PLANET GAS LIMITED

ABN 46 098 952 035

2 March 2005

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000 (X pages by email)

Dear Madam

RE: ORIVA PROJECT RESERVES

Further to the Company's Oriva Project (comprising the Oriva Federal and Oriva Throne Project areas) Gas-In-Place ('GIP') resource announcement dated 15 February 2005, the Directors are pleased to advise that an independent reserve estimate has been completed for the Company's Oriva Project reporting:

- **Total CBM reserves of 15.3 billion cubic feet ('BCF') (gross) - 12.0 BCF (net).**

As set out in the table below, these reserves comprise:

- Proven (PDP and PUD) reserves of 9.4 BCF (gross) - 7.1 BCF (net); and
- Additional Possible (POSS) reserves of 5.9 BCF (gross) - 4.9 (net).

The Oriva Project, which is located approximately 21 kilometres west of Gillette, Wyoming, consists of 505 net hectares (1,248 acres) in Sections 8, 9 and 10, Township 50 North, Range 74 West, Campbell County. The Oriva Project consists of two project areas, Oriva Throne, which is already in production, and Oriva Federal, currently in the permitting phase.

CBM International Engineering LLC ('CBMIE'), of Cody Wyoming, has prepared a Reserve and Economic Report dated 28 February 2005 for the Company demonstrating the following reserves by coal seam:

Coal Seam	Reserve Category	Gross GIP Volume (MMCF)	Cumulative Gas Produced (MMCF)	Remaining Recoverable Volume (MMCF)	Net Gas Reserves (MMCF)
Felix	P-1	206	64	67	41
	P-2	724	0	585	500
Smith	P-1	68	4	39	24
	P-2	1,137	0	907	723
Anderson	P-1	884	119	581	353
	P-2	4,229	0	3,369	2,880
Anderson Lower	P-2	1,959	0	1,559	1,192
Canyon	P-4	2,747	0	2,203	1,702
Wall	P-1	2,925	7	2,286	1,390
	P-4	4,665	0	3,731	3,190
Total Proven Reserves	**P-1, P-2**	**12,123**	**194**	**9,393**	**7,103**
Total All Reserves	**P-1, P-2, P-4**	**19,544**	**194**	**15,327**	**11,995**

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Notes:

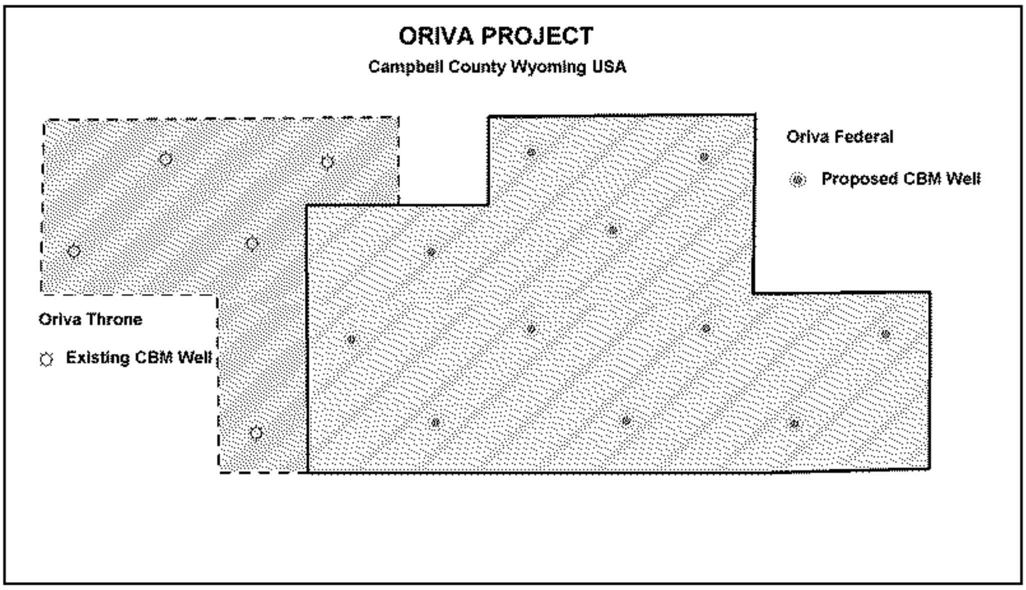
Definitions of relevant terms utilised in this table are an extract from the above referenced report:

Reserve Category - The reserve portfolio was defined under standard industry guidelines, moreover:
P1 -- PDP = Proven Developed Reserves; these reserves are commercially producing assets. The Felix, Anderson, Wall, and a portion of the Smith reserves are represented in this category.
P2 -- PUD = Proven Undeveloped Reserves; these reserves are within one mile of commercial producing gas within the correlative geologic interval or zone. The lower Anderson and a portion of the Smith reserves are represented in this category.
P4 -- POSS = Possible Reserves; these reserves are located beyond the PROB [probable reserves] locations within the correlative geologic interval or zone. The Canyon reserves are represented in this category.
Gross (GIP) Volume - Volumetric calculation based on total gas in place [prepared by Goolsby Finley & Associates ('GFA'), Casper Wyoming].
Cumulative Gas Produced - Total gross gas produced to date.
Remaining Recoverable Volume - Recoverable gas volume left to be produced based on 80% recovery factors of GIP [matched to a production decline curve].
Net Gas Reserves - Net Revenue Interests percentage of remaining recoverable gas (60.78% at Oriva Throne and 85.5% at Oriva Federal).
MCF - thousand cubic feet.
MMCF - million cubic feet.

The Oriva Throne Project is currently producing coalbed methane ('CBM') gas from the Felix, Smith, Anderson and Wall Coal Seams at approximately 13,750 MCF per month which is expected to increase to 50,000 MCF per month. The Company's interest is a 75.975% Working Interest (60.78% Net Revenue Interest) in 15 producing wells. The Oriva Throne leasehold interest is subject to a 20% land/mineral owner royalty. The Oriva Throne Project is operated by Emerald Operating Company and Rocky Mountain Exploration of Denver, Colorado ('EOC-RMEI'). To date, EOC-RMEI has successfully drilled and completed 132 CBM wells in Campbell County with another 60 wells scheduled to be drilled over the next eighteen months. EOC-RMIE has the remaining 24.025% Working Interest (19.22% Net Revenue Interest).

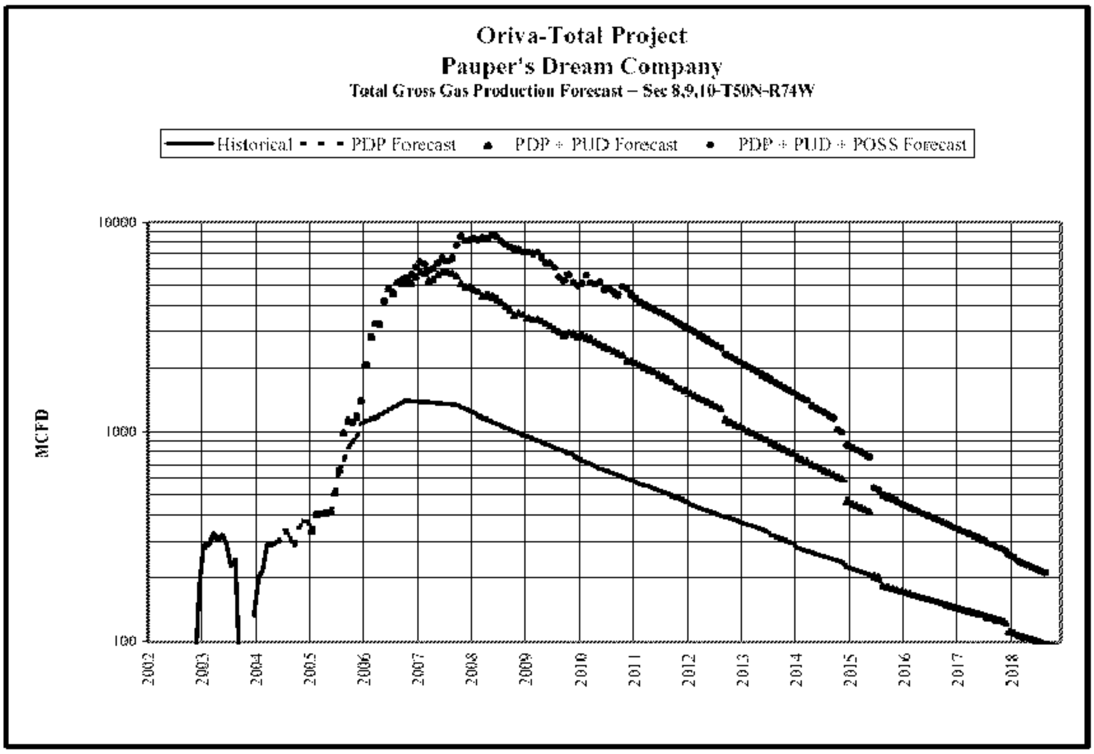
The Oriva Federal Project is currently being permitted for the development of 33 CBM wells with production from the same coal seams as on the adjoining Oriva Throne area. The Company's interest is a 100% Working Interest (85.5% Net Revenue Interest) and subject to a 12.5% mineral owner royalty and a 2% overriding royalty.

The proximity (see map below) of the Oriva Throne Project to the Company's Oriva Federal Project is of strategic importance, not only for the addition of reserves but to the overall project development with access to existing infrastructure and operations.



State mandated well spacings of 33 hectares (80 acres) allows the development of the five CBM pads on the Oriva Throne Project and eleven CBM pads on the Oriva Federal Project (see inset map below) with multiple wells being allowed at each pad site.

The forecast gas production graph from CBMIE's Reserve and Economic Report is as follows:



The above graph shows the forecast production curve from the current 15 wells (PDP Forecast) while the other curves demonstrate the impact of future production from the additional wells yet to be completed on the fully developed Oriva Throne and Oriva Federal project areas. The historical production is to December 2004. The early break in production shown above during the October-November 2003 period was caused by compressor modifications by the purchaser of the CBM production.

Currently the well field is producing 13,750 MCF per month (up from approximately 12,000 MCF per month in December 2004) which is expected to steadily increase to over 50,000 MCF per month over the next two to three quarters when the Wall Seam is more fully dewatered. This does not include the production increases from the yet to be completed five additional wells at Oriva Throne or the thirty three wells at Oriva Federal.

It is anticipated that five additional wells need to be completed to produce from the remaining Smith, Lower Anderson, and Canyon Coal Seams on the Oriva Throne area. These wells are planned to be completed conventionally with commingled production on the existing five drill pads. Thirty three wells on eleven drill pads are being proposed for the Oriva Federal development.

In addition to the above reserves, a potential gas resource of 6.0 BCF (gross) and 3.9 BCF (net) is projected in the deeper Moyer Coal Seams at depths of approximately 750 metres (~2,500 feet). It should be noted within the past couple of months EOC-RMEI have completed a well to begin initial production testing of these deeper coal seams prior to well field development immediately to the north of the Oriva Federal project in Section 4, Township 50 North, Range 74 West.

Leasehold CBM production is delivered to Western Gas Resources' Richard Compression Station (pictured below) situated in Section 9, Township 50 North, Range 74 West on the Company's wholly owned Oriva Federal Project.

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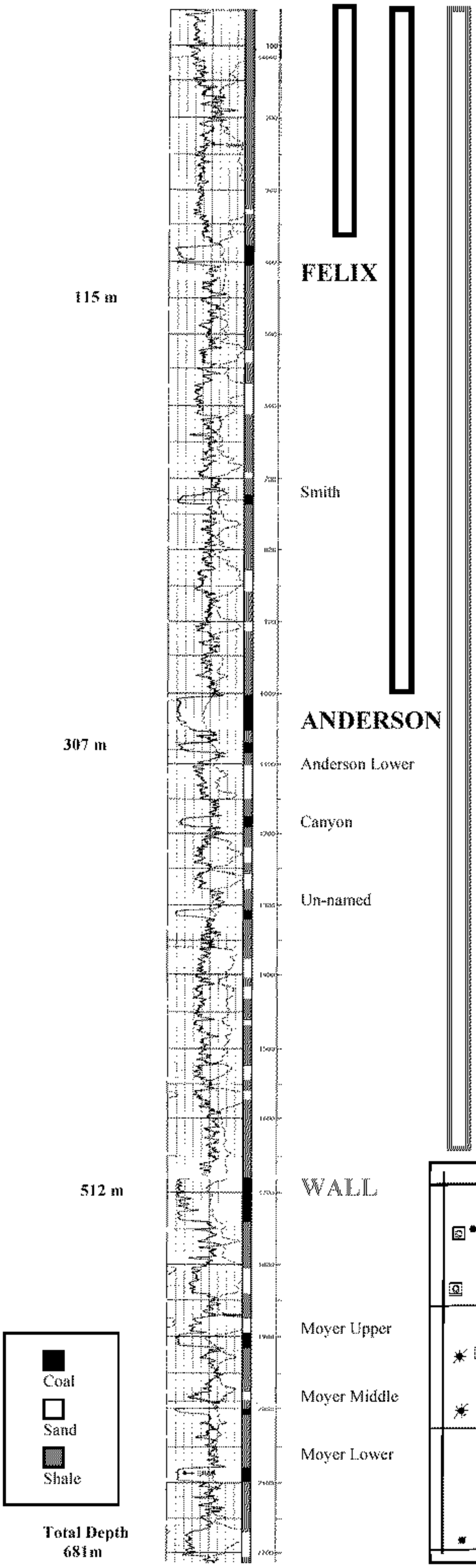

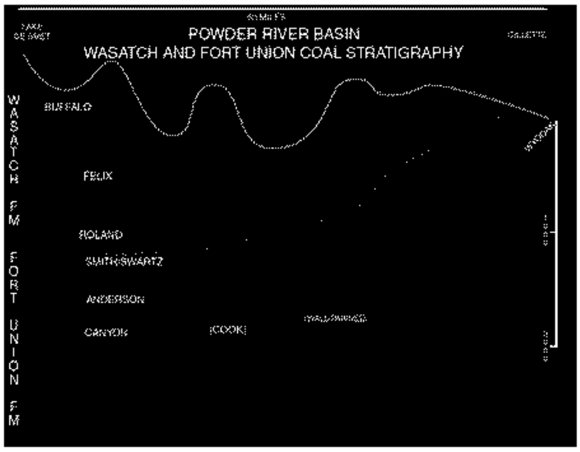

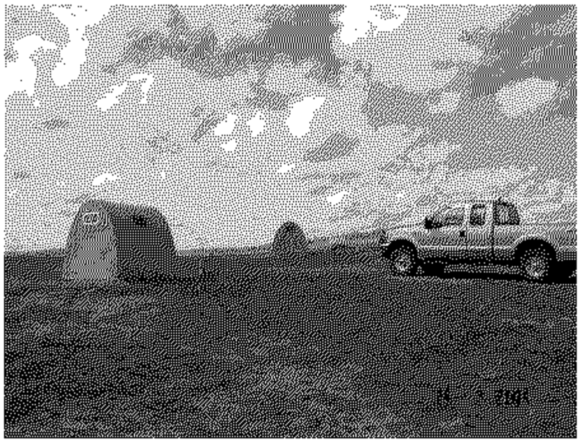

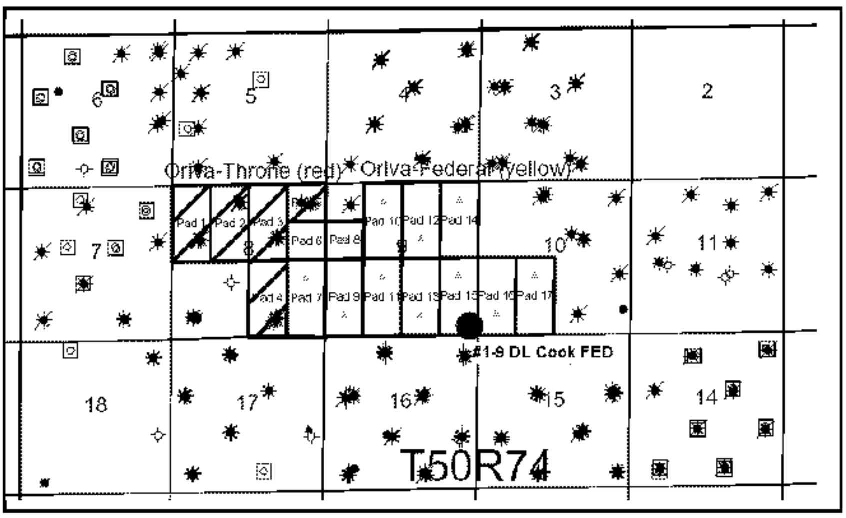

The information in this report that relates to the CBM reserves and resources is based on information compiled by John W Sinclair, Wyoming Registered Professional Engineer (Petroleum) No. 9233 of CBM International Engineering LLC, Cody Wyoming and Jimmy E Goolsby, Wyoming Registered Professional Geologist No. 56, of Goolsby, Finley & Associates, Casper Wyoming and supervised by Dr. Richard Haren who is a Member of The Australasian Institute of Mining and Metallurgy and who is a competent person as defined by the 1999 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves.

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

Yours sincerely

Peter J. Nightingale
Director

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