



18 August 2014

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Madam

(1 page by email)

OIL AND GAS OVERRIDING ROYALTY ACQUISITION AND FUNDING FACILITY

HIGHLIGHTS

- **Oil and gas royalty acquisition in Kansas, Pennsylvania and New York State, USA.**
- **Overriding Royalty Interest of 3.0% over existing production of approximately 500,000 barrels of oil equivalent per annum.**
- **Acquisition forms part of a wider strategy targeting low risk royalty and other cash flow assets with development upside.**
- **US\$15.0 million Facility Agreement.**

The Directors of Planet Gas Limited ('the Company') are pleased to announce that the Company has entered into an agreement with Macquarie Americas Corporation (a Macquarie Bank Limited subsidiary) for the purchase of a 3.0% Overriding Royalty Interest ('ORRI') over established oil and gas production assets in Kansas, Pennsylvania and New York State which total approximately 500,000 barrels of oil equivalent per annum. The Company's net ORRI pre-tax revenues are estimated to be US\$650,000 per annum on production assets with an estimated 3% per annum decline curve.

Purchase consideration is US\$4.58 million, with US\$1.38 million funded from the Company's existing cash reserves and US\$3.2 million by a drawdown from a 5 year US\$15.0 million debt facility provided by Macquarie Bank Limited which will be repaid US\$150,000 per annum plus a final payment of US\$2.6 million.

The Company's existing interests in the Cooper Basin, South Australia, are fully funded by the joint venture partners providing the Company with the opportunity to acquire this royalty interest and the possibility to identify further royalty acquisition opportunities to be funded by a mixture of debt and equity.

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 placed over a white rectangular background.

Peter J. Nightingale
Director

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