

19 September 2011

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(2 pages by email)

Dear Madam

PELA 514 NATIVE TITLE FINALISATION

- **Executed native title agreements**
- **Clears the way for execution of the Petroleum Exploration Licence**

Planet Gas Limited (the 'Company' or 'Planet') is pleased to advise that native title agreements have been executed with the Native Title Claimants laying claim to areas within the boundaries of PELA 514. This facilitates the issuance of the petroleum exploration licence and subsequent commencement of field work.

In August, the Company signed a Heads of Agreement with Senex Energy Limited (ASX release 19 August 2011). Under the executed agreement, Senex is to farm-in to PELA 514 and will assume Operatorship of the permit. Senex will fund 100% of the cost of three wells in exchange for a 50% interest in the northern and a 70% interest in the southern part of the licence.

The northern area of PELA 514 adjoins Senex permits PELs 90, 100 and 110. The licence area includes Birkhead time structures capable of hosting Birkhead channel oil plays such as those discovered at Growler and Snatcher. Oil discoveries in licences neighbouring PELA 514 also support the potential for hydrocarbons in the area.

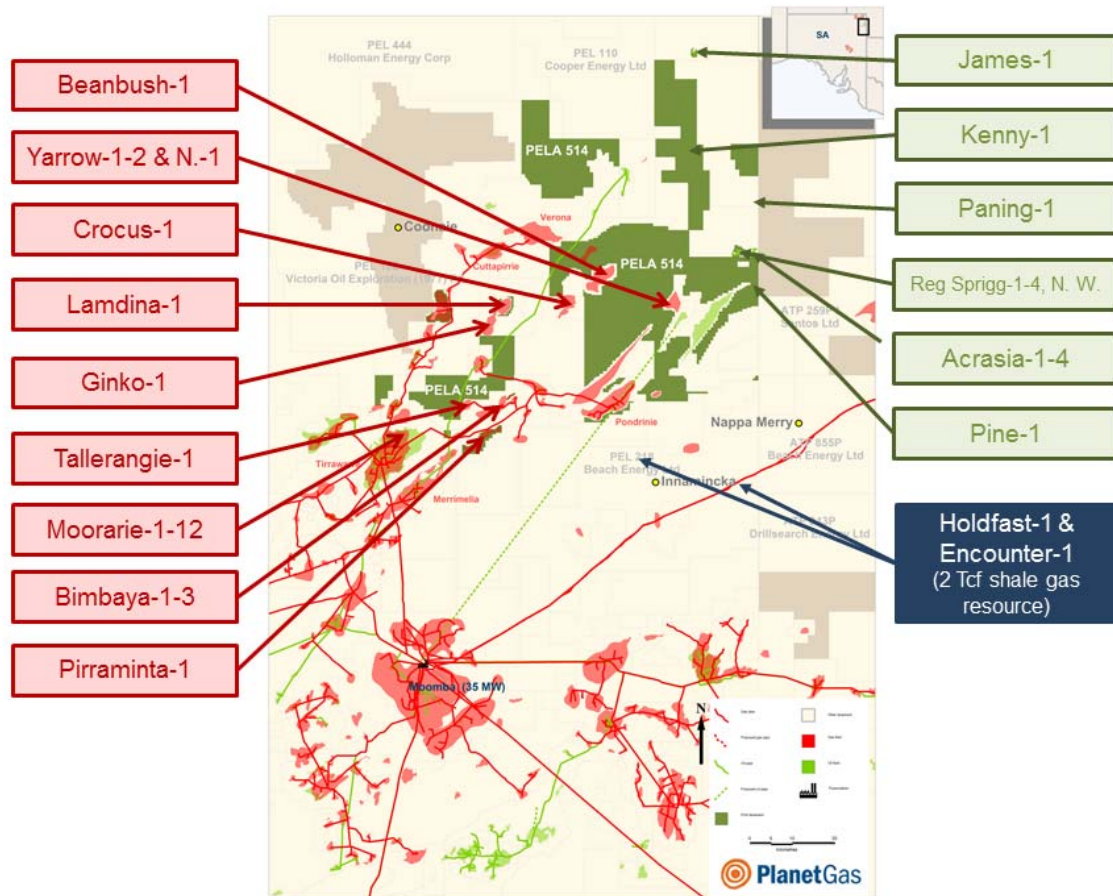
The southern area of PELA 514 is prospective for unconventional gas, containing measures of coal, tight sands and the Murteree member of the REM shales. Significant thicknesses of coal in the Patchawarra and Toolachee formations have been recorded from wells drilled adjacent to and within the PELA 514 permit boundaries. Small structural, and potentially large stratigraphic conventional gas prospects, are also mapped.

Recent tests by Beach Energy Limited, in the Nappamerri Trough, indicate that not only the Murteree shales, but also the Patchawarra, Epsilon and possibly the Toolachee formations are prospective for shale gas. PELA 514 is some 20 kilometres north of Beach's successful Holdfast-1 shale gas well.

Planet Gas Limited ABN 46 098 952 035

Level 2, 66 Hunter Street Sydney NSW 2000 Australia **T** +61 2 9300 3322 **F** +61 2 9221 6333

E pnightingale@planetgas.com **W** www.planetgas.com



Oil and gas discoveries in and around PELA 514.

Statement of Competent Person

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

For further information, please contact Norman Seckold, Peter Nightingale or Ian Halstead on (61-2) 9300 3322.

Yours sincerely

Peter J. Nightingale
Director

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