



# WESTRALIAN GAS & POWER LIMITED

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13 October 2008

Company Announcements  
ASX Limited

## ISSUE OF SHARES AND FUNDING

Westralian Gas & Power Limited ("WGP") has issued 1,193,496 fully paid ordinary shares on 13 October 2008 for 2.5 cents each. Enclosed is an ASX Appendix 3B.

As announced on 21 August 2008, the Company signed a memorandum of understanding (MOU) with Oswal Resources Pty Ltd ("Oswal") covering all of the onshore Western Australian Mining and Petroleum Leases held by the Company. Under the terms of the MOU, Oswal and the Company have 3 months from 21 August 2008 to finalise a Joint Venture Agreement pursuant to which Oswal Resources will fund 100 percent of the exploration on the Company's leases in south west and mid west Western Australia to a bankable feasibility, to earn a 75% interest. Exploration of the Mining and Petroleum Leases is to include, coal, coal seam methane gas, conventional hydrocarbons and the prospects of underground coal gasification. The transaction will be conditional on various matters including due diligence and approvals. The agreement also requires a payment of \$200,000 to the Company and payment of an amount equal to the lesser of the amount spent by the Company or by any of its subsidiaries directly in relation to exploration of the Resource Titles between the date of their grant and the date of this Memorandum, including application fees, rental, rates, accounting fees, legal fees, overheads and any other fees, costs or expenses incurred in relation to them (which must be evidenced by production of accounts and receipts); and \$2,500,000 by equal annual payments over a three year period.

The Company expects that the Joint Venture Agreement will be finalised shortly which will position the Company such that all of its Australian exploration activities will be funded by its joint venture partners. In addition, the Company's Kentucky interests are expected generate sufficient production revenue to cover field production costs and administration expenses.

Nevertheless, the Board believes that a modest capital raising program is warranted to cover administration costs and working capital and consequently has proposed resolutions at its Annual General Meeting to facilitate the issue of shares and options. As an interim measure, WGP has also entered into a loan facility for \$150,000.

This loan is unsecured and interest free and is repayable by 31 December 2008. Pursuant to the loan agreement, WGP has agreed that it will approve and accept, subject to approval by the shareholders of WGP in General Meeting of appropriate resolutions authorizing the Board of WGP to so do, applications from the Lender or the

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Lender's nominee for fully paid ordinary shares in WGP at either 3 cents per share or at an issue price of no less than 80% of the average market price for shares calculated over the 5 days on which sales in shares are recorded on ASX before the day on which the issue is made, together with applications from the Lender or the Lender's nominee for options to acquire shares in WGP for 5 cents each expiring on 1 October 2011 to be issued at an issue price of 0.1 cent per option on the basis of two options for each share subscribed for, for a total amount (comprising the cost of the shares applied for plus the issue price of the options applied for) equal to the principal amount, provided that the applications are received from sophisticated or professional investors for the purposes of the Corporations Act. The full terms and conditions of the options will be the same as the existing options on issue with the same expiry date.

In addition WGP has agreed, subject to approval by the shareholders of WGP in General Meeting of resolutions, or other circumstances, which permit the Board of WGP to so do in compliance with the ASX Listing Rules, to provide a loan arrangement fee of 2,500,000 free options to subscribe for fully paid ordinary shares in WGP for 3 cents per share, exercisable on or before 26 November 2009.

Jack Toby  
Company Secretary

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Westralian Gas and Power Limited

ABN

53 109 213 470

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1 +Class of +securities issued or to be issued

Ordinary shares.

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1,193,496.

3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

N/A

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

Yes.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

2.5 cents per share.

6 Purpose of the issue  
 (If issued as consideration for the acquisition of assets, clearly identify those assets)

Administration expenses and working capital.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

13 October 2008.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	75,816,806 16,250,000	Ordinary Shares 25c Options expiring 17-Sep-09

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+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all	
	+securities not quoted on ASX	4,000,000
	(including the securities in	4,000,000
	clause 2 if applicable)	2,250,000
	10,000,000	30c options expiring on 17-Sep-09
		30c options expiring on 30-Nov-08
		25c options expiring on 30-Nov-10
		5c options expiring on 01-Oct-11
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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|----|---|--|
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders   |  |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?  |  |

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+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### **Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### **Entities that have ticked box 34(a)**

#### **Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

#### **Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment



41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)



	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.

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+ See chapter 19 for defined terms.



- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Westralian Gas and Power Limited (“WGP”) gives notice under paragraph 708A(5)(e) of the Corporations Act 2001 (“Corporations Act”) that WGP issued the Securities without disclosure to investors under Part 6D.2 of the Corporations Act. At the date of this notice WGP has complied with the provisions of Chapter 2M of the Corporations Act as they apply to WGP and the continuous disclosure obligations under section 674 of the Corporations Act. There is no information that has been excluded from any continuous disclosure notice given to the ASX in accordance with the ASX Listing Rules, that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of WGP or the rights and liabilities attaching to the Securities, to the extent that it is reasonable for investors and their professional advisers to expect to find the information in a disclosure document.

Sign here:            Jack Toby  
                              (~~Director~~/Company secretary)

Date: 13 October 2008

Print name:         Jack Toby

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+ See chapter 19 for defined terms.