PLANET GAS LIMITED

ABN 46 098 952 035

10 March 2006

Miss Emma Badhni
Adviser, Issuers (Sydney)
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Madam

RE: PRICE QUERY

I refer to your letter dated 9 March 2006 querying the increase in Planet Gas Limited's share price from $0.325 on 8 March 2006 to $0.375 on 9 March 2006.

I advise that the Company is not aware of any information concerning it that has not been announced which, if known, could explain the recent trading in the Company's securities.

As previously advised on 10 January 2006 and again on 20 February 2006, it is likely that, for the reasons previously given, the Company's operating loss before abnormal items and income tax for the year ending 31 December 2005 varies by more than 15% from the previous year ended 31 December 2004. Subject to any final audit adjustments, the Company's loss for the year ended 31 December 2005 was $692,172 (2004 - $13,689).

It is unlikely that the Company will record any material abnormal or extraordinary profit for the year ended 31 December 2005.

It is possible that the price change in the securities of the Company is further recognition by the market of the quality of the Company's assets as evidenced by the announcement on 16 February 2006 by Western Gas Resources, Inc. of the acquisition of approximately 40,000 gross acres of coal bed methane properties in the Big George fairway of the Powder River Basin, 110 wells and related gathering assets for US$136.7 million. The Company's Esponda Project totals 16,527 net acres and is focused on the Big George seam in the Powder River Basin where 7 wells have been completed as part of a pilot production program.

Further to the Company's announcement on 20 December 2005 regarding a North American Proposal, a number of possible transactions are being investigated by the Company and its North American financial advisor but no proposed transaction is near complete.

I confirm that the Company is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully

Peter J. Nightingale
Director

pjn3419

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9 March 2006

Mr Peter Nightingale
Company Secretary
Planet Gas Limited
Level 8, 261 George Street
Sydney NSW 2000

By email: pnightingale@planetgas.com

Dear Peter

Planet Gas Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the company's securities from a closing of $0.325 on 8 March 2006 to a closing price of $0.375 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 31 December 2005 would vary from the previous full year by more than 15%? If so, please provide details as to the extent of the likely variation.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the financial year year ended 31 December 2005? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at emma.badhni@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before **9.30 a.m.** A.E.D.T) on **Friday 10 March, 2006.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Emma Badhni
<u>Adviser, Issuers (Sydney)</u>

Direct Line: (02) 9227 0305