

PLANET GAS LIMITED
and its controlled entities

A.B.N. 46 098 952 035

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2013

**PLANET GAS LIMITED
AND ITS CONTROLLED ENTITIES**

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**PLANET GAS LIMITED
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DIRECTORS' REPORT

The Directors of Planet Gas Limited (the 'Company' or 'Planet Gas') present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half-year ended 30 June 2013.

Directors

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

Norman A. Seckold, Executive Chairman

Director since 4 December 2001.

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

- Moruya Gold Mines (1983) N.L., which acquired the Golden Reward heap leach gold deposit in South Dakota, USA.
- Pangea Resources Limited, which acquired and developed the Pauper's Dream gold mine in Montana, USA.
- Timberline Minerals, Inc. which acquired and completed a feasibility study for the development of the MacArthur copper deposit in Nevada, USA.
- Perseverance Corporation Limited, which discovered and developed the Nagambie gold mine in Victoria.
- Valdora Minerals N.L., which developed the Rustler's Roost gold mine in the Northern Territory and the Ballarat East Gold Mine in Victoria.
- Viking Gold Corporation, which discovered a high grade gold deposit in northern Sweden 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.
- Chairman of Cerro Resources N.L., a precious metals exploration company with a development project in Mexico.

Mr Seckold is currently Chairman of the following listed companies:

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

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

Anthony J. McClure, Managing Director

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 Nickel Mines Limited and Mekong Minerals Limited.

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DIRECTORS' REPORT

Peter J. Nightingale, Executive Director and CFO

Director since 4 December 2001.

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

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

Robert Charles Neale, Non-Executive Director

Director since 20 November 2009.

Mr Neale is the Managing Director of New Hope Corporation Limited and has more than 40 years' experience in the mining and exploration industries covering coal, base metals, gold, synthetic fuels, bulk materials shipping, and power generation. He joined New Hope Corporation Limited in 1996 as General Manager, has been Chief Executive Officer since 2005 and was appointed to the Board of Directors in November 2008.

Robert M. Bell, Independent and Non-Executive Director

Director since 30 October 2007.

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

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

Anthony J. McDonald, Independent and Non-Executive Director

Director since 19 November 2003.

Tony McDonald holds a Bachelor of Laws degree from the Queensland University of Technology. He has over 12 years of active involvement in management in the natural resources sector in Australia and internationally. He has been a director, company secretary and/or legal advisor to a number of listed and unlisted public companies. He is currently Managing Director of Santana Minerals Limited, a precious metals exploration company with projects in Mexico and Australia and a non-executive director of unlisted public company Mekong Minerals Limited. His directorships in the last three years also include Cerro Resources N.L., Deep Yellow Limited and Industrea Limited.

**PLANET GAS LIMITED
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DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW

The activities of Planet Gas Limited and its controlled entities (the 'Group') during the half-year ended 30 June 2013 include the following:

- New agreement with Senex Energy Limited ('Senex') for expanded activities in the PEL 514, Cooper Basin, South Australia.
- Cordillo 3D seismic survey processing completed and interpretation commenced.
- Dundinna 3D seismic survey commenced.
- Drill planning commenced.
- Withdrawal from coal seam gas projects in New South Wales.

Cooper Basin, South Australia (PEL 514)

PEL 514 covers an area of 1,972 km² and is located in the Cooper Basin, South Australia. The PEL is prospective for conventional oil and gas, and contains significant thicknesses of good quality gassy coal and hydrocarbon rich shales. Tight gas is also a target. The area is strategically close to existing producing oil and gas fields and under-utilised infrastructure.

New South Wales Coal Seam Gas (PELs 468, 469 and 470)

During the half-year ended 30 June 2013, Planet Gas announced the withdrawal from the coal seam gas ('CSG') 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 Planet Gas will retain no residual interest or liability. During the year ended 31 December 2012 the Company had impaired the carrying value of the projects due to the regulatory uncertainty for the CSG industry in the state.

Corporate Activities

During the half-year, 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. This agreement reduces Planet Gas' interest in the entirety of PEL 514 to 20% with Senex holding the remaining 80%.

The consideration for the transfer was:

- \$5.0 million cash payment to Planet Gas, contingent upon regulatory and governmental approvals being achieved. These approvals were obtained in July 2013, and the \$5.0 million was subsequently received; and
- Planet Gas to be free carried for a total of \$9.0 million of its share of oil exploration expenditure within the PEL.

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 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.

The consideration is in addition to Senex's farm in obligations in respect of PEL 514 including the completion of the current 'Cordillo' 3D seismic program and completion of two wells by November 2013. This forms part of an initial agreement with Senex of December 2011.

**PLANET GAS LIMITED
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DIRECTORS' REPORT

The principal objective of the new agreement is the exploration of conventional stratigraphic and structural traps within the Jurassic sequence, including the Birkhead Formation, which are capable of hosting oil plays similar to those at the proven Growler and Snatcher oil fields to the southwest.

During the half-year, processing of the 'Cordillo' 3D seismic data covering 158.7 km² the northern part of PEL 514 was completed and interpretation was commenced.

The 'Dundinna' 3D seismic data acquisition program covering 163.9 km² of PEL 514 was commenced during the half-year and is expected to be completed in the year ending 31 December 2013. This will be followed by processing and interpretation.

Subsequent Events

Subsequent to the half-year ended 30 June 2013, the Company announced initial 2P and 3P oil reserves for the Sprigg Field located in the central eastern sector of PEL 514. The reserve estimates were completed by DeGolyer and MacNaughton of Dallas Texas, USA. Gross 2P reserves totalled 188.0 thousand barrels ('Mbbls') of crude oil and gross 3P reserves totalled 725.6 Mbbls. (See ASX announcement of 20 August 2013).

Two wells are to be completed in the year ending 31 December 2013 and at the date of this report the planning of the Sprigg-1 well within the Sprigg Field was advanced.

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 million cash consideration.

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

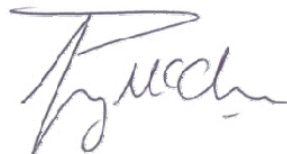
Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 30 June 2013.

Signed at Sydney this 6th day of September 2013
in accordance with a resolution of the Board of Directors:



Norman A. Seckold
Chairman



Anthony J. McClure
Managing Director



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

To the Directors of Planet Gas Limited:

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2013, there have been:

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

KPMG

KPMG

Adam Twemlow
Partner

Brisbane

6 September 2013

**PLANET GAS LIMITED
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	Notes	30 June 2013 \$	30 June 2012 \$
CONTINUING OPERATIONS			
Revenue from sale of coal seam gas		1,217	1,312
Other income		-	89,498
Administration and consultants' expenses		(445,826)	(778,580)
Depreciation expense		(5,836)	(10,727)
Pre-licence costs - exploration expenditure		(239)	(324,157)
Impairment loss - exploration and evaluation expenditure		-	(791,996)
Travel expenses		(1,206)	(6,192)
Gain on disposal of available for sale financial assets	5	-	103,356
Other expenses		(18,021)	(33,460)
Operating loss before financing income		(469,911)	(1,750,946)
Financial income		4,279	30,049
Net financing income		4,279	30,049
Loss before tax		(465,632)	(1,720,897)
Income tax expense		-	-
Loss for the period		(465,632)	(1,720,897)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of available for sale financial assets		(24,741)	(85,532)
Net change in the fair value of available for sale financial assets transferred to profit or loss		-	(103,356)
Foreign currency translation differences - foreign operations		1,068	(17,555)
Total items that may be reclassified subsequently to profit or loss		(23,673)	(206,443)
Other comprehensive loss for the period		(23,673)	(206,443)
Total comprehensive loss for the period		(489,305)	(1,927,340)
Basic and diluted loss per share (cents)		(0.09)	(0.32)

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

**PLANET GAS LIMITED
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	30 June 2013 \$	31 December 2012 \$
Current assets			
Cash and cash equivalents		90,582	441,484
Trade and other receivables		10,666	13,619
Other assets		14,584	42,550
Total current assets		115,832	497,653
Non-current assets			
Available-for-sale financial assets	5	8,107	32,848
Property, plant and equipment		29,212	35,048
Exploration and evaluation expenditure	4	800,442	676,314
Other assets		50,000	50,000
Total non-current assets		887,761	794,210
Total assets		1,003,593	1,291,863
Current liabilities			
Trade and other payables		387,192	186,157
Total current liabilities		387,192	186,157
Total liabilities		387,192	186,157
Net assets		616,401	1,105,706
Equity			
Issued capital	6	49,781,973	49,781,973
Option premium reserve		4,456,500	4,456,500
Fair value reserve		8,107	32,848
Foreign currency translation reserve		(2,786,355)	(2,787,423)
Accumulated losses		(50,843,824)	(50,378,192)
Total equity		616,401	1,105,706

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

**PLANET GAS LIMITED
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

Attributable to equity holders of the Company

	Issued capital \$	Option premium reserve \$	Fair value reserve \$	Accumulated losses \$	Foreign currency translation reserve \$	Total equity \$
Balance at 1 January 2012	49,563,983	4,638,172	328,499	(44,996,852)	(2,768,398)	6,765,404
Total comprehensive income for the period						
Loss for the period	-	-	-	(1,720,897)	-	(1,720,897)
Foreign currency translation differences	-	-	-	-	(17,555)	(17,555)
Net change in fair value of available- for- sale financial assets	-	-	(85,532)	-	-	(85,532)
Net change in fair value of available- for- sale financial assets transferred to profit or loss	-	-	(103,356)	-	-	(103,356)
Total other comprehensive loss	-	-	(188,888)	-	(17,555)	(206,443)
Total comprehensive loss	-	-	(188,888)	(1,720,897)	(17,555)	(1,927,340)
Transactions with owners recorded directly in equity						
Contribution by and distribution to owners						
Ordinary shares issued	220,000	-	-	-	-	220,000
Transaction costs on issue of shares	(2,010)	-	-	-	-	(2,010)
Balance at 30 June 2012	49,781,973	4,638,172	139,611	(46,717,749)	(2,785,953)	5,056,054
Balance at 1 January 2013	49,781,973	4,456,500	32,848	(50,378,192)	(2,787,423)	1,105,706
Total comprehensive income for the period						
Loss for the period	-	-	-	(465,632)	-	(465,632)
Foreign currency translation differences	-	-	-	-	1,068	1,068
Net change in fair value of available- for-sale financial assets	-	-	(24,741)	-	-	(24,741)
Total other comprehensive loss	-	-	(24,741)	-	1,068	(23,673)
Total comprehensive loss	-	-	(24,741)	(465,632)	1,068	(489,305)
Transactions with owners recorded directly in equity						
Contribution by and distribution to owners	-	-	-	-	-	-
Balance at 30 June 2013	49,781,973	4,456,500	8,107	(50,843,824)	(2,786,355)	616,401

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

**PLANET GAS LIMITED
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

	30 June 2013 \$	30 June 2012 \$
Cash flows from operating activities		
Cash receipts in the course of operations	1,217	1,490
Cash payments in the course of operations	<u>(259,779)</u>	<u>(886,231)</u>
Cash used in operations	(258,562)	(884,741)
Interest received	<u>7,206</u>	<u>32,976</u>
Net cash used in operating activities	<u>(251,356)</u>	<u>(851,765)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(99,616)	(500,117)
Payments for fixed assets	-	(1,396)
Receipt from the sale of investments	-	388,800
Receipts from security deposit	<u>-</u>	<u>201,141</u>
Net cash (used in)/from investing activities	<u>(99,616)</u>	<u>88,428</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	220,000
Transaction costs on share issue	<u>-</u>	<u>(21,310)</u>
Net cash from financing activities	<u>-</u>	<u>198,690</u>
Net decrease in cash and cash equivalents	(350,972)	(564,647)
Cash and cash equivalents at the beginning of the financial period	441,484	1,663,186
Effect of exchange rate fluctuations on cash held	<u>70</u>	<u>6</u>
Cash and cash equivalents at the end of the financial period	<u>90,582</u>	<u>1,098,545</u>

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

**PLANET GAS LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

NOTE 1 - REPORTING ENTITY

Planet Gas Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily engaged in the acquisition, exploration and development of oil and gas properties in Australia.

The consolidated annual financial statements of the Group as at and for the year ended 31 December 2012 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.planetgas.com.

NOTE 2 - BASIS OF PREPARATION

(a) Statement of compliance

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

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2012 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These condensed consolidated interim financial statements were approved by the Board of Directors on 6 September 2013.

(b) Estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

(c) Going concern

The condensed consolidated interim financial statements have been prepared on a going concern basis due to the receipt of \$5 million in July 2013 in accordance with the Senex agreement. This amount is considered adequate to support the ability of the Group to continue as a going concern. See note 9.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012. The following change in accounting policy is also expected to be reflected in the Group's consolidated annual financial statements as at and for the year ending 31 December 2013.

**PLANET GAS LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policies

(a) 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 to 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 has concluded that no adjustments to the financial statements are required.

(b) 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 reassessed its current accounting treatment in respect of joint arrangements and no adjustments to the financial statements are required.

(c) 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 has assessed that no changes to current disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities are required.

(d) 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.

(e) Presentation of Items of Other Comprehensive Income

The Group has applied amendments to AASB 134 *Interim Financial Reporting* 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 income. 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.

**PLANET GAS LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

NOTE 4 - EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2013	31 December 2012
	\$	\$
Carrying amount at beginning of year	676,314	4,359,852
Additions	124,128	207,733
Impairments	-	(3,891,271)
Net book value	800,442	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 half-year ended 30 June 2013, the Group assessed its exploration and evaluation expenditure assets for impairment and recorded no impairment.

NOTE 5 - AVAILABLE FOR SALE FINANCIAL ASSETS

Equity investments - available for sale at fair value	8,107	32,848
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The Group holds 8,212,500 shares in Rampart Energy (formally Earth Heat Resources Ltd). At 30 June 2013, the Directors compared the carrying value of the investment to market value and recorded a reduction in fair value of \$24,741 in equity (30 June 2012 - \$188,888 gain recorded in equity). This was based on a closing bid price of 0.1 cents for Rampart Energy shares at 30 June 2013 (30 June 2012 - 1.7 cents).

All equity investments are held in ASX listed companies, and are therefore designated as Level 1 in the fair value hierarchy (quoted unadjusted prices in active markets).

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

NOTE 6 - ISSUED CAPITAL

	30 June 2013		31 December 2012	
	Number	\$	Number	\$
Ordinary shares, fully paid at 1 July	537,622,535	49,781,973	537,622,535	49,781,973
Movement in ordinary shares	-	-	-	-
Balance at end of period	537,622,535	49,781,973	537,622,535	49,781,973

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

The following options were on issue at 30 June 2013, each exercisable to acquire one ordinary share:

Exercise period	Exercise price	Opening Balance	Options Issued	Options Cancelled/ Expired	Closing Balance
On or before 20 August 2014	\$0.132	60,000,000	-	-	60,000,000
On or before 20 August 2014	\$0.132	8,000,000	-	-	8,000,000
On or before 20 August 2014	\$0.132	4,500,000	-	-	4,500,000
		72,500,000	-	-	72,500,000

**PLANET GAS LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

NOTE 7 - OPERATING SEGMENTS

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

NOTE 8 - RELATED PARTY DISCLOSURE

During the half-year ended 30 June 2013, Norman A. Seckold and Peter J. Nightingale had a controlling interest in an entity, Mining Services Trust, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Group. Fees paid to Mining Services Trust during the half-year amounted to \$210,011 (2012 - \$122,454). The amount outstanding as at 30 June 2013, exclusive of GST, is \$95,505 (2012 - \$nil).

During the half-year ended 30 June 2013, the Group accrued Director's fees payable to Robert C. Neale of \$12,000 (2012 - \$12,000). The total amount outstanding at 30 June 2013 is \$88,000 (2012 - \$64,000). In addition, the Group received invoices amounting to \$126,000 for Directors' fees which are outstanding as at 30 June 2013 (2012 - \$nil).

NOTE 9 - SUBSEQUENT EVENTS

During July 2013, all regulatory and government approvals were successfully achieved therefore all conditions precedent to the second agreement signed with Senex in May 2013 were satisfied and the Company received the initial \$5 million cash consideration.

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. This agreement reduces Planet Gas' interest in the entirety of PEL 514 to 20% with Senex holding the remaining 80%.

The consideration for the transfer was:

- \$5.0 million cash payment to Planet Gas received in July 2013; and
- Planet Gas to be free carried for a total of \$9.0 million of its share of oil exploration expenditure within the PEL.

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 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 sale of Planet Gas' interest in PEL 514 to Senex, \$130,000 of capitalised exploration and expenditure was derecognised and a gain on disposal of \$4.87 million was recognised as a profit in July 2013.

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

**PLANET GAS LIMITED
AND ITS CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

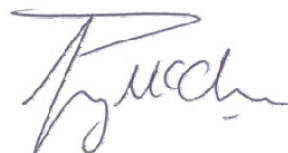
In the opinion of the Directors of Planet Gas Limited (the Company):

- (1) the condensed consolidated interim financial statements and notes set out on pages 6 to 13, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney this 6th day of September 2013
in accordance with a resolution of the Board of Directors:



Norman A. Seckold
Chairman



Anthony J. McClure
Managing Director



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

Report on the financial report

We have reviewed the accompanying interim financial report of Planet Gas Limited, which comprises the condensed consolidated interim statement of financial position as at 30 June 2013, condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Planet Gas Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



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

Conclusion

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

- a) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Adam Twemlow
Partner
Brisbane
6 September 2013

**PLANET GAS LIMITED
AND ITS CONTROLLED ENTITIES**

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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Phone: 61-2 9300 3322
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Email: info@planetgas.com
Homepage: www.planetgas.com

Auditors:

KPMG
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71 Eagle Street
BRISBANE QLD 4000

Share Registrar:

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

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

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000