



4 September 2013

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(3 pages by email)

Dear Madam

**COMMENCEMENT OF DRILLING ACTIVITIES
PEL 514, SOUTH AUSTRALIAN COOPER BASIN**

The Directors of Planet Gas Limited ('Planet Gas') are pleased to announce the commencement of drilling activities within PEL 514 in the South Australian Cooper Basin.

The Sprigg-1 prospect is located in the central eastern sector of PEL 514 (see Figures 1 and 2) and is 4.5 kilometres west of Acrasia oil field.

The exploration well will be drilled to a total depth of 2,464 metres to test the oil potential of the Tinchoo Formation up dip and 240 metres west south west of the Reg Sprigg North-1 well. Additional targets will also be intersected through the Murta Formation, Namur Sandstone, Hutton Sandstone, Poolowanna and Arrabury Formations, all of which have recorded hydrocarbon fluorescence in adjacent wells.

The Sprigg-1 well will be spudded in late September 2013.

Planet Gas holds a 20% project interest while Senex Energy Limited ('Senex'), holds an 80% interest and is the operator.

The Sprigg-1 well forms part of the initial farm-in agreement with Senex of December 2011. As part of that agreement, Senex is required to drill two wells prior to November 2013 with the second well currently being planned.

For further information, contact Anthony McClure or Peter Nightingale on +61 2 9300 3322.

Yours sincerely

A handwritten signature in black ink, appearing to read "PJN", is written over a large, faint, stylized orange circular graphic that serves as a background for the signature area.

Peter J. Nightingale
Director

pjn7365

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

W www.planetgas.com

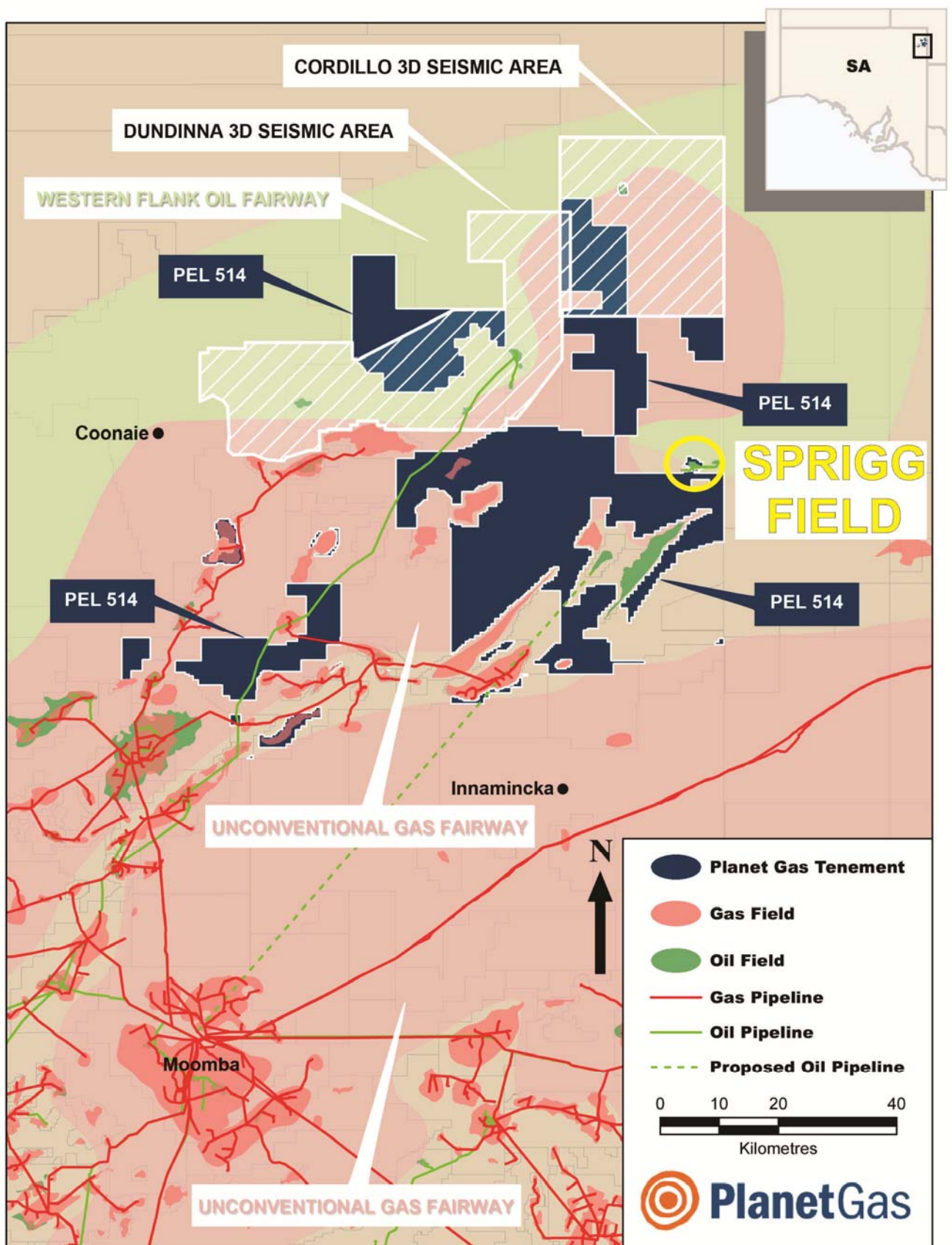


Figure 1: Location of the Sprigg Field

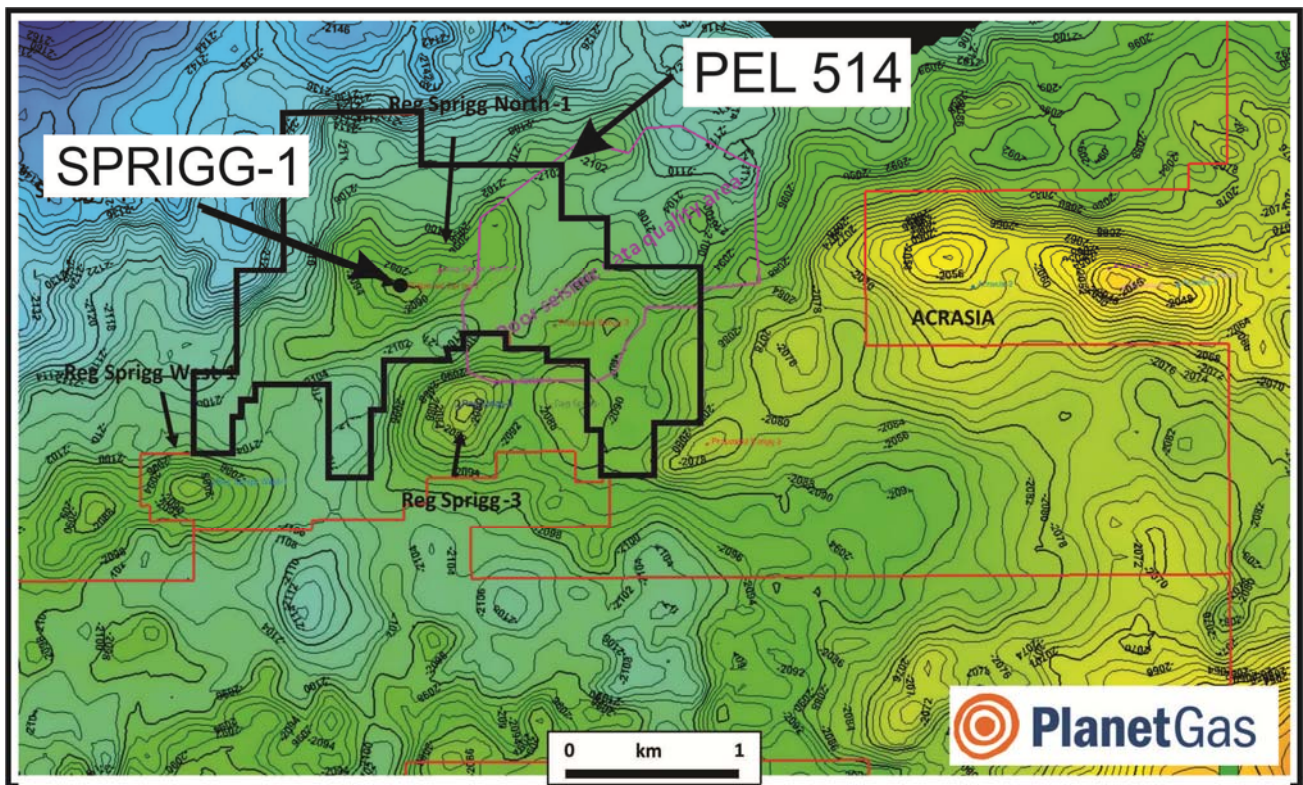


Figure 2: Location of Sprigg-1 well