3 November 2009

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

Dear Madam

LEIGH CREEK GEOTHERMAL EXPLORATION LICENCES

Highlights:

- **Geothermal Exploration Licences (GELs 448 - 461) granted to the Company**
- **GELs 448 - 461 cover 6,589 km^2 surrounding the Leigh Creek coal mine**
- **GELs located on power grid that services Adelaide and Port Augusta**
- **GELs located within the South Australian heat flow anomaly**
- **Large scale low carbon, baseload power generation targeted**

The Directors of Planet Gas Limited (the 'Company') are pleased to advise that 14 Geothermal Exploration Licences (GELs 448 - 461), covering approximately 6,589 km^2 surrounding the Leigh Creek coal mine in South Australia, have been granted to the Company's wholly owned subsidiary, Gradient Energy Limited.

The granting of this permit is an encouraging next step in the Company's growth of a strategic portfolio of 'infrastructure advantaged', high quality geothermal projects.

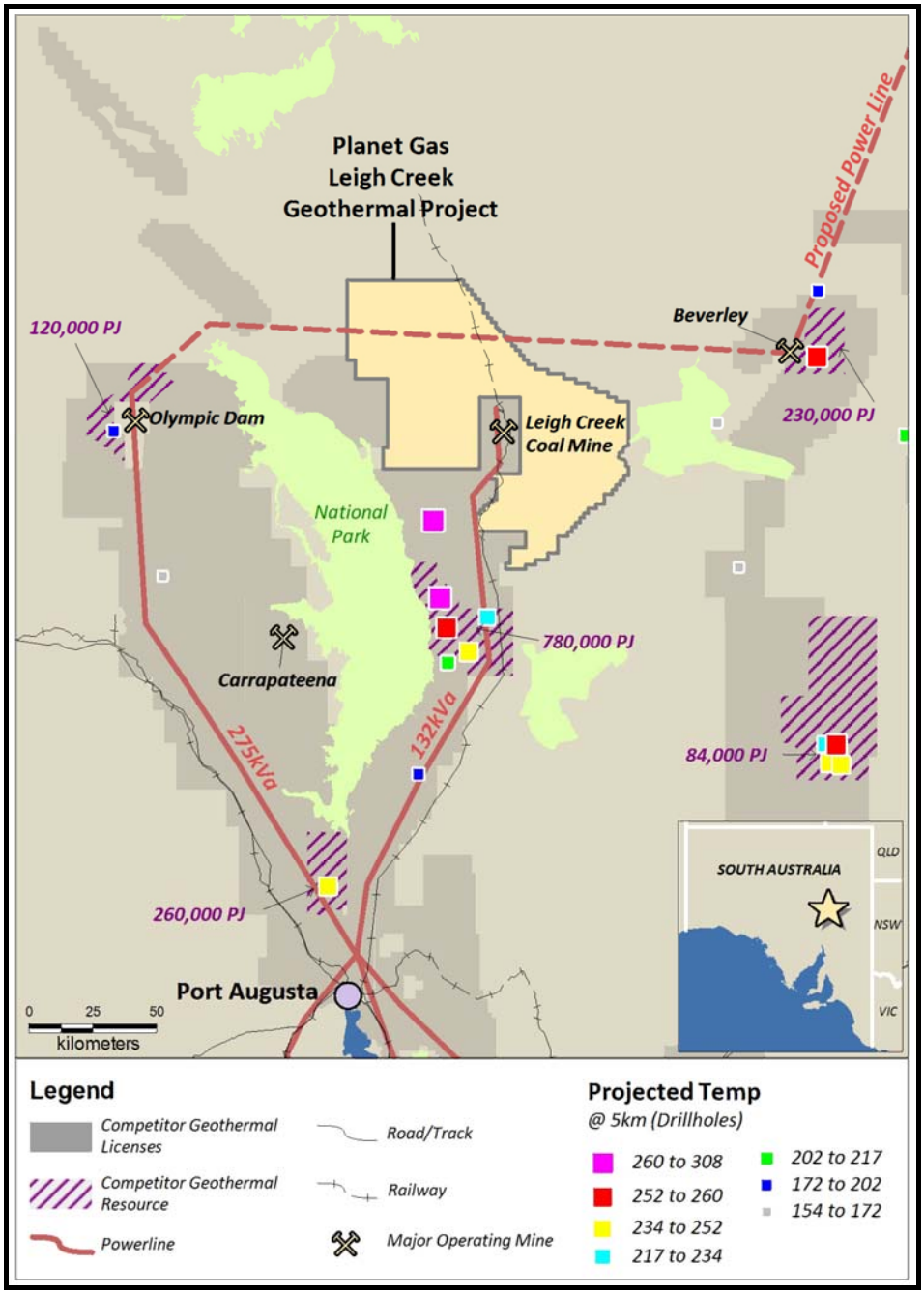
Leigh Creek Geothermal Project

The Leigh Creek Geothermal project fits the Company's strategy of securing high quality geothermal projects proximate to power infrastructure. The project lies at the head of the national electricity market ('NEM') powerlines that connect the Leigh Creek coal mine and township to Adelaide and Port Augusta. The proposed development route for new 275 kV NEM powerlines connecting the geothermal projects of the Cooper Basin and the Paralana area to BHP Billiton's Olympic Dam mine pass through the tenement area.

The Leigh Creek project is located within the South Australian heat flow anomaly, a highly prospective region for geothermal resources, where average crustal heat flow is almost double that seen in other parts of the world. The region contains a cluster of inferred geothermal resources, recently announced by other companies that total almost 1.5 million petajoules. This constitutes the largest cluster of geothermal resources defined within Australia to date.

The heat flow and modelled temperature to 5 kilometres depth in the adjoining Paralana project increases to the north, suggesting the potential for high heat flow and geothermal temperatures within the Leigh Creek project.

Planet Gas Limited ABN 46 098 952 035
Level 2, 66 Hunter Street Sydney NSW 2000 Australia T +61 2 9300 3322 F +61 2 9221 6333
E pnightingale@planetgas.com W www.planetgas.com



The Company's initial exploration program will aim to identify naturally permeable hot structurally controlled geothermal systems using standard geochemical and geophysical techniques commonly applied in exploration of conventional volcanic hosted geothermal systems.

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

Yours faithfully

Peter J. Nightingale
Director

pjn5055