

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

Although the 2014 year was a challenging year operationally along with the downturn in the energy markets towards the end of the year, the Company did have some very positive developments.

Early in the year, we were delighted to report the entry of Origin Energy Limited ('Origin') into PEL 638 in the Cooper Basin of South Australia. Origin and our partner Senex Energy Limited ('Senex') will jointly explore for natural gas. Origin has committed to substantial expenditure and 3D seismic programs have commenced.

Later in the year we announced the entry into the hydrocarbon royalty business in the United States of America. The royalties cover producing oil and gas wells located in Kansas, Pennsylvania and New York State. Subsequent to year end the purchase was finalised and we are very pleased that the Company now has its first revenue stream that we look to grow upon.

Unfortunately, Senex-operated oil exploration drilling in the Cooper Basin has been unsuccessful to date with two dry wells being completed during the year. Planet Gas will continue to be free carried for future exploration programs.

The ongoing strategy for the Company is to hold low risk exposure to attractive acreage positions. We view the Cooper Basin assets very favourably and, although the exploration for oil and gas in this region is of considerable risk, Planet Gas' interests are free carried and will continue to be so for the foreseeable future.

With regards to further acquisitions in the United States of America, the Company will continue to look for minimal risk royalty and other opportunities to expand upon our recently added cash flow. With the funding provided by Macquarie Bank Limited, we will continue to target further hydrocarbon opportunities in established producing oil and gas fields holding minimal risk.

We look forward to a productive 2015.

Yours sincerely



Norman A. Seckold
Chairman