

9 November 2004

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

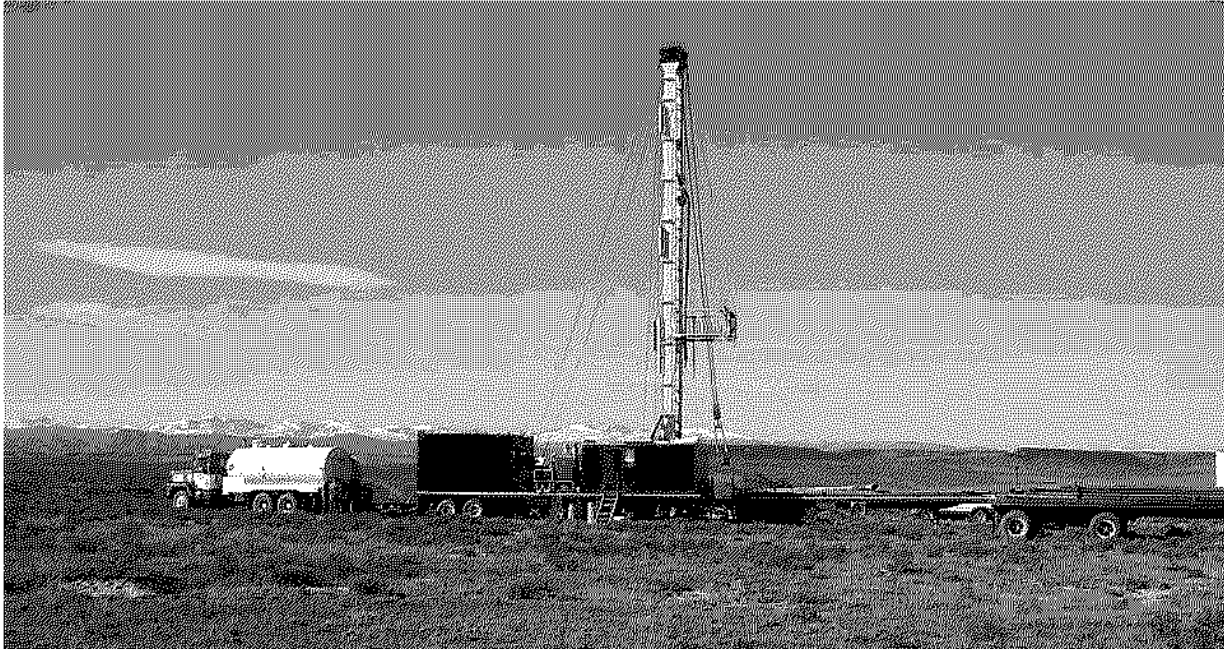
Dear Madam

RE: POWDER RIVER BASIN DRILLING

Planet Gas Limited is pleased to advise its wholly owned subsidiary Pauper's Dream Company ('Company') has spudded STRAT 09-4980 at the West Esponda Project in the Powder River Basin Wyoming USA thus initiating its stratigraphic drilling program. The Company has contracted with CBM industry consultants Goolsby Finley and Associates ('GFA') of Casper Wyoming to provide on-site supervision of the initial drilling program while Top Drive Energy Company LLC of Gillette Wyoming is providing drilling services with its Rig 111.

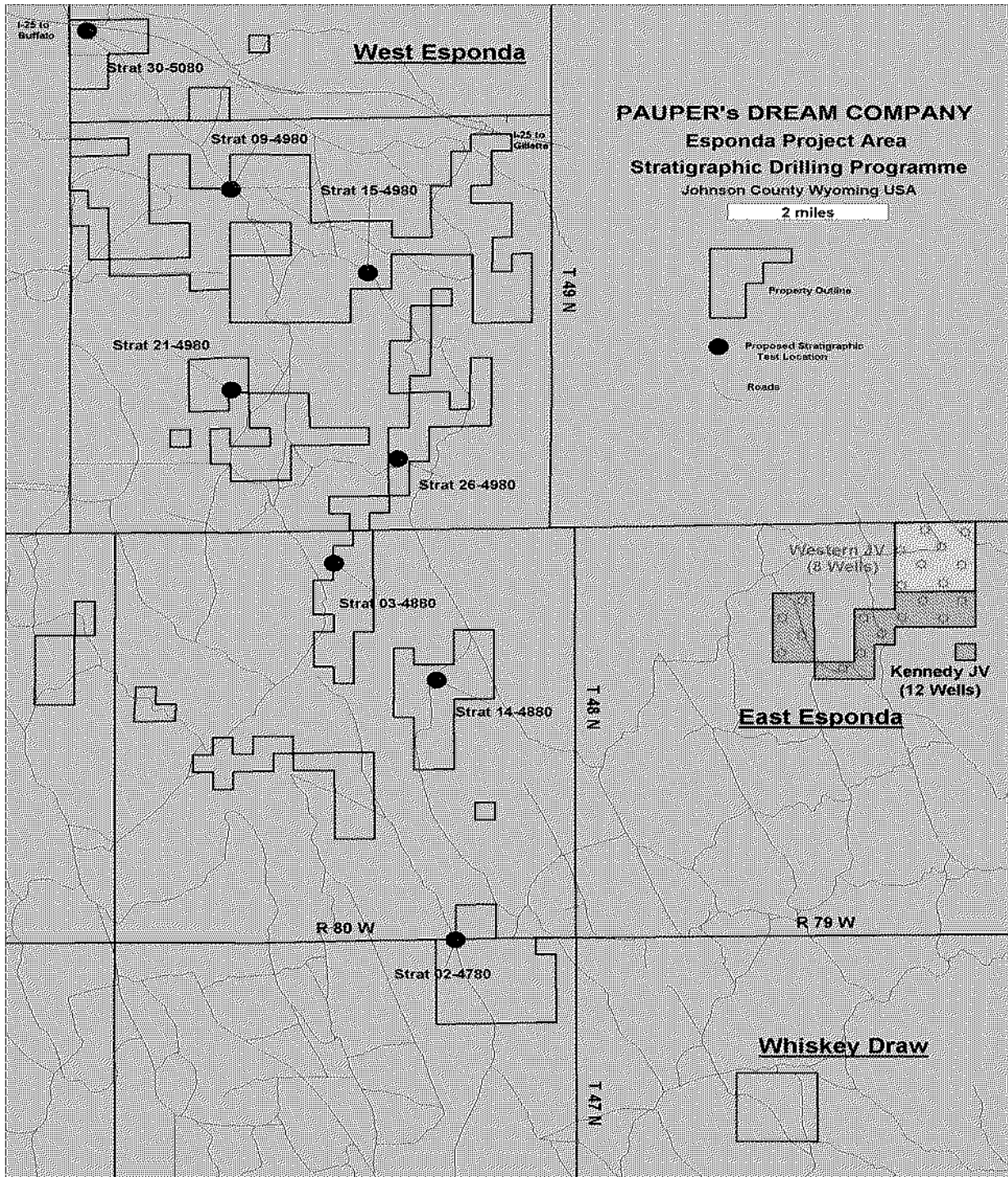
The West Esponda Project is located in the axial portion of the Powder River Basin between Buffalo and Gillette Wyoming. The tenement occupies 3,717 net hectares (9,184 acres) in Johnson County.

The project lies west of the previously developed East Esponda portion of the Company's leasehold interests where Kennedy Oil and Western Gas have completed twenty CBM wells. Kennedy is nearing production with the completion of its 19 kilometre pipeline.



The West Esponda tenement is near the Powder River Basin's asymmetric structural axis, and situated between the depositional centres of the stratigraphically higher Buffalo-Lake De Smet Coalfield to the west (Eocene Wasatch Formation) and the Gillette Coalfield (Paleocene Fort Union Formation) to the east. Thus, the more shallow Eocene-aged coals are being eroded to the east and south across the region and depositionally splitting with less ash content than its thickest member near Buffalo; and the Big George Coal, a part of the Gillette Coalfield, present at East Esponda is splitting towards the west. Total coal isopach mapping of this sparsely drilled area of the deep Powder River Basin estimates between 20-45 metres of coal is present.

The Company plans to drill up to eight stratigraphic wells (see map below) totalling 7,300 metres on its West Esponda tenement to confirm the total coal isopach mapping prior to development drilling programs.



For further information, contact Norman Seckold or Bruce Riederer on (61-2) 92475112.

Yours sincerely

Peter J. Nightingale
Director

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