and/or Gas	700 MW <sup>(1)</sup>
Parkes	Parkes	International Power (Australia)	OCGT	120 MW
Richmond Valley	Richmond Valley	MetGasco	CSM	30 MW
Tallawarra Stage B	Wollongong	TRUenergy	Gas	300-450 MW
Tomago	Newcastle	Macquarie Generation	OCGT/CCGT	790 MW
Wellington	Wellington	NewGen Power	OCGT	660 MW
Wilga Park	Narrabri	Eastern Star	CSM	29-40 MW

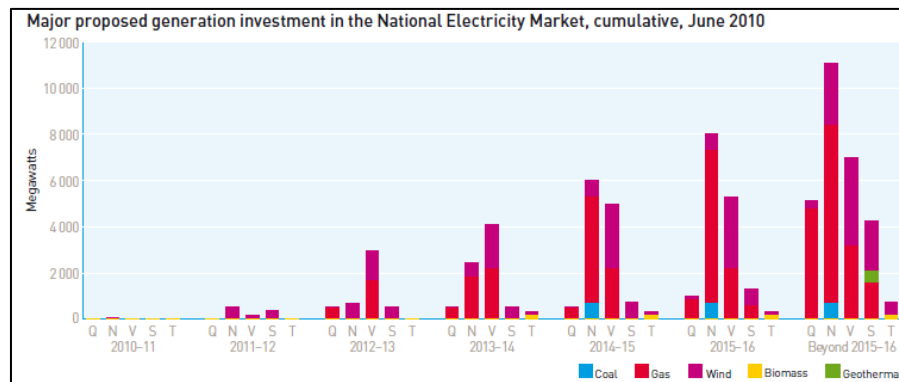
Projects in the planning system				
Power station	Location	Owner	Technology	Capacity
Dalton Energy Project	Dalton	AGL Energy	Gas	750-1500 MW
Hanging Rock	Sutton Forrest	Loran Energy Products Penrose	CCGT	600 MW
Narrabri	Narrabri	East Coast Power	CSM	172 MW
Parkes	Parkes	NP Power and Babcock & Brown	CCGT	80 MW



NSW imported 7% of electricity consumed in 2009, and accounts for 27% of Australia's total energy consumption

Power generation is still largely in the hands of the Government – preference for lower emission gas fired power generation going forward

Major additional proposed gas fired power generation capacity of 3226 MW between 2011-16

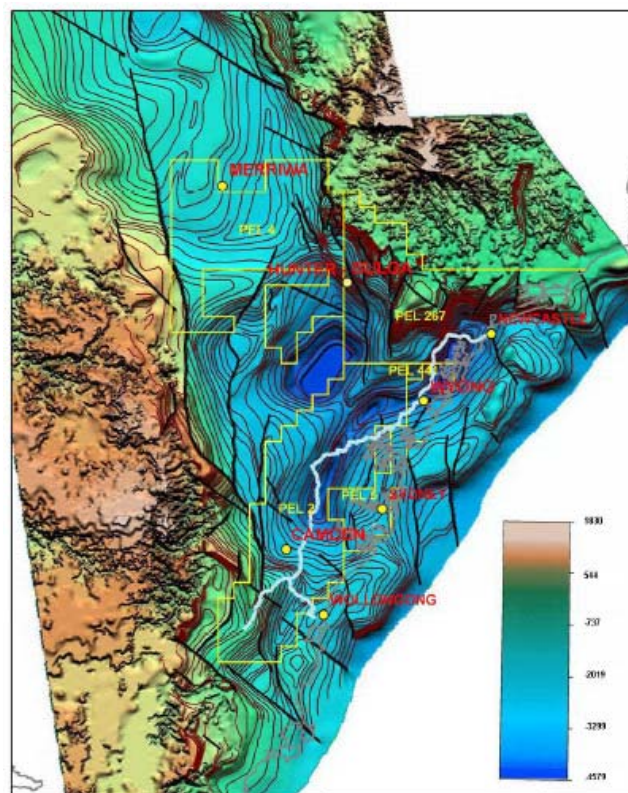




# Why NSW CBM - Sydney Basin



Area  
Formation age  
Coal type/ maturity  
Depth  
Net coal thickness  
Gas content  
Permeability  
  
Recovery factor  
Fracturing  
Completion type  
Water production  
Production rate  
Drilling/Completion cost



## Sydney Basin

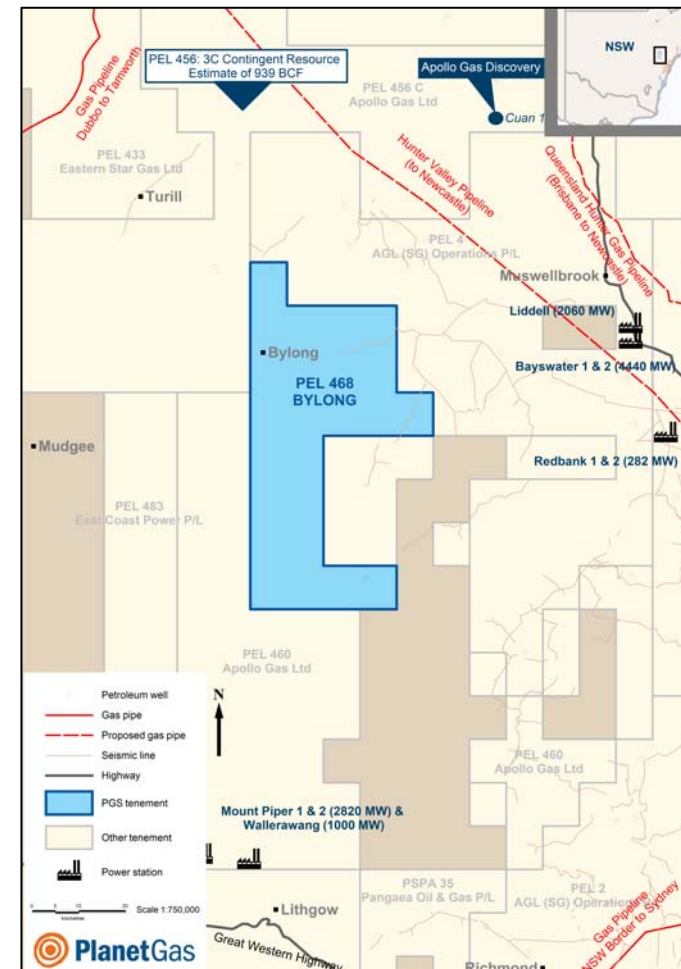
49,000 Km<sup>2</sup>  
Late Permian  
High to Medium Vol/ %VR: 0.8-1.5  
300 - 1000 m  
15 - 60 m  
5.0- 25.0 m<sup>3</sup>/ton  
1– 15 mD  
  
65% (10 to 15 years)  
1-3 Seams/well (up to 20 seams may be present in the Hunter Valley)  
Water Frac  
>2 to 50bbl/day/well  
Up to 180 MCFD/well  
AUS\$750/well



# CBM - Bylong PEL 468

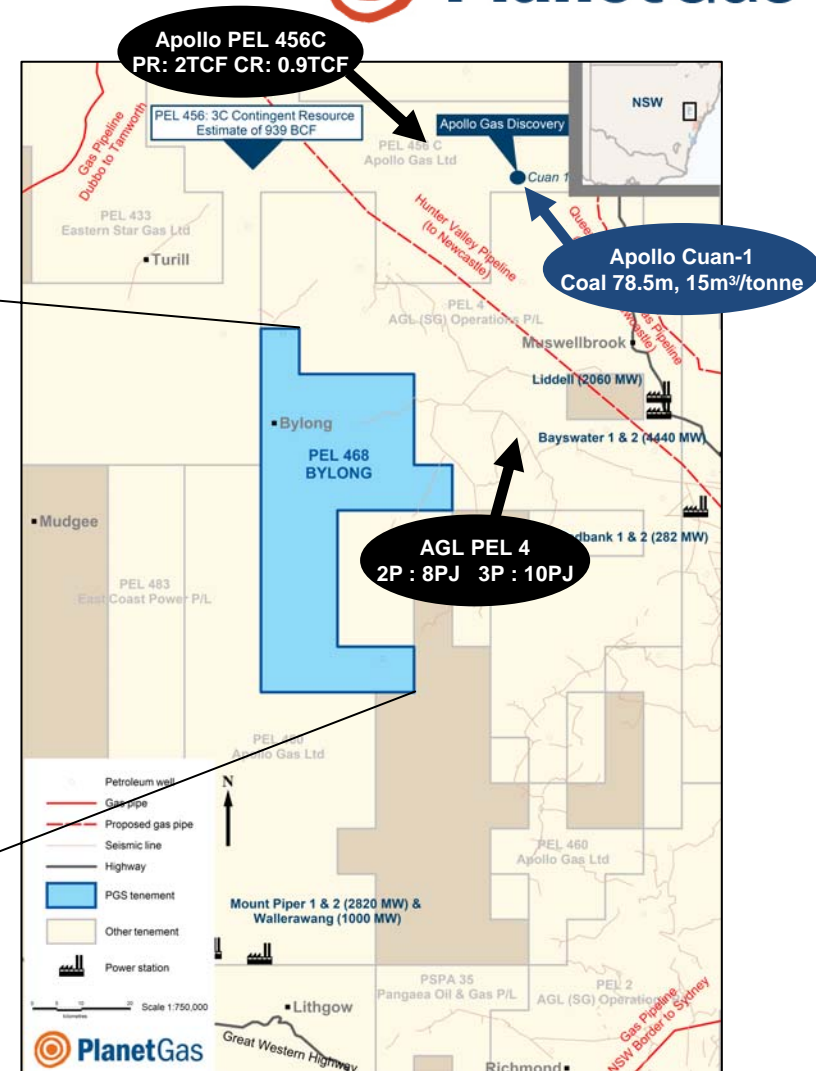
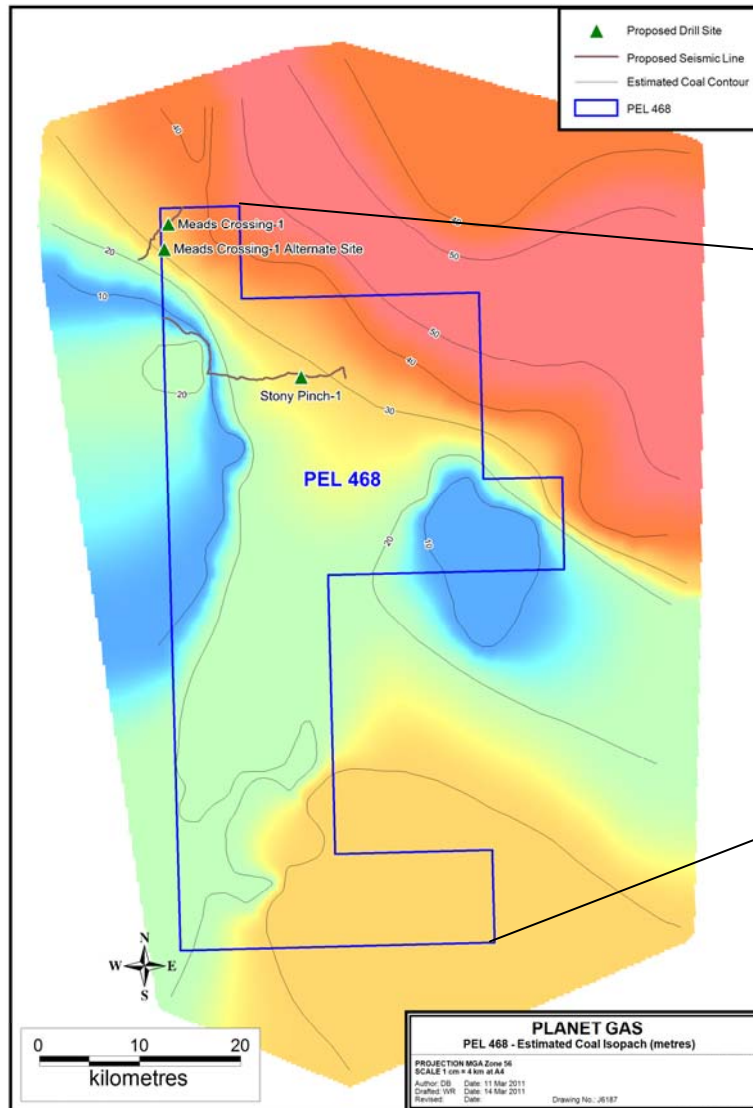


- Bylong is 1,736km<sup>2</sup>, located on the boundary of the Gunnedah Basin and Sydney (Hunter Coalfield) Basins
- 300km NW of Sydney and approximately equidistance to the regional centres of Dubbo, Tamworth and Newcastle
- Some 48 drillholes present, mostly NSW Government commissioned for open pit and shallow underground mining studies
- The drillholes intersected the Late Permian Wittingham Coal Measures (Illawarra equivalent) at depths ranging from subcrop to 600 metres
- **PEL 468 is adjacent to PEL 456 which contains Apollo's Cuan-1 Gas discovery**





# CBM - Bylong PEL 468

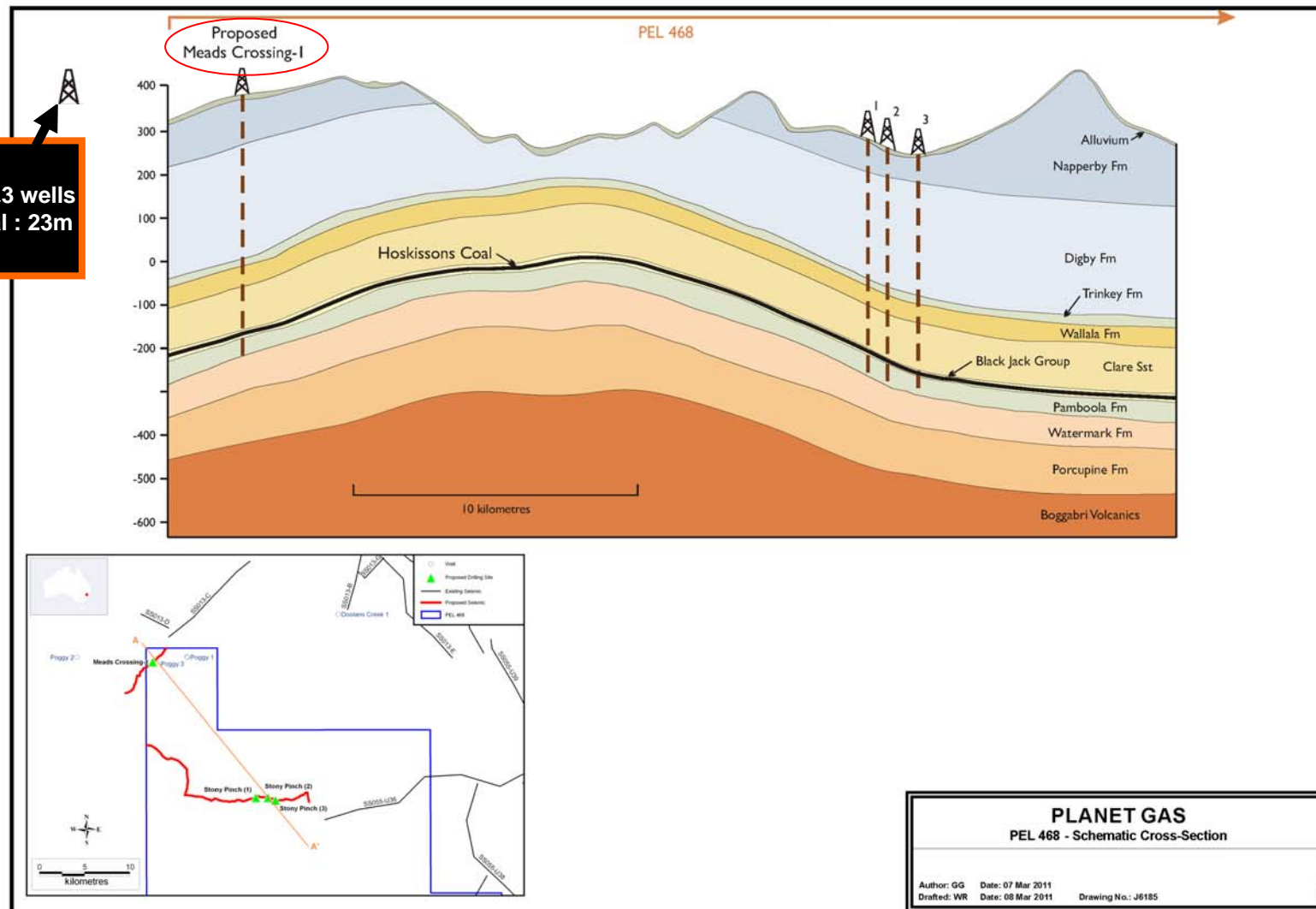




# CBM - Bylong PEL 468



**Poggy-1&3 wells  
Total Coal : 23m**

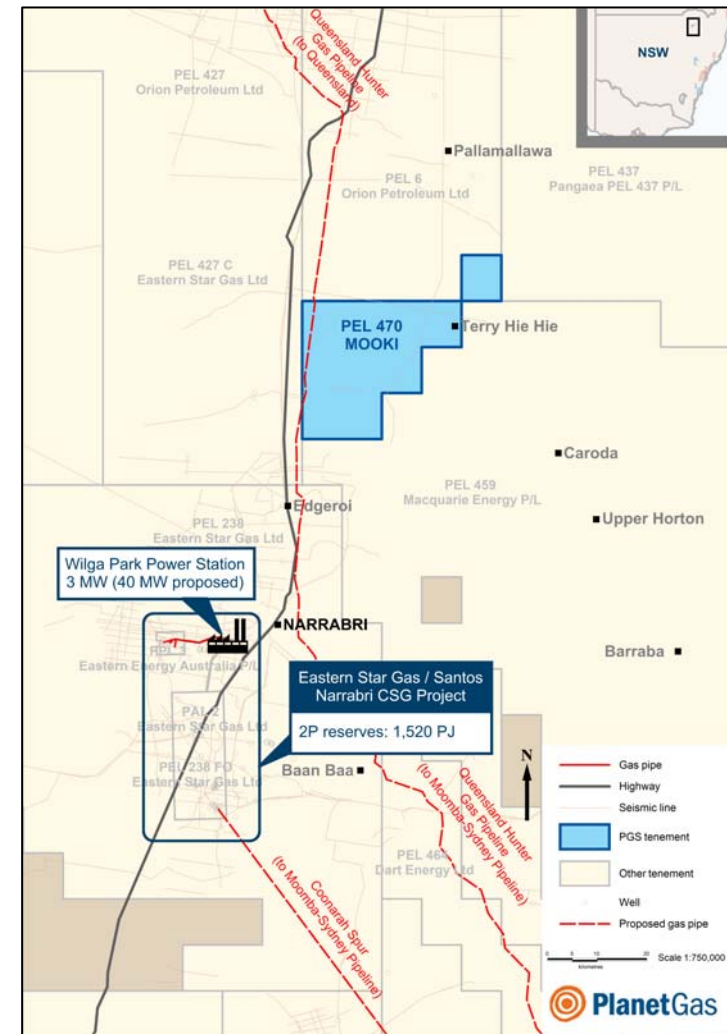




# CBM - Mooki PEL 470

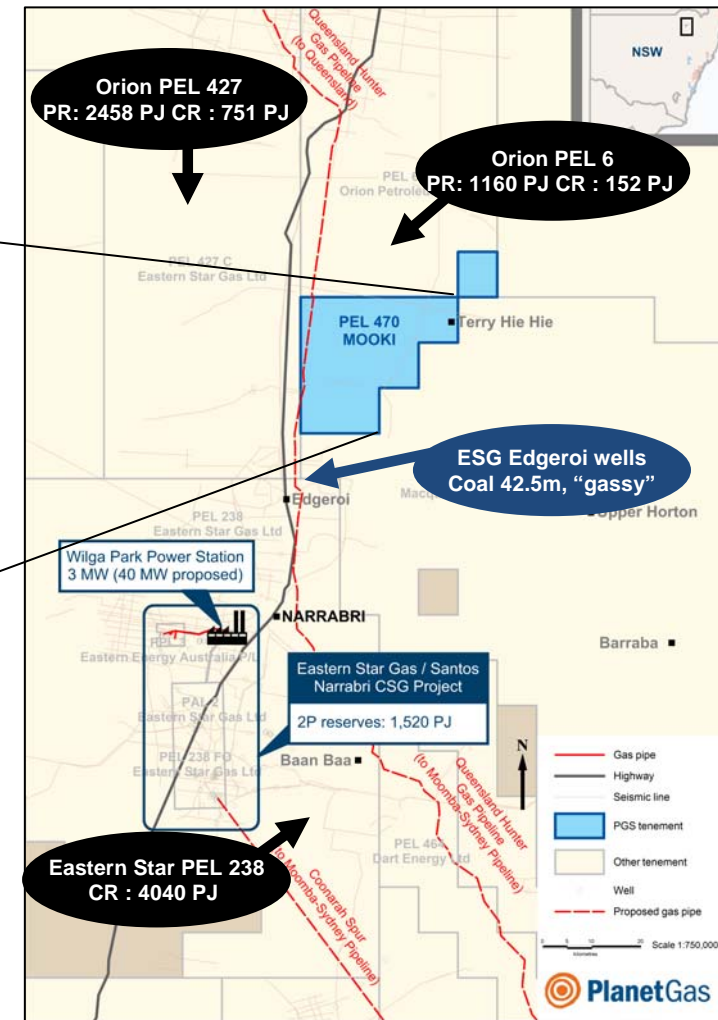
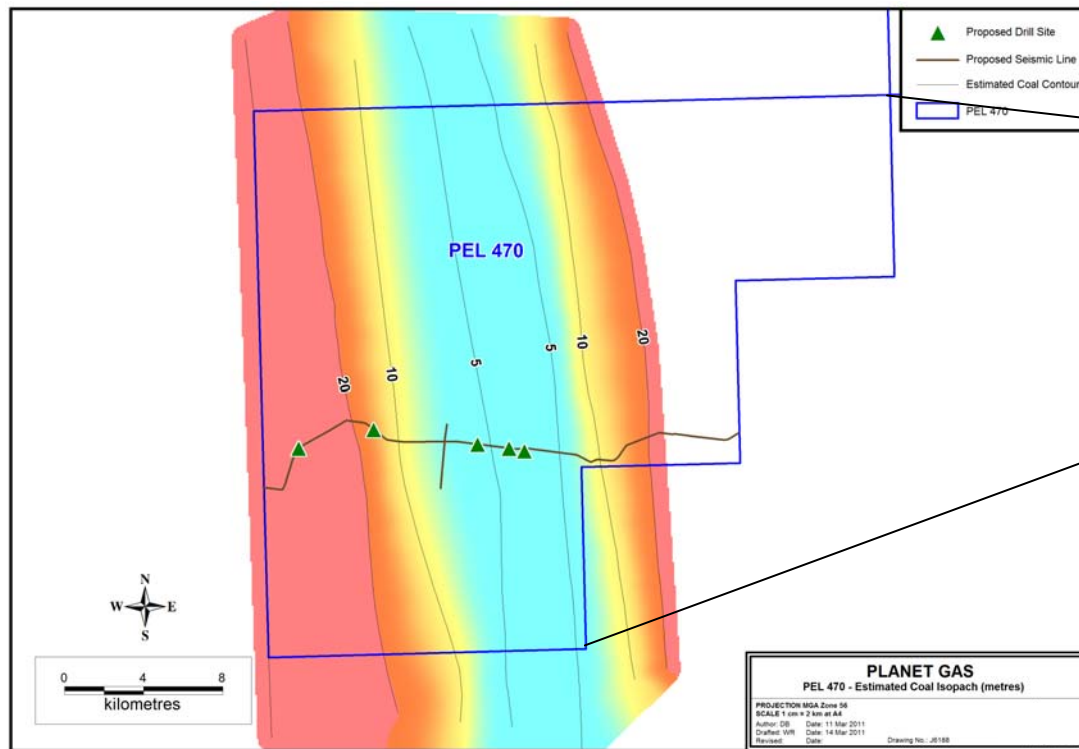


- Mooki covers some 670km<sup>2</sup>, located between the regional centres of Moree and Narrabri in the Northern Gunnedah Basin
- The eastern boundary of the prospect is adjacent to the Hunter-Mooki fault, a regional structure active throughout deposition of the coal measures and a depo-centre for thick accumulations of coal bearing sediments
- Drilling in the area has intersected net coal thicknesses of between 15-20 metres from the early-mid Permian Black Jack Formations
- **Close to Eastern Star Gas Narrabri CSG project**
- **Targeting Maules Creek formation (as per ESG) at depths of 800-1200m**
- **Proposed Wullumbilla-Newcastle pipeline development from Roma Gas Fields to Newcastle runs through the area, providing numerous options for future gas offtake**
- **Additional potential customer - Wellington power station (600 MW) from 2013**



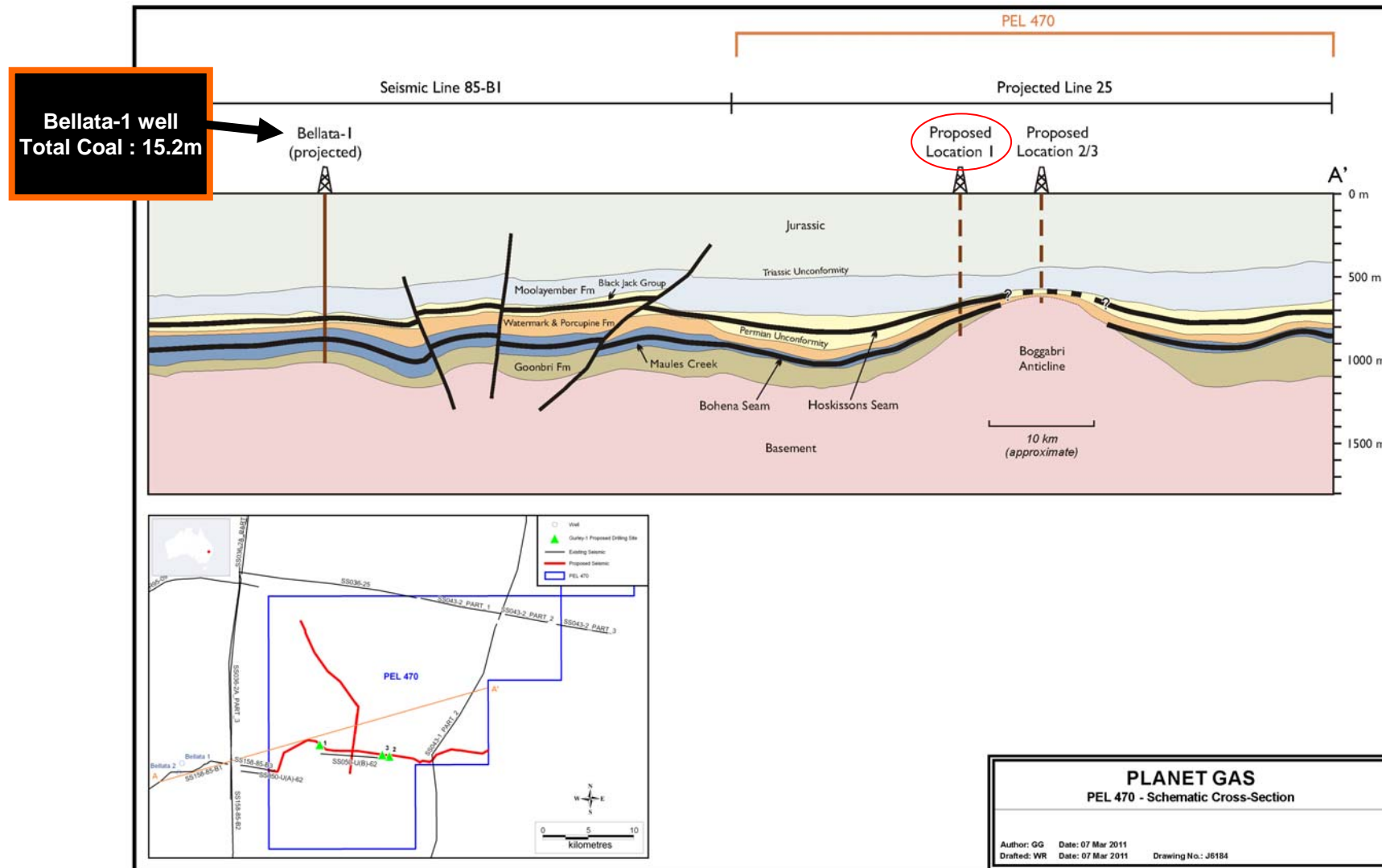


# CBM - Mooki PEL 470





# CBM - Mooki PEL 470

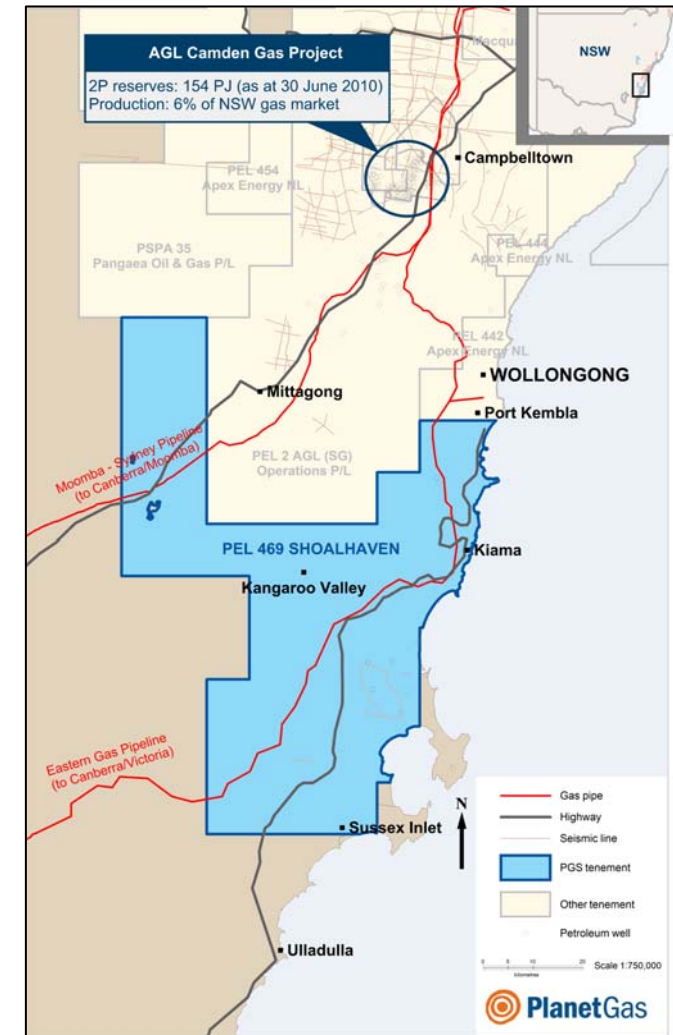




# CBM - Shoalhaven PEL 469

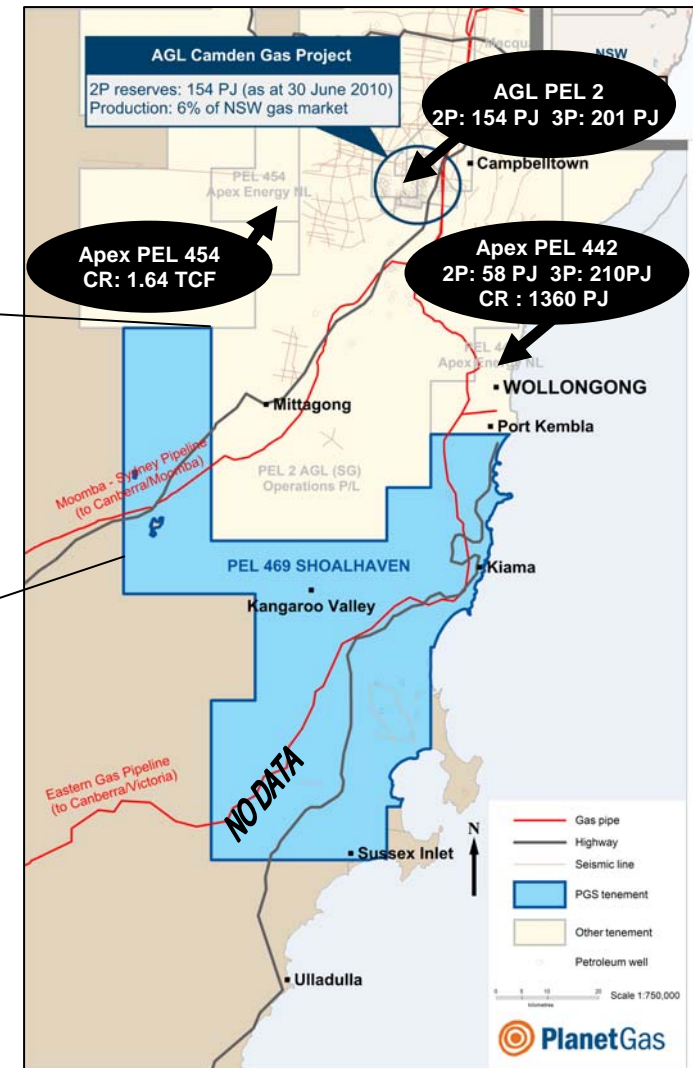
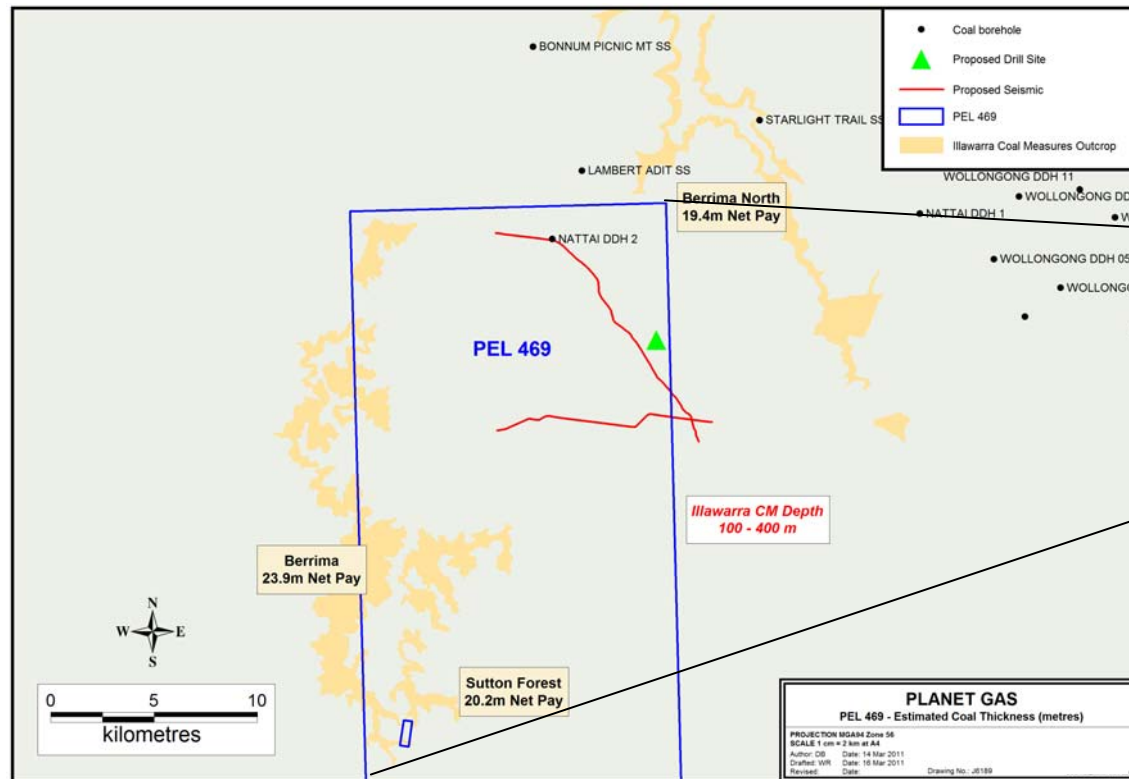


- Shoalhaven covers 3,173km<sup>2</sup>, located in Southern Coalfield of the Sydney Basin
- Illawarra coals are prospective and are up to 15 metres thick for the Clyde Measures and more than 25 metres for the Illawarra Measures
- High to very high coal reflectance for these seams
- Historical mine gas data indicates gas contents of 10-16 m<sup>3</sup> per tonne
- 56 existing drillholes, two seismic lines to the north west of the PEL
- 80 km south of Sydney and adjacent to AGL's PEL2 tenement (Camden)
- Major regional pipeline linking Sydney Gas to Canberra and Victoria passes through the PEL
- Close to AGL's proposed 40TJ/day Rosalind Park gas power plant
- **Operations currently on hold (WGCB Council)**



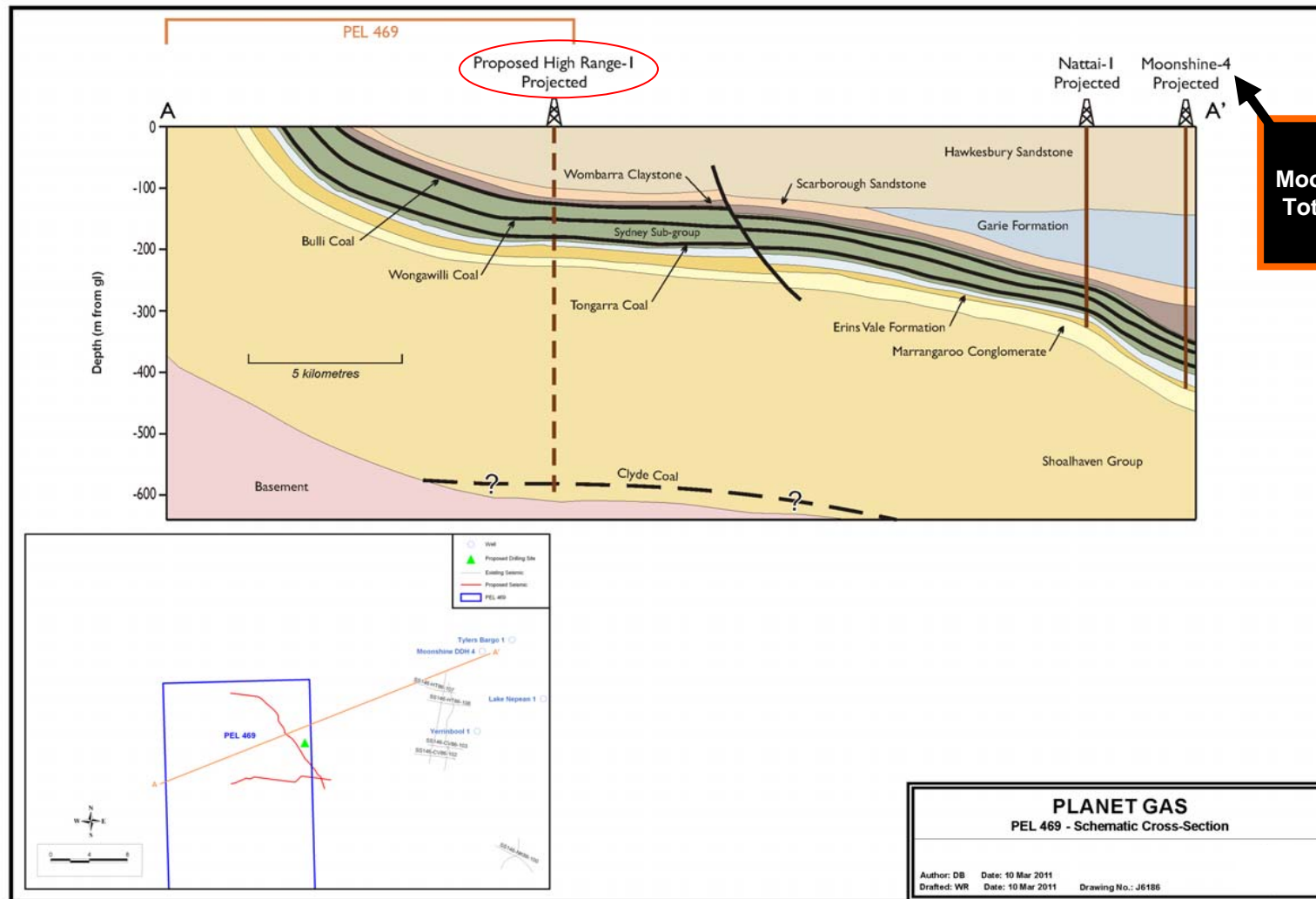


# CBM - Shoalhaven PEL 469





# CBM - Shoalhaven PEL 469



**Moonshine-4 well  
Total Coal : 15m**



# CBM Sydney and Gunnedah Basins



Planet Gas is farming in to three PELs for 50%, in three phases

**Phase 1** - Data acquisition and Due Diligence completed

**Phase 2** - Commenced October 2010

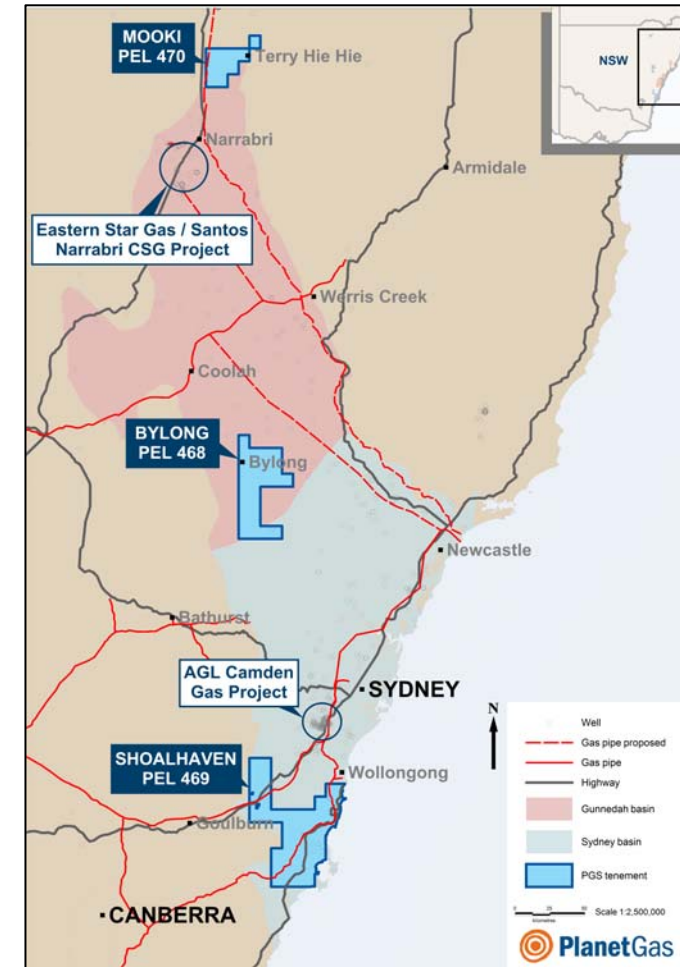
- Acquisition and processing of a total of 80 line kms of seismic
- Drilling and testing of a single open hole in PELs 469 and 470 and two open holes in PEL 468
- Estimated cost \$4.6m.

## What we are doing now ...

- ✓ Seismic surveys completed PEL 468 and 470
- ✓ Wellsites located
- ✓ Local government permitting in progress
- ✓ Drilling and service contracts awarded
- ✓ REF's for drilling operations – approvals in progress
- ✓ Anticipated drilling commencement – mid-end June, 2011

**Phase 3** - Drilling of 3 pilot wells in PEL 468, and 2 wells each in PELs 469 & 470

- Estimated total cost of these wells between \$10.5m and \$14.2m, to be completed by May 2013





## Implementation update 2011-12



- **Coal Bed Methane Sydney & Gunnedah**
  - Spud the first of 3 exploration coreholes mid-end Jun 2011
  - Release Contingent Resources post-drilling (August)
- **Coal Bed Methane Cooper**
  - Sign farm-in arrangements on PELA 514 prior to executing PEL with PIRSA
  - Execute PEL with PIRSA upon completion of Native Title
  - Commence Exploration Programme (inc. Coal desorp testing)
- **Conventional Oil and Gas/CBM New (ongoing)**
  - Ramp up New Venture activity to acquire low entry cost, high potential, onshore oil or gas project in S. E. Asia



# CBM Sydney and Gunnedah Basins



- Planet's CBM acreage is in the main CBM play fairway in the Sydney and Gunnedah Basins close to existing or planned infrastructure and market
- Third Party **pre-drill, un-risked**, whole block GIP estimates based on proximal wells c. 2 TCF (PJ) per PEL, using gas concentrations of 8m<sup>3</sup> per tonne
- Actual gas concentrations may be in the range 10-15m<sup>3</sup> per tonne based on nearby competitor wells
- Recent competitor transaction valued the acquired at \$145m for 1.8 TCF (PJ) GIP
- Planet's initial drilling will yield coal thicknesses and gas concentrations allowing the posting of Contingent Resources by August
- Phase 3 farmin (next phase of drilling) will test gas producibility
- Recent deals suggest an average value per 3P reserve of \$0.57 per GJ (MCF) (excluding AGL-Sydney Gas)

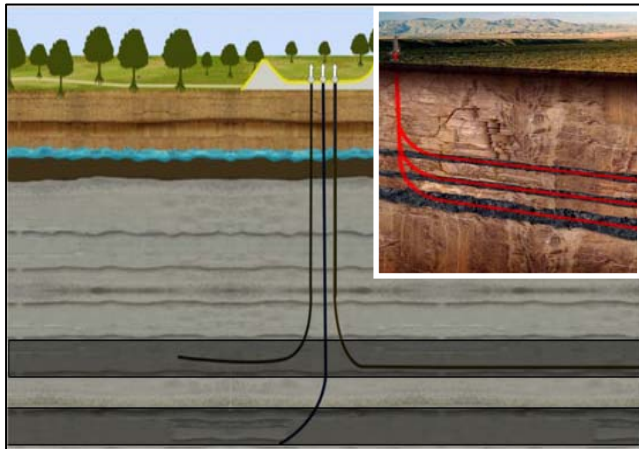


# CBM Development Strategy/Community



## Multi well screened drilling pads

- Reduce amount of land required and number of individual sites (single=2.5 acres, multi 4 acres)
- Reduce overall environmental and visual impact
- Reduce capital expenditures and lower production costs by allowing more wells per pad
- Drain very large areas of the reservoir. One multi-well pad with 10 wells can access 5-10 sq kms of reservoir

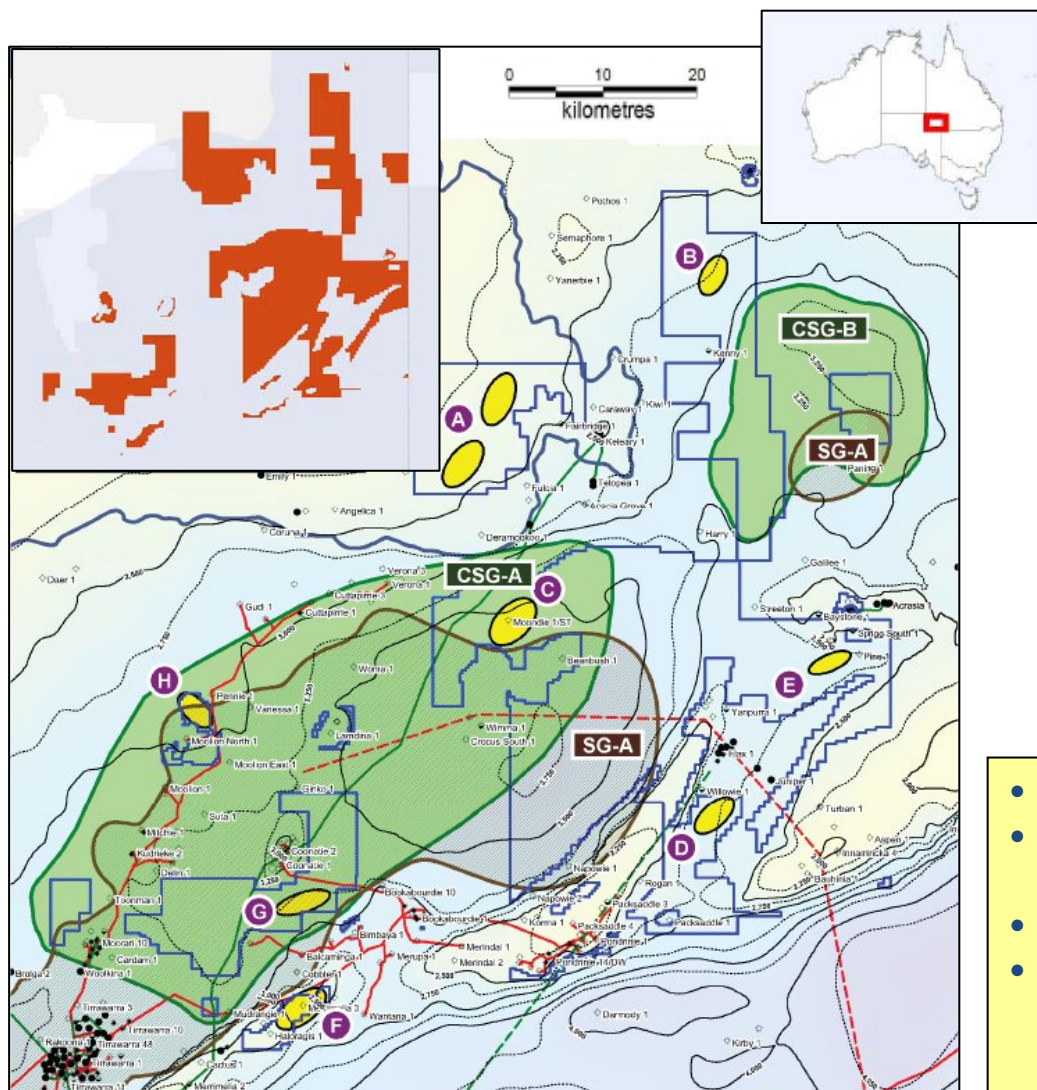


## CBM Operations and the Community

- Early engagement with, and education of, local communities
- Explanation of Pilot Hole(s) and Field Development strategy (multi-well screened pads with reduced environmental impact)
- Use of non-toxic chemicals in drilling fluids
- Design wells to minimise exposure/isolate aquifers
- Retain proactive community response team
- **'No fracking'** brass plate statement



# PELA 514 - CBM prospectivity



## PELA 514

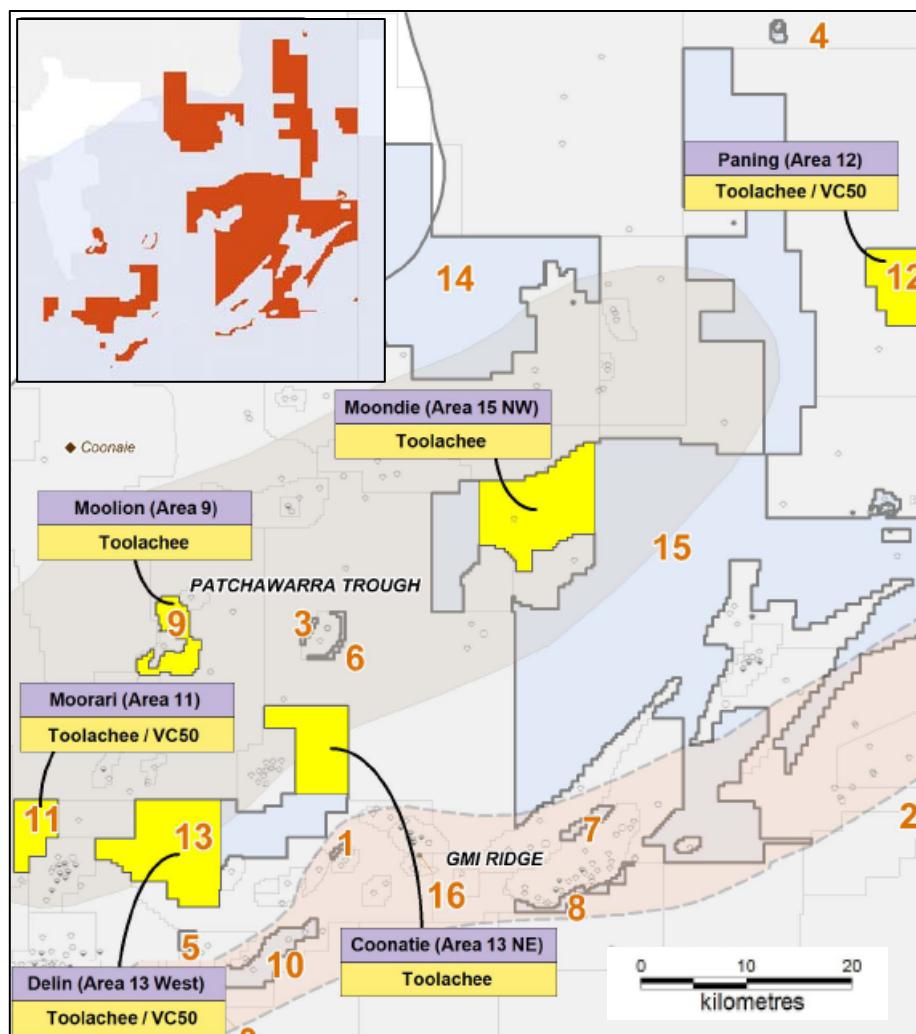
- Successfully tendered Q3, 2009
- Area 1972 km<sup>2</sup>
- Close to existing infrastructure
- Proven working petroleum system
- Currently under ILUA process
- Conventional Oil & Gas plays
- Shale gas potential
- CBM potential, coal bed thickness up to 41m in the Toolachee Fm, and 51m in the Patchawarra Fm.
- Preliminary CBM GIP - multiple TCF (source MBA)

- Due North of PEL 212 and Beach Energy's thick shale penetration at well Encounter-1

- Abundance of Coal across the area(s), 2500m +
- Coal bed thicknesses : max 41m in the Toolachee, and 51m in the Patchawarra
- Blanket gas content of 8m<sup>3</sup>/tonne used
- Understood that Santos has successfully flowed 100,000 cf/d from nearby fracture stimulated coals approaching 3000m in depth



# PELA 514 - CBM prospectivity



Prospect Name	Area (km <sup>2</sup> )	Primary Target	Net Coal (m.)	Orig. Gas in Place (Bcf.)
Moolion (Area 9)	22.6	Toolachee	17.6	157
Moorari (Area 11)	23.6	VC 50	17.8	166
Moondie (15 NW)	88.0	Toolachee	35.9	1,250
Delin (Area 13 W)	91.0	Toolachee	14.3	515
Coonatie (13 NE)	51.6	Toolachee	11.1	225
Paning (Area 12)	43.9	Toolachee	30.6	530
Moorari (Area 11)	23.6	Toolachee	9.5	89
Delin (Area 13 W)	91.0	VC 50	16.5	594
Paning (Area 12)	43.9	VC 50	11.3	196

- Net coal pay zones calculated using a density cut-off of 1.75 g/cc. or in its absence a Sonic log cut off of 110  $\mu$  sec/ft
- For volumetrics a log derived average coal density of 1.4g/cc was applied
- Blanket gas content of 8m<sup>3</sup>/tonne used in calculations



## Cooper PELA 514 CBM



- PELA 514 lies close to existing oil and gas producing fields and underutilised pipeline infrastructure in the Cooper Basin
- Coals present across the permit area : maximum thickness 41m in the Toolachee and 51m in the Patchawarra
- CBM potential identified in 9 different areas of the Permit (mainly Patchawarra Trough)
- Third Party **predrill unrisked GIP** estimated total of c. 3.7 TCF, although coals >2500m depth
- Santos has successfully flowed 100,000 cf/d from nearby fracture stimulated coals approaching 3000m in depth



# Planet Gas and CBM



- Three well addressed CBM prospective PEL's (Sydney/Gunnedah)
  - Exploratory drilling imminent
  - Bylong will be first in sequence
- Large potential CBM resources in Cooper Basin PELA 514
  - Thick, extensively mapped, coals
  - Exploration can be "piggy backed" on conventional exploration
- Active New Venture technical/commercial teams



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## Contact

- Ian Halstead, CEO

The information in this report that relates to Exploration Results is based on information compiled by Mr Ian Halstead, geologist, who is a Member of the American Association of Petroleum Geologists. Ian Halstead is a full-time employee of the Company who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ian Halstead has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.