PlanetGas

25 May 2011

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(22 pages by email)

Dear Madam

**PRESENTATION TO THE ANNUAL GENERAL MEETING**

I attach a PowerPoint presentation which is to be delivered to the shareholders present at today's Annual General Meeting which is convened to be held at 11.00 am.

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

Yours sincerely

Peter J. Nightingale
Director

pjn6015

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# Annual General Meeting

## 25 May 2011

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# Company Snapshot

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**TEAM:**

– Highly qualified Board and management team

**PROJECTS:**

– Low risk CBM exploration onshore Australia, in areas of existing production and infrastructure (5,579 km$^2$)

– Low risk conventional oil and gas exploration onshore Australia, in area of existing infrastructure (1,972 km$^2$)

– Active new ventures programs for CBM and conventional oil and gas

**CASH**

– $4.7 M in working capital to fund drill ready projects, exploration and overheads through 2011


| | |
|---|---|
| **Price:** | **4 cents** |
| **ASX code:** | **PGS** |
| **Issued shares:** | **493.8M** |
| **Options:** | **76.5M (13.2 cents)** |
| **Market capitalisation:** | **$27.6M** |
| **Cash:** | **$4.7 M (May 2011)** |
| **Strategic investor:** | **19.9% New Hope Corporation Ltd** |

# Planet Gas peer group

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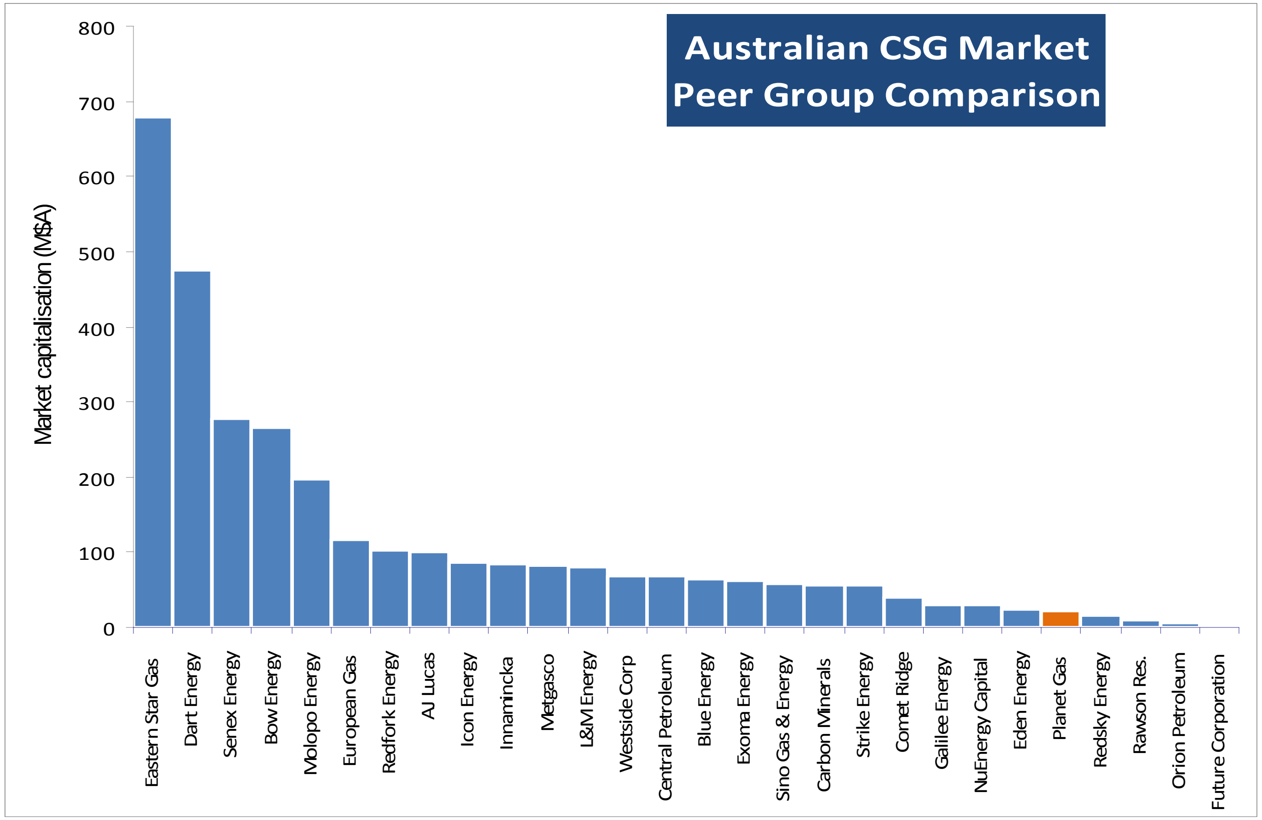

# 2010 Planet Gas Highlights

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During 2010 Planet Gas :

- ✓ Executed a farm-in agreement for 50% equity in three Coal Bed Methane prospective PELs 468, 469 and 470 in New South Wales, covering 5579 $km^2$
- ✓ Progressed to phase 2 of the farm-in, and commenced planning for the acquisition of 80 line km of seismic and the drilling of four exploration coreholes
- ✓ Commenced Native Title process for Cooper Basin PELA 514 (CO2009-C) continuing technical evaluation of existing data and risking/ranking of prospects, sought potential farminees
- ✓ Appointed a New Chief Executive Officer, Exploration Manager, and Senior Geoscientist
- ✓ Was granted new Sydney Basin and Innot Springs Geothermal Licences, and continued technical and commercial rationalisation of the Geothermal portfolio
- ✓ Evaluated (and rejected on commercial and/or technical grounds) multiple domestic and international oil and gas opportunities
- ✓ Commenced divestment efforts for USA Coal Bed Methane assets

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# 2011-2012 : Rationalisation and Refocus

## Adapting through Diversification

# Rationalisation and Refocus

## - Why?

- Planet does not operate in a vacuum – must adapt to survive (Copenhagen, Govt changes on Carbon trading/tax, PRRT)
- Downturn in unconventional – no market value perceived for Geothermal Assets, little hope of value creation through investment in current market
- USA – low gas prices, unsuccessful well stimulations – real need to draw a line under these projects and move on

  – relatively low success rate of other Australian juniors, paucity of medium risk, high reward opportunities

# Rationalise and Refocus

## Refocus

- New direction – Coal Bed Methane & Conventional exploration
- Refined project selection strategy – Low Geological Risk, Proximity to infrastructure, Proximity to markets; Leichhardt CBM farm-ins and Cooper PELA 514 fit this strategy
- Seek strategic Operating Partner(s) in Cooper, minimising early expenditure through promote(s), but retaining maximum equity
- Look at neighbouring country opportunities (South East Asia) Maintain small, cost effective, management and technical team
- Maximise potential return on future investments by reducing technical risk

## Implementation 2011-12

- **Coal Bed Methane (- drilling mid 2011)**
  - Spud the first of three exploration coreholes mid-end June 2011
  - Release Contingent Resources post-drilling (August)
- **Conventional Oil and Gas Cooper (drilling likely 2012)**
  - Sign farm-in arrangements on PELA 514 prior to executing PEL with PIRSA (promote for two wells to cover Year 1+2)
  - Execute PEL with PIRSA upon completion of Native Title, immediately negotiate re-arrangement of work program
- **Conventional Oil and Gas New (ongoing)**
  - Ramp up New Venture activity to acquire low entry cost, high potential, onshore oil/gas project in S. E. Asia

# CBM Sydney and Gunnedah Basins

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Planet Gas is farming in to three PELs for 50%, in three phases

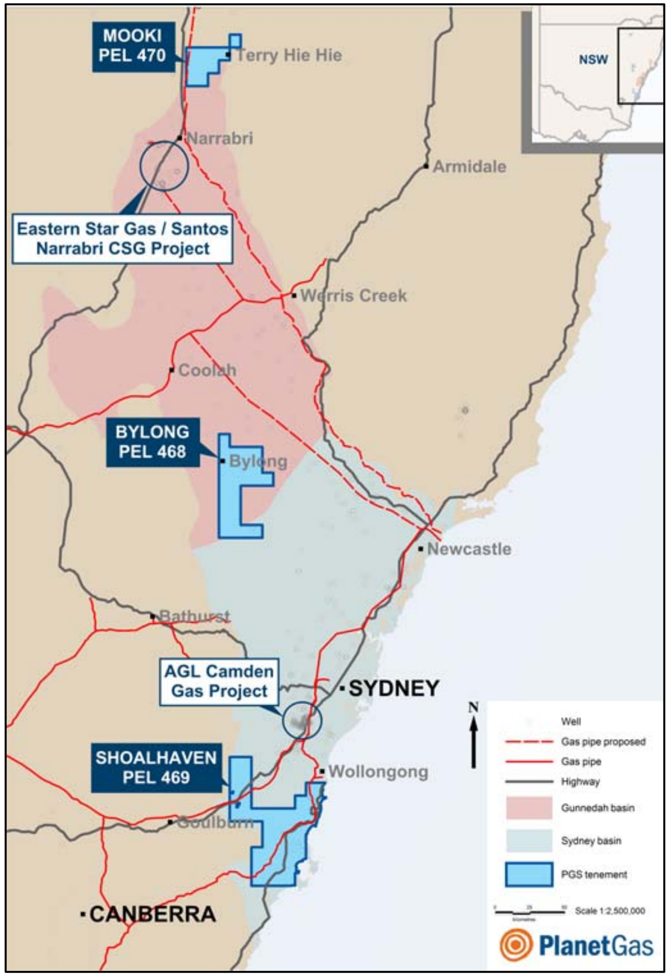
**Phase 1** - Data acquisition and Due Diligence completed

**Phase 2**
- Commenced October 2010
- Acquisition and processing of a total of 80 line kms of seismic
- Drilling and testing of a single open hole in PELs 469 and 470 and two open holes in PEL 468
- Estimated cost $4.6m.
- Exit option at the end of Phase 2

**What we are doing now …**

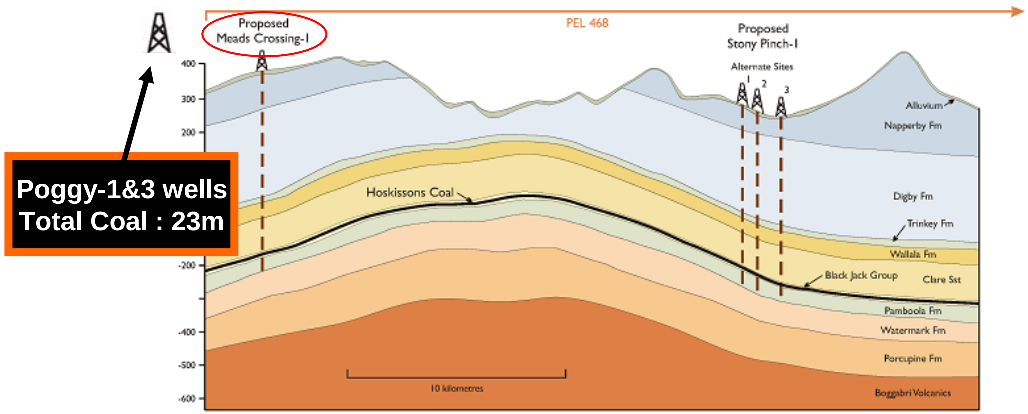
- ✓ Seismic surveys completed PEL 468 and 470
- ✓ Wellsites located
- ✓ Local government permitting in progress
- ✓ Drilling and service contracts awarded
- ✓ REF’s for drilling operations – approvals in progress
- ✓ Anticipated drilling commencement – mid-end June, 2011
- ✓ PEL 469 Operations currently on hold

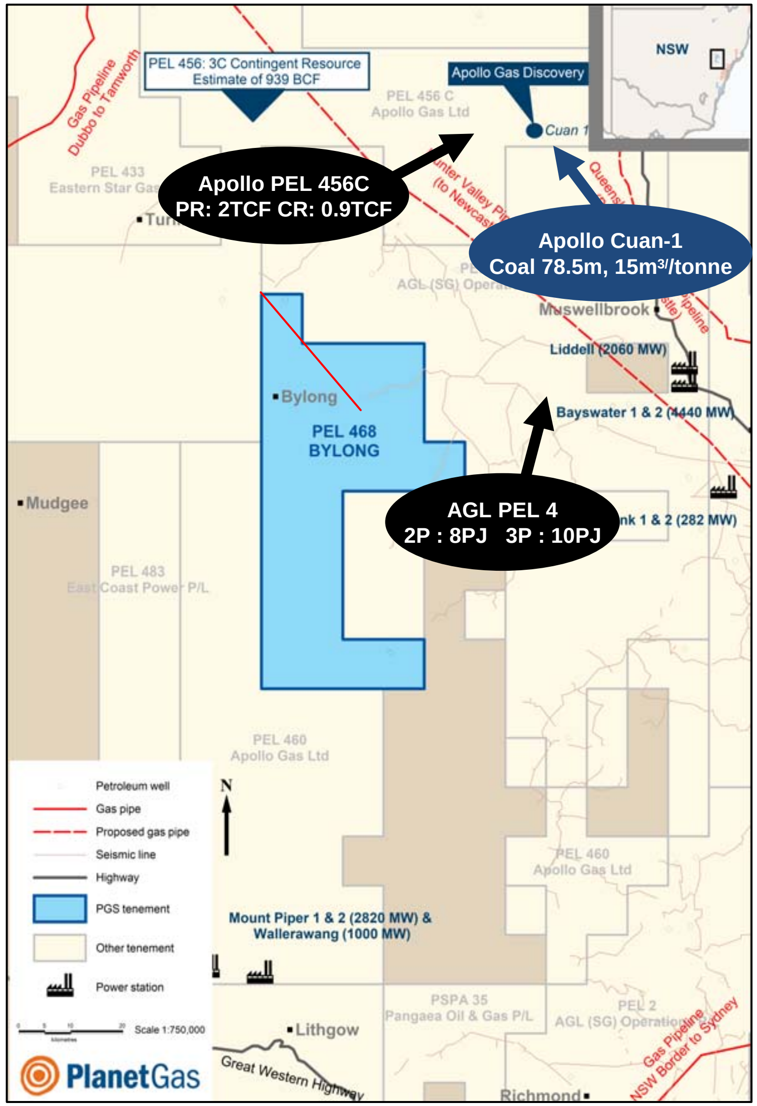
**Phase 3**
- Drilling of 3 pilot wells in PEL 468, and 2 wells each in PELs 469 & 470
- Estimated total cost of these wells between $10.5m and $14.2m, to be completed by May 2013



# CBM - Bylong PEL 468

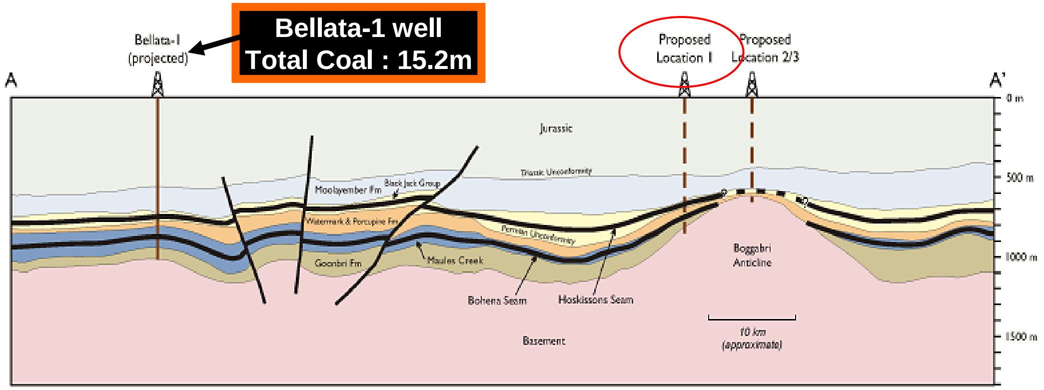
- Bylong is 1,736km$^2$ in area located on the boundary of the Gunnedah Basin and Sydney (Hunter Coalfield) Basins
- 300km NW of Sydney
- Nearby Poggy wells encountered 23m of coal
- PEL 468 is adjacent to PEL 456 which contains Apollo's recent Cuan-1 Gas discovery

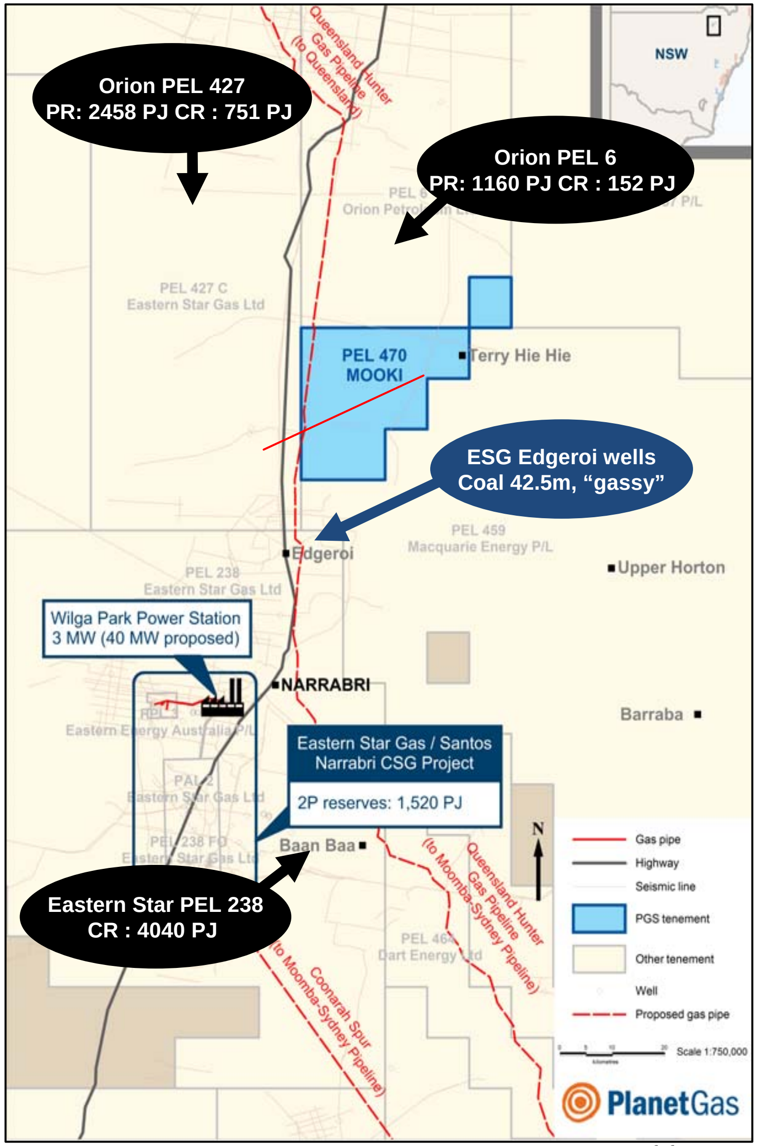


# CBM - Mooki PEL 470

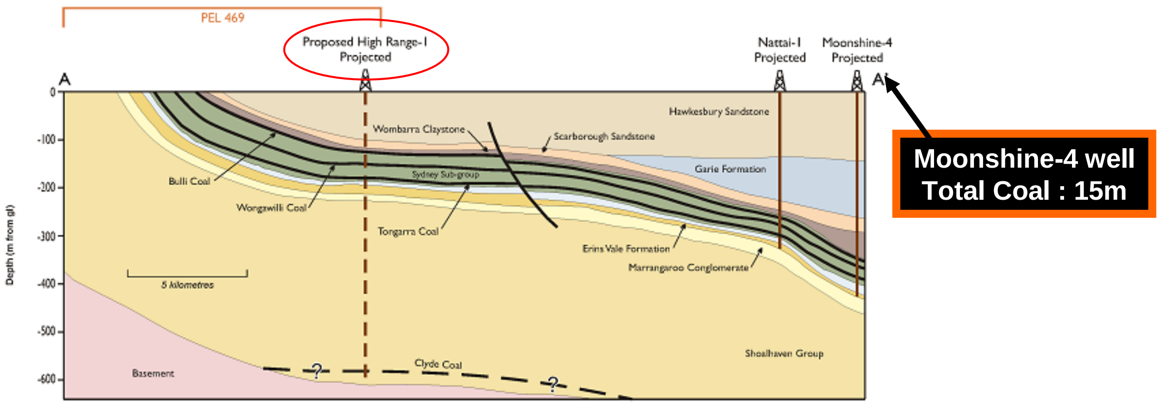
- Mooki covers some 670km$^2$, located close to Narrabri
- Drilling in the area has intersected net coal thicknesses of between 15-20 metres from the early-mid Permian Black Jack Formations
- Close to ESG Narrabri CSG project and targetting Maules Creek formation at depths of 800-1200m
- Proposed Wullumbilla-Newcastle pipeline crosses the permit

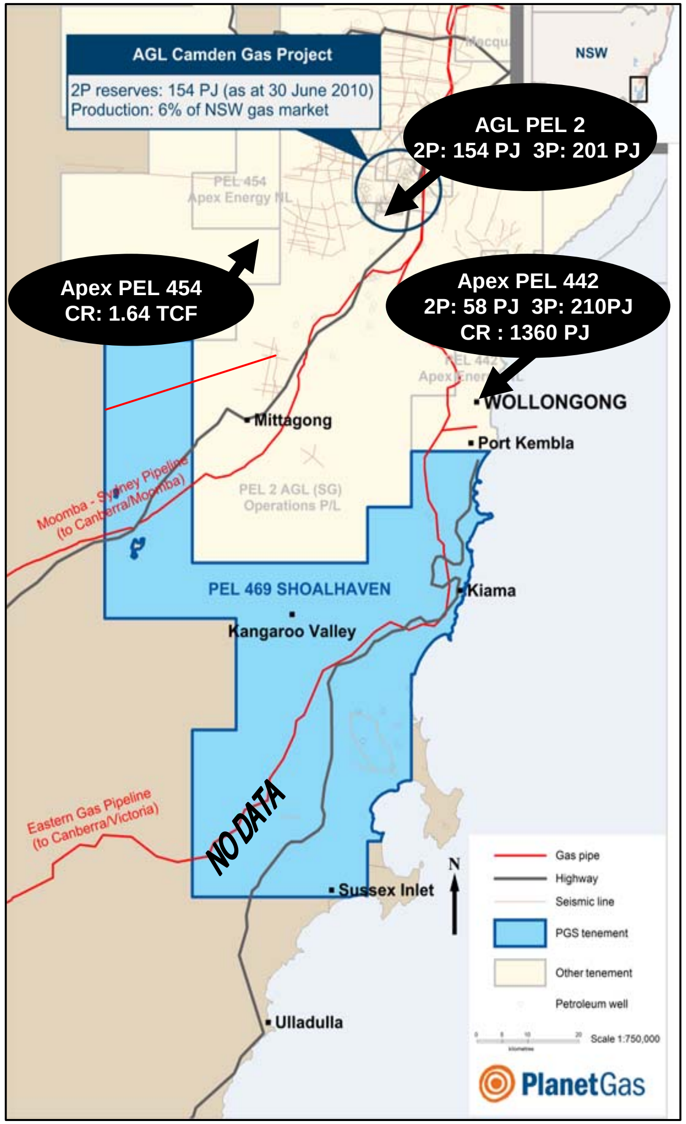


# CBM - Shoalhaven PEL 469

- Shoalhaven covers 3,173km$^2$, located in Southern Coalfield of the Sydney Basin
- 80 km south of Sydney and adjacent to AGL's Camden project in PEL2 Up to 15m thick Clyde Measures coals and 25m thick Illawara Measures
- Historical mine gas data indicates gas contents of 10-16 m$^3$ per tonne
- Regional pipeline linking AGL Gas to Canberra and Victoria passes through the PEL
- Project on hold – proposed arbitration with council



# CBM Value Proposition

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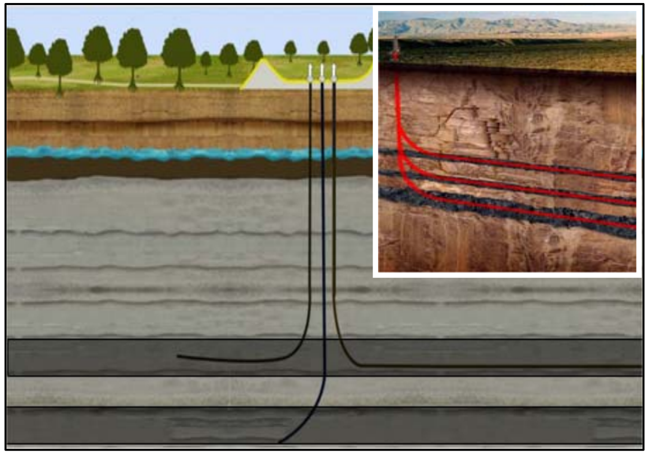
- All of Planet’s CBM lands are in the main CBM play fairway in the Sydney Basin close to existing or planned infrastructure and market
- MBA **pre-drill, un-risked**, whole block GIP estimates based on proximal wells c. 2 TCF (PJ) per PEL, using Gas Concentrations of 8m$^3$ per tonne
- Actual Gas Concentrations may be in the range 10-15m$^3$ per tonne based on nearby competitor wells
- Recent >pointed< transaction valued the acquired at $145m for 1.8 TCF (PJ) GIP
- Planet’s initial drilling will yield coal thicknesses and Gas Concentrations allowing the Company to post confirmed Contingent Resources by August
- Phase 3 farmin (next phase of drilling) will test gas producibility
- Recent deals suggest an average value per 3P reserve of $0.57 per GJ (MCF) (excluding AGL-Sydney Gas)

# CBM Development Strategy/Community

### Multi well screened drilling pads

- Reduce amount of land required and number of individual sites (single=2.5 acres, multi 4 acres)
- Reduce overall environmental and visual impact
- Reduce capital expenditures and lower production costs by allowing more wells per pad
- Drain very large areas of the reservoir. One multi-well pad with 10 wells can access 5-10 sq kms of reservoir



### CBM Operations and the Community

- Early engagement with, and education of, local communities
- Explanation of Pilot Hole(s) and Field Development strategy (multi-well screened pads with reduced environmental impact)
- Use of non-toxic chemicals in drilling fluids
- Design wells to minimise exposure/isolate aquifers
- Retain proactive community response team
- **'No fracking'** brass plate statement

# Cooper Basin - PELA 514

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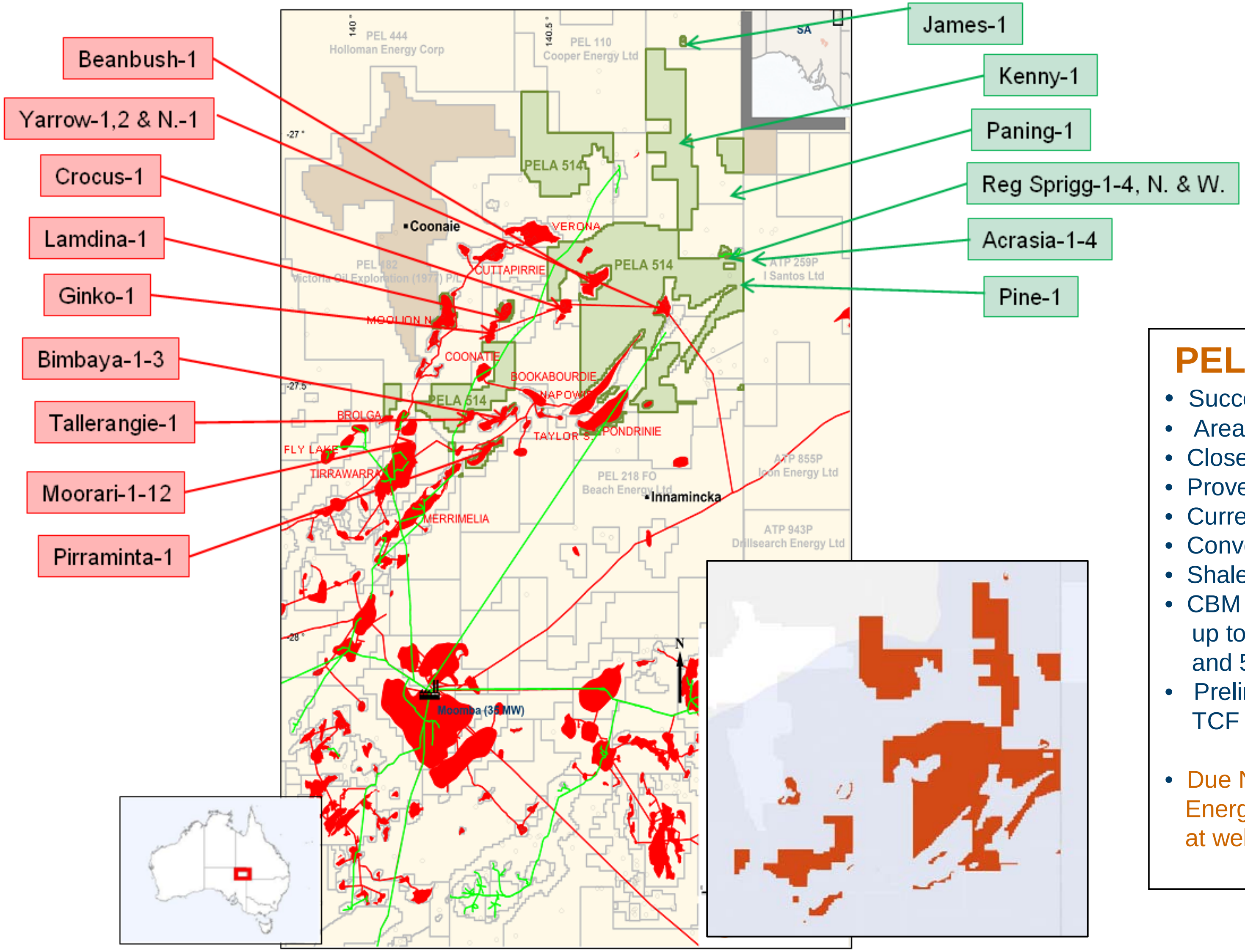


## PELA 514

- Successfully tendered Q3, 2009
- Area 1972 km$^2$
- Close to existing infrastructure
- Proven working petroleum system
- Currently under ILUA process
- Conventional Oil & Gas plays
- Shale gas potential
- CBM potential, coal bed thickness up to 41m in the Toolachee Fm, and 51m in the Patchawarra Fm.
- Preliminary CBM GIP - multiple TCF (source MBA)

- Due North of PEL 212 and Beach Energy's thick shale penetration at well Encounter-1

# PELA 514  Conventional Prospectivity

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Approx. locations of Birkhead Fm. channels

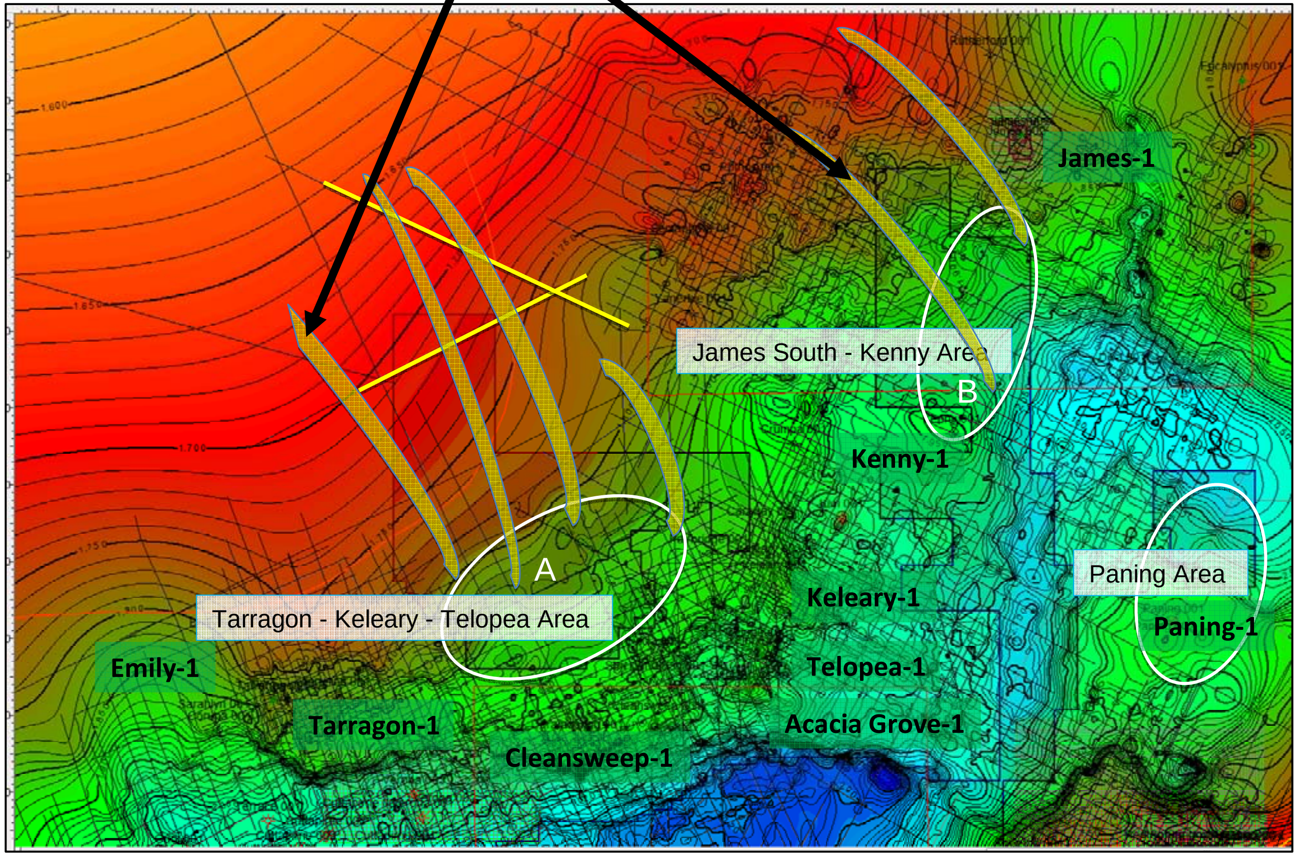
**PELA 514**
**EXPLORATION PRIORITIES**

**Primary Objective**

- Main prospectivity is in Strat plays  (braided-channel, fluvial/lacustrine-deltaic sands)
- Productive in nearby oil discoveries,  and  to the West (e.g. Growler and Snatcher oil fields).

**Secondary Objectives**

- Updip of Flax and Yarrow
- James Oil appraisal
- Moondie Gas appraisal




TWT top Toolachee Fm, 10m contours

# PELA 514 Conventional Prospectivity

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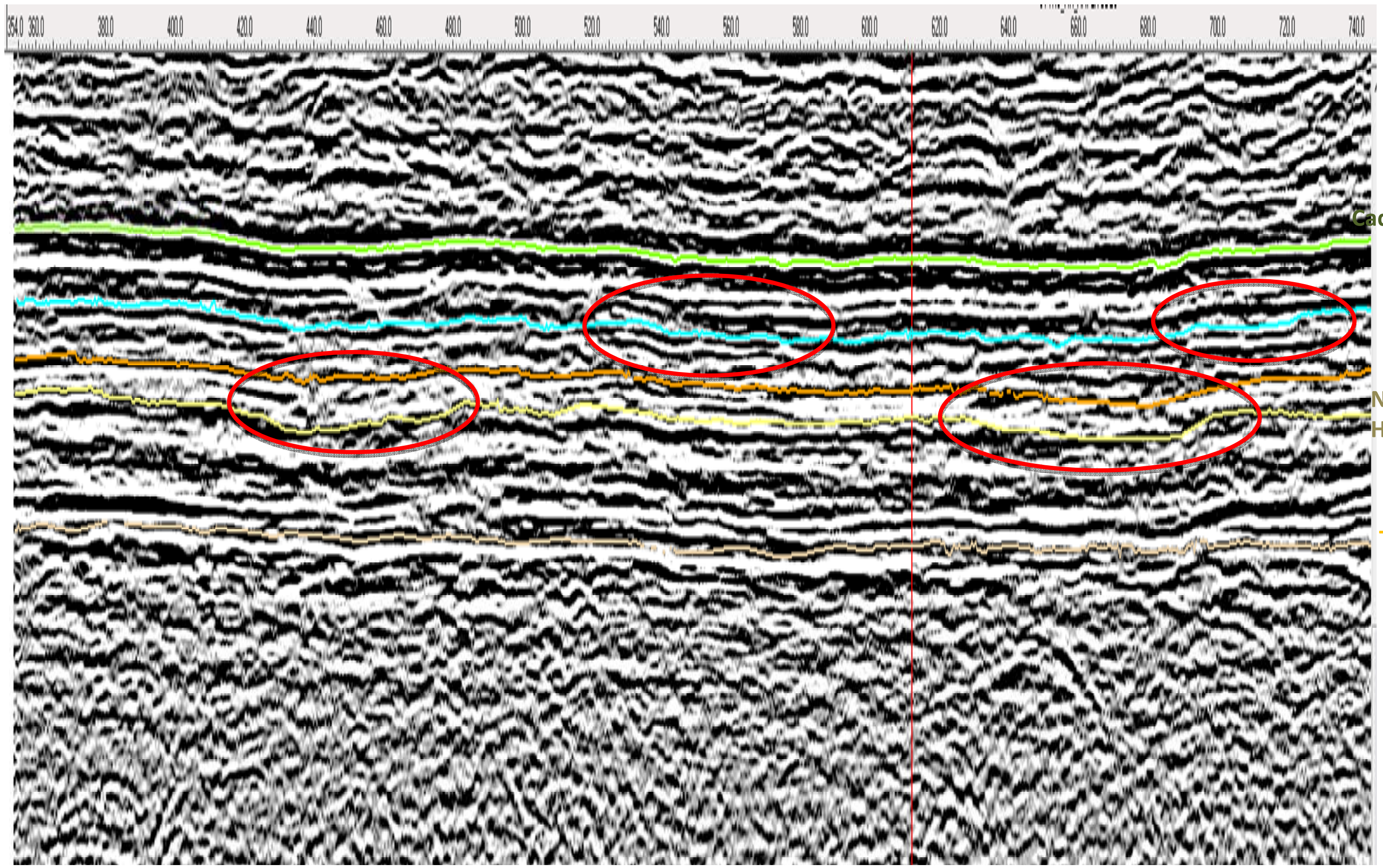


**Examples of channelling at Jurassic - Birkhead/McKinlay levels**

# PELA 514 - CBM prospectivity

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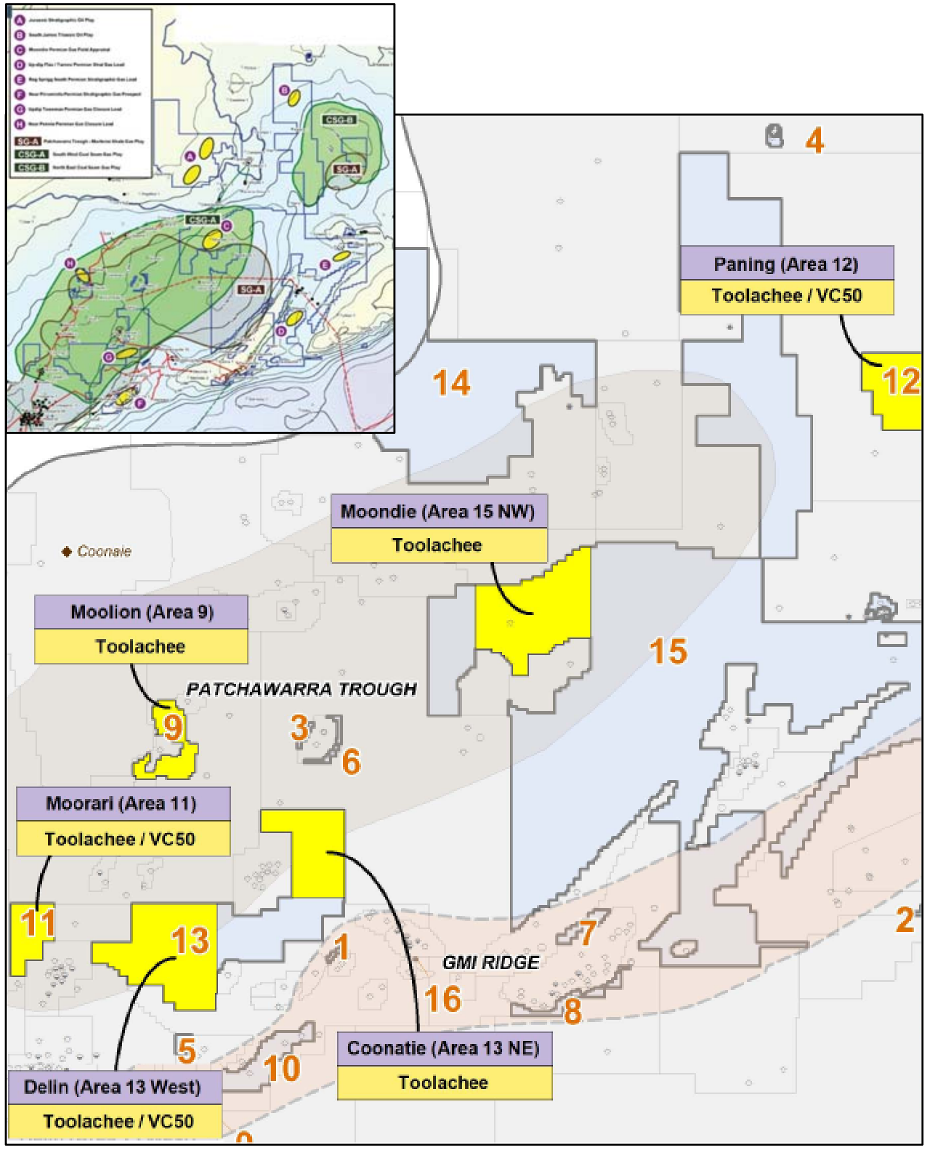
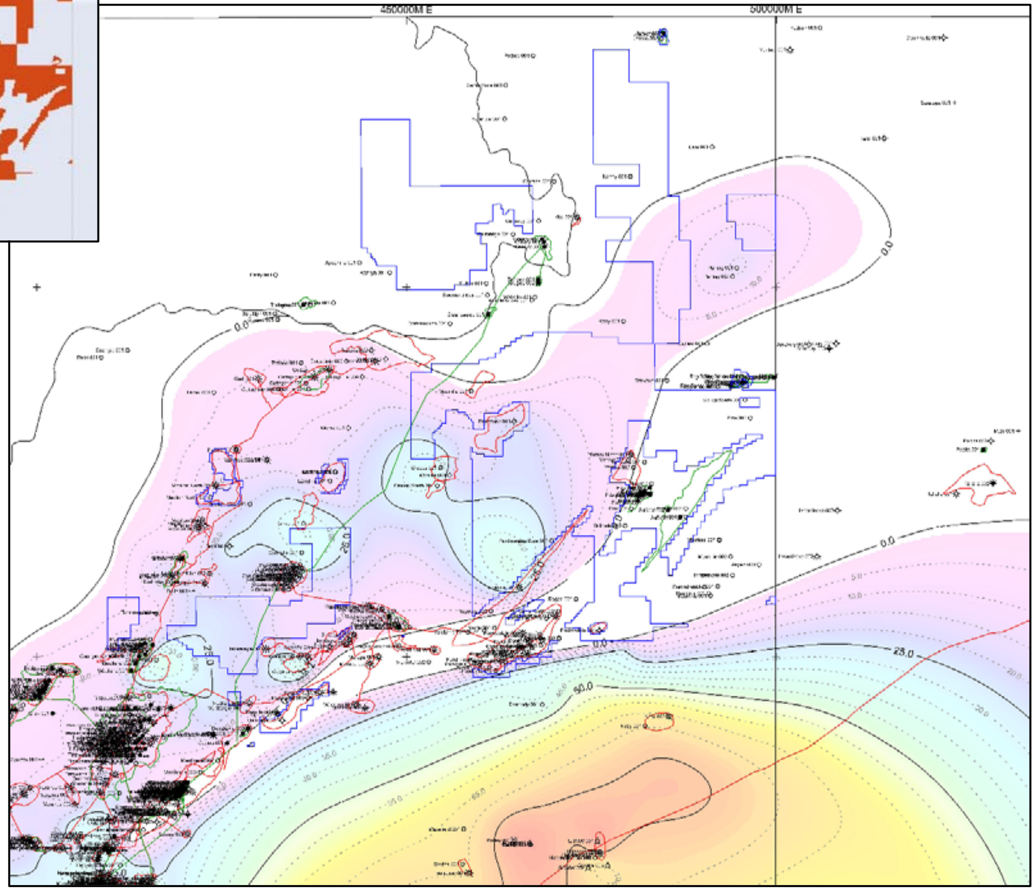



| Prospect Name | Area (km²) | Primary Target | Net Coal (m.) | Orig. Gas in Place (Bcf.) |
|---|---|---|---|---|
| Moolion (Area 9) | 22.6 | Toolachee | 17.6 | 157 |
| Moorari (Area 11) | 23.6 | VC 50 | 17.8 | 166 |
| Moondie (15 NW) | 88.0 | Toolachee | 35.9 | 1,250 |
| Delin (Area 13 W) | 91.0 | Toolachee | 14.3 | 515 |
| Coonatie (13 NE) | 51.6 | Toolachee | 11.1 | 225 |
| Paning (Area 12) | 43.9 | Toolachee | 30.6 | 530 |
| Moorari (Area 11) | 23.6 | Toolachee | 9.5 | 89 |
| Delin (Area 13 W) | 91.0 | VC 50 | 16.5 | 594 |
| Paning (Area 12) | 43.9 | VC 50 | 11.3 | 196 |

- **Abundance of Coal across the area(s), 2500m +**
- **Coal bed thicknesses : max 41m in the Toolachee, and 51m in the Patchawarra**
- **Blanket gas content of 8m3/tonne used**
- **Understood that Santos has successfully flowed 100,000 cf/d from nearby fracture stimulated coals approaching 3000m in depth**

# PELA 514 - Shale Gas Play

Isopachs of the gas-prospective Murteree Shale (m.)



## PELA 514 (Patchawarra Trough)

- Gas prospective Murtree Shales present under western and south western areas
- Up to approximately 35 metres thick in the Patchawarra Trough.

| PELA514 (GIP) | | | |
|---|---|---|---|
| | ***Low*** | ***Best*** | ***High*** |
| All Shale (TCF) | 0.19 | 2.2 | 5.99 |

- Unconventional gas exploration recently began with Beach Energy's Encounter-1 well within the Nappamerri Trough (Roseneath Shale)

# PELA 514 Value Proposition

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## Near Term

- PELA 514 lies close to existing oil and gas producing fields and underutilised pipeline infrastructure in the Cooper Basin. Two small hydrocarbon discoveries.
- 8 oil and gas prospects identified (large, strat and small, structural), range from 2 to 220 BCF . Jurassic Birkhead Channels are the primary focus.
- Targetting existing Operators to farm-in/promote Planet for first 2 years of work thereby reducing early cash requirements, accelerating cashflow

## Longer Term

- CBM potential identified in 9 different areas of the Permit (mainly Patchawarra Trough, with MBA predrill unrisked GIP estimated of c. 3.7 TCF. Coals >2500m depth
- Shale Gas potential - Murteree Formation exists in the Patchawarra Trough  GIP best estimate is 2.2 Tcf

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### Contact

- Ian Halstead, CEO
- Peter Nightingale, CFO and Executive Director

**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.**