
WESTRALIAN GAS AND POWER LIMITED

ACN 109 213 470

NOTICE OF GENERAL MEETING

TIME: 10.30 am (WST)

DATE: Thursday, 25 June 2009

PLACE: Ground Floor
46 Ord Street
West Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6955.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am (WST) on Thursday, 25 June 2009 at:

Ground Floor
46 Ord Street
West Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001;
facsimile to Computershare Investor Services Pty Ltd on facsimile number (+61 3) 9473 2555;
post to Westralian Gas and Power Limited, Suite 1, 46 Ord Street, West Perth, Western
Australia 6005; or
facsimile to the Company on facsimile number (+61 8) 9322 6722,
so that it is received not later than 10.30 am (WST) on 23 June 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 10.30 am (WST) on Thursday, 25 June 2009 at Ground Floor, 46 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00pm (WST) on 23 June 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO SMBA INVESTMENTS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 1,193,496 Shares to SMBA Investments Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF NOVEMBER 2009 OPTIONS TO OHIO HOLDINGS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 2,500,000 November 2009 Options to Ohio Holdings Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 11,212,500 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – PLACEMENT OF OCTOBER 2011 OPTIONS TO CHRISTOPHER BROWN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 15,000,000 October 2011 Options to Mr Christopher Brown (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – PLACEMENT OF OCTOBER 2011 OPTIONS TO NATURALISTE HOLDINGS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 7,500,000 October 2011 Options to Naturaliste Holdings Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PLACEMENT OF SHARES AND OCTOBER 2011 OPTIONS TO OHIO HOLDINGS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 15,000,000 Shares and 15,000,000 October 2011 Options to Ohio Holdings Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – PLACEMENT OF SHARES AND OCTOBER 2011 OPTIONS TO KYLE BAY PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 7,500,000 Shares and 7,500,000 October 2011 Options to Kyle Bay Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPOINTMENT OF KRISTIAN BARNES AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, Kristian Barnes be appointed as a Director of the Company with effect immediately."

9. RESOLUTION 9 – ISSUE OF OCTOBER 2011 OPTIONS TO KRISTIAN BARNES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 8, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 October 2011 Options to Kristian Barnes (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Kristian Barnes (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ISSUE OF OCTOBER 2011 OPTIONS TO PETER BRIGGS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 15,000,000 October 2011 Options to Peter Briggs (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Peter Briggs (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – ISSUE OF OCTOBER 2011 OPTIONS TO STEPHEN THOMAS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Section 208 of the **Corporations Act**, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 10,000,000 October 2011 Options to Stephen Thomas (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Stephen Thomas (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – PLACEMENT OF SHARES TRANCHE 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 13 – PLACEMENT OF SHARES TRANCHE 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – PLACEMENT OF OCTOBER 2011 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 40,000,000 October 2011 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 15 – REMOVAL OF AUDITOR

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 9, for the purposes of section 329 of the Corporations Act and for all other purposes, BDO Kendalls Audit & Assurance Pty Ltd be removed as the auditor of the Company effective from the date of the Meeting.”

16. RESOLUTION 16 - APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to the passing of Resolution 9, for the purposes of section 327D of the Corporations Act and for all other purposes, approval is given for the Directors to appoint Somes and Cooke as auditor of the Company, having been nominated by a Shareholder and consented in writing to act in the capacity of auditor.”

DATED: 8 MAY 2009

BY ORDER OF THE BOARD



**JACK TOBY
COMPANY SECRETARY
WESTRALIAN GAS & POWER LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.30 am (WST) on Thursday, 25 June 2009 at Ground Floor, 46 Ord Street, West Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO SMBA INVESTMENTS PTY LTD

1.1 General

On 13 October 2008, the Company made a placement of 1,193,496 Shares at \$0.025 per Share to SMBA Investments Pty Ltd to raise \$29,837.

The subscriber pursuant to this issue was not a related party of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**SMBA Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the SMBA Share Ratification:

- (a) 1,193,496 Shares were allotted;
- (b) the issue price was \$0.025 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to SMBA Investments Pty Ltd; and
- (e) the funds raised from this issue were used for administration expenses and working capital.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF NOVEMBER 2009 OPTIONS TO OHIO HOLDINGS PTY LTD

2.1 General

On 25 November 2008, the Company issued 2,500,000 November 2009 Options pursuant to a loan agreement between the Company and Ohio Holdings Pty Ltd (**Ohio Holdings**) (**Loan Agreement**).

In accordance with the terms and conditions of the Loan Agreement, in part consideration for the receipt of loan funds of \$150,000, the Company agreed to issue Ohio Holdings the November 2009 Options.

The subscriber pursuant to this issue was not a related party of the Company.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those November 2009 Options (**Option Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Option Ratification:

- (a) 2,500,000 November 2009 Options were issued;
- (b) the November 2009 Options were issued for nil cash consideration;
- (c) the November 2009 Options were issued on the terms and conditions set out in Schedule 1;
- (d) the November 2009 Options were issued to Ohio Holdings Pty Ltd; and
- (e) no funds were raised from this issue as the November 2009 Options were issued in part consideration for the receipt of loan funds pursuant to the Loan Agreement.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

3.1 General

On 6 January 2009, the Company made a placement of 11,212,500 Shares at \$0.02 per Share to sophisticated investors to raise \$224,250.

The subscribers pursuant to this issue were not related parties of the Company.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 11,212,500 Shares were allotted;
- (b) the issue price was \$0.02 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to the following parties:

Subscriber	Number of Shares
Naturaliste Holdings Pty Ltd as trustee for Dhufish Investment Trust	7,500,000
Northgold Pty Ltd <Northgold Super Fund A/C>	400,000
Amberwood Nominees Pty Ltd	1,300,000
SMBA Investments Pty Ltd	250,000
Chong Kwee Ch'ng	500,000
Jirachaya Charnchayasuk	1,262,500
TOTAL	11,212,500

- (e) the funds raised from this issue were used for the exploration of oil interests and general working capital.

4. RESOLUTION 4 – PLACEMENT OF OCTOBER 2011 OPTIONS TO CHRISTOPHER BROWN

4.1 General

On 6 January 2009, Mr Christopher Brown was issued 15,000,000 Shares at an issue price of \$0.02 each (the issue of which was approved at the Company's Annual General Meeting held on 25 November 2008). The Shares were issued on the basis that, subject to Shareholder approval, the Company would issue Mr Brown 15,000,000 October 2011 Options on the basis of 1 attaching October 2011 Option at an issue price of \$0.001 each for every Share subscribed for. All other subscribers for Shares in December 2008 and January 2009 were issued at least 1 attaching October 2011 Option at an issue price of \$0.001 each for every Share subscribed for.

Resolution 4 seeks Shareholder approval for the issue of 15,000,000 October 2011 Options to Mr Brown, or his nominee (**Brown Option Placement**).

Mr Brown is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 4 will be to allow the Directors to issue the October 2011 Options pursuant to the Brown Option Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Brown Option Placement:

- (a) the maximum number of October 2011 Options to be issued is 15,000,000;
- (b) the October 2011 Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.001 per October 2011 Option;
- (d) the October 2011 Options will be issued to Christopher Brown (or his nominee);
- (e) the October 2011 Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use the funds raised from the Brown Option Placement towards exploration expenses, administration expenses and working capital.

5. RESOLUTION 5 – PLACEMENT OF OCTOBER 2011 OPTIONS TO NATURALISTE HOLDINGS PTY LTD

5.1 General

On 6 January 2009, Naturaliste Holdings Pty Ltd as trustee for Dhufish Investment Trust (**Naturaliste Holdings**) was issued 7,500,000 Shares at an issue price of \$0.02 each (the ratification of which is the subject of Resolution 3). The Shares were issued on the basis that, subject to Shareholder approval, the Company would issue Naturaliste Holdings 7,500,000 October 2011 Options on the basis of 1 attaching October 2011 Option at an issue price of \$0.001 each for every Share subscribed for. All other subscribers for Shares in December 2008 and January 2009 were issued at least 1 attaching October 2011 Option at an issue price of \$0.001 each for every Share subscribed for.

Resolution 5 seeks Shareholder approval for the allotment and issue of 7,500,000 October 2011 Options to Naturaliste Holdings, or its nominee (**Naturaliste Option Placement**).

Naturaliste Holdings is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 5 will be to allow the Directors to issue the October 2011 Options pursuant to the Naturaliste Option Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Naturaliste Option Placement:

- (a) the maximum number of October 2011 Options to be issued is 7,500,000;
- (b) the October 2011 Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.001 per October 2011 Option;
- (d) the October 2011 Options will be issued to Naturaliste Holdings Pty Ltd as trustee for Dhufish Investment Trust (or its nominee);
- (e) the October 2011 Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use the funds raised from the Naturaliste Option Placement towards exploration expenses, administration expenses and working capital.

6. RESOLUTIONS 6 AND 7 – PLACEMENT OF SHARES AND OCTOBER 2011 OPTIONS TO OHIO HOLDINGS PTY LTD AND KYLE BAY PTY LTD

6.1 General

Resolution 6 seeks Shareholder approval for the allotment and issue of:

- (a) 15,000,000 Shares; and
- (b) 15,000,000 October 2011 Options,

to Ohio Holdings Pty Ltd (or its nominees) (**Ohio Placement**).

Resolution 7 seeks Shareholder approval for the allotment and issue of:

- (c) 7,500,000 Shares; and
- (d) 7,500,000 October 2011 Options,

to Kyle Bay Pty Ltd (or its nominees) (**Kyle Bay Placement**).

None of the subscribers pursuant to these issues will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolutions 6 and 7 will be to allow the Directors to issue the Shares and Options pursuant to the Ohio Placement and the Kyle Bay Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Ohio Placement and the Kyle Bay Placement:

- (a) the maximum number of Securities to be issued pursuant to the:
 - (i) Ohio Placement is 15,000,000 Shares and 15,000,000 October 2011 Options; and
 - (ii) Kyle Bay Placement is 7,500,000 Shares and 7,500,000 October 2011 Options;
- (b) the Shares and October 2011 Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.02 per Share and \$0.001 per October 2011 Option;
- (d) the Shares and October 2011 Options the subject of the :
 - (i) Ohio Placement will be allotted and issued to Ohio Holdings Pty Ltd or nominees; and
 - (ii) Kyle Bay Placement will be allotted and issued to Kyle Bay Pty Ltd or nominees;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the October 2011 Options will be issued on the terms and conditions set out in Schedule 2; and
- (g) the Company intends to use the funds raised from the Ohio Placement and the Kyle Bay Placement towards exploration expenses, administration expenses and working capital.

7. RESOLUTION 8 – APPOINTMENT OF KRISTIAN BARNES AS A DIRECTOR

In accordance with the Constitution and the Corporations Act, the appointment of Directors may be made by resolution passed in a general meeting. Accordingly, Resolution 8 seeks the election of Mr Kristian Barnes as a Director.

Set out below is a summary of the background of Mr Barnes:

Kristian Barnes

Kristian has 16 years experience in the mining and oil gas industry, government and private sector. He has an environmental consulting background and has worked with a range of companies including Woodside Petroleum, Chevron, BHP Billiton and Rio Tinto.

Kristian brings extensive knowledge to the company in the areas of environmental management, government approvals, project management and auditing. He has also worked extensively overseas for a number of international companies in Europe, South Africa, New Guinea and North and South America and has recently assisted three major projects in Greenland with their environmental and general government approval requirements.

8. RESOLUTIONS 9, 10 AND 11 – ISSUE OF OCTOBER 2011 OPTIONS TO DIRECTORS

8.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 27,000,000 October 2011 Options to Messrs Kristian Barnes, Peter Briggs and Stephen Thomas (**Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of the October 2011 Options to the Related Parties requires the Company to obtain Shareholder approval because the issue of Options constitutes giving a financial benefit and as Directors, Messrs Kristian Barnes (subject to the passing of Resolution 8), Peter Briggs and Stephen Thomas are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of October 2011 Options to the Related Parties.

8.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of October 2011 Options to the Related Parties:

- (a) the Related Parties are Messrs Kristian Barnes, Peter Briggs and Stephen Thomas and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of October 2011 Options (being the nature of the financial benefit being provided) to be issued to the Related Parties is:
 - (i) 2,000,000 October 2011 Options to Kristian Barnes;
 - (ii) 15,000,000 October 2011 Options to Peter Briggs; and
 - (iii) 10,000,000 October 2011 Options to Stephen Thomas;
- (c) the October 2011 Options will be issued to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the October 2011 Options will be issued on one date;
- (d) the October 2011 Options will be issued for nil cash consideration, accordingly no funds will be raised;

- (e) the terms and conditions of the October 2011 Options are set out in Schedule 2;
- (f) the value of the October 2011 Options to be issued to the Related Parties and the pricing methodology is set out in Schedule 3;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Kristian Barnes	Nil	Nil
Peter Briggs	10,647,535	4,040,000 ¹
Stephen Thomas	9,744,843	Nil

¹ 40,000 Options exercisable at \$0.25 each on or before 17 September 2009 and 4,000,000 Options exercisable at \$0.30 each on or before 17 September 2009.

- (h) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year (1 July 2008 to 22 April 2009)	Previous Financial Year (ended 30 June 2008)
Kristian Barnes	Nil	Nil
Peter Briggs	119,000	145,750
Stephen Thomas	144,000	251,000

- (i) if the October 2011 Options issued to the Related Parties are exercised, a total of 27,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 114,482,612 to 141,482,612 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Shareholder	Issued Shares as at the date of this Notice of Meeting	% of Total Share Capital	October 2011 Options to be issued	Issued Shares upon exercise of all October 2011 Options to be issued	% of Total Share Capital upon exercise of October 2011 Options to be issued
Kristian Barnes	Nil	Nil	2,000,000	2,000,000	1.41
Peter Briggs	10,647,535	9.30	15,000,000	25,647,535	18.13
Stephen Thomas	9,744,843	8.51	10,000,000	19,744,843	13.96

Shareholder	Issued Shares as at the date of this Notice of Meeting	% of Total Share Capital	October 2011 Options to be issued	Issued Shares upon exercise of all October 2011 Options to be issued	% of Total Share Capital upon exercise of October 2011 Options to be issued
Non-associated Shareholders	94,090,234	82.19	Nil	94,090,234	66.50
TOTAL	114,482,612	100%	27,000,000	141,482,612	100%

The market price for Shares during the term of the October 2011 Options would normally determine whether or not the October 2011 Options are exercised. If, at any time any of the October 2011 Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the October 2011 Options, there may be a perceived cost to the Company

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	13.5 cents	23 May 2008
Lowest	1.8 cents	2 March 2009
Last	2.4 cents	7 May 2009

- (k) the primary purpose of the grant of October 2011 Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;
- (l) Kristian Barnes declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 9, recommend that Shareholders vote in favour of Resolution 9. The Board (other than Kristian Barnes) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;
- (m) Peter Briggs declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 10, recommend that Shareholders vote in favour of Resolution 10. The Board (other than Peter Briggs) is not aware of any other information that would be reasonably

required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and

- (n) Stephen Thomas declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 11, recommend that Shareholders vote in favour of Resolution 11. The Board (other than Stephen Thomas) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the October 2011 Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of October 2011 Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

9. RESOLUTION 12 – PLACEMENT OF SHARES TRANCHE 1

9.1 General

Resolution 12 seeks Shareholder approval for the allotment and issue of up to 20,000,000 Shares at an issue price of 2.5 cents per Share (**Tranche 1 Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 12 will be to allow the Directors to issue the Shares pursuant to the Tranche 1 Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 1 Share Placement:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur progressively during this time;
- (c) the issue price will be a minimum of 2.5 cents per Share;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) the Company intends to use the funds raised from the Tranche 1 Share Placement towards exploration expenses, administration expenses and working capital.

10. RESOLUTION 13 – PLACEMENT OF SHARES TRANCHE 2

10.1 General

Resolution 13 seeks Shareholder approval for the allotment and issue of up to 20,000,000 Shares (**Tranche 2 Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 13 will be to allow the Directors to issue the Shares pursuant to the Tranche 2 Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

10.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Share Placement:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur progressively during this time;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Tranche 2 Share Placement towards exploration expenses, administration expenses and working capital.

11. RESOLUTION 14 – PLACEMENT OF OCTOBER 2011 OPTIONS

Resolution 14 seeks Shareholder approval for the issue of 40,000,000 October 2011 Options (**Option Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 14 will be to allow the Directors to issue the October 2011 Options pursuant to the Option Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.1 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of October 2011 Options to be issued is 40,000,000;
- (b) the October 2011 Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur progressively;
- (c) the issue price will be a minimum of \$0.001 per October 2011 Option;
- (d) the Directors will determine to whom the Options will be granted but these persons will not be related parties of the Company;
- (e) the October 2011 Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use the funds raised from the Option Placement towards exploration expenses, administration expenses and working capital.

12. RESOLUTION 15 – REMOVAL OF AUDITOR

In accordance with section 329(1) of the Corporations Act, the Company is seeking Shareholder approval to remove BDO Kendalls Audit & Assurance Pty Ltd as the Company's auditor.

If Resolution 15 is passed, the removal of BDO Kendalls Audit & Assurance Pty Ltd as the Company's auditor will take effect at the close of this General Meeting.

13. RESOLUTION 16 – APPOINTMENT OF AUDITOR

In accordance with section 327D(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder to appoint Some and Cooke as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Some and Cooke has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If Resolution 16 is passed, the appointment of Some and Cooke as the Company's auditor will take effect at the close of this General Meeting.

14. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9322 6955 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Westralian Gas and Power Limited (ACN 109 213 470).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

November 2009 Option means an Option granted pursuant to Resolution 2 with the terms and conditions set out in Schedule 1.

October 2011 Option means an Option granted pursuant to Resolutions 4, 5, 6, 7, 9, 10, 11 or 14 with the terms and conditions set out in Schedule 2.

Option means an option to acquire a Share.

Optionholder means a holder of a November 2009 Option or an October 2011 Option as the context requires.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF NOVEMBER 2009 OPTIONS

The November 2009 Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each November 2009 Option entitles the holder to subscribe for 1 Share upon the payment of 3 cents per Share subscribed for.
 - (b) The November 2009 Options will lapse at 5.00pm, Western Standard Time on 26 November 2009.
 - (c) The November 2009 Options may not be listed for official quotation on the ASX, however, the Company may, in its absolute discretion, apply for the November 2009 Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the November 2009 Options to be listed for official quotation on the ASX. In the event that the November 2009 Options are listed for official quotation on the ASX in the future, the Company is under no obligation to maintain the listing and may take any action that may result in the delisting of the November 2009 Options on the ASX.
 - (d) The Optionholder must not offer any of the November 2009 Options, or the Shares issued on exercise of the November 2009 Options, for sale to any person (**Secondary Offer**) within 12 months from the respective date of issue of those November 2009 Options or Shares (as applicable) unless:
 - (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
 - (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
 - (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
 - (iv) the Secondary Offer is received by a person outside Australia.
- For the avoidance of doubt, paragraph (d)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).
- (e) There are no participating rights or entitlements inherent in the November 2009 Options and holders of the November 2009 Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the November 2009 Option.
 - (f) However Optionholders have the right to exercise their November 2009 Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the November 2009 Options, and will be granted a period of at least nine (9) Business Days before books closing date to exercise the November 2009 Options.
 - (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the November 2009 Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

- (h) The November 2009 Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of November 2009 Options held by them accompanied by an Option Certification and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some November 2009 Options shall not affect the rights of the Optionholder to the balance of the November 2009 Options held by them.
- (i) The notice of exercise of November 2009 Options shall be deemed by the Company to be received at the end of the calendar month in which it is actually received and the Company shall comply with the ASX Listing Rules with respect to the allotment of resultant Shares and the issue of a statement of shareholding.
- (j) Shares allotted pursuant to an exercise of November 2009 Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of November 2009 Options listed for official quotation by ASX.
- (l) If there is a bonus share issue to the holders of Shares, the number of Shares over which a November 2009 Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the November 2009 Option had been exercised before the record date for the bonus issue.
- (m) There is no right to change the exercise price of the November 2009 Options nor the number of underlying Shares over which the November 2009 Options can be exercised, if the Company completes a pro rata issue.

SCHEDULE 2 – TERMS AND CONDITIONS OF OCTOBER 2011 OPTIONS

The October 2011 Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each October 2011 Option entitles the holder to subscribe for 1 Share upon the payment of 5 cents per Share subscribed for.
- (b) The October 2011 Options will lapse at 5.00pm, Western Standard Time on 1 October 2011.
- (c) The October 2011 Options may not be listed for official quotation on the ASX, however, the Company may, in its absolute discretion, apply for the October 2011 Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the October 2011 Options to be listed for official quotation on the ASX. In the event that the October 2011 Options are listed for official quotation on the ASX in the future, the Company is under no obligation to maintain the listing and may take any action that may result in the delisting of the October 2011 Options on the ASX.
- (d) The Optionholder must not offer any of the October 2011 Options, or the Shares issued on exercise of the October 2011 Options, for sale to any person (**Secondary Offer**) within 12 months from the respective date of issue of those October 2011 Options or Shares (as applicable) unless:
 - (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
 - (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
 - (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
 - (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (d)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

- (e) There are no participating rights or entitlements inherent in the October 2011 Options and holders of the October 2011 Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the October 2011 Option.
- (f) However Optionholders have the right to exercise their October 2011 Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the October 2011 Options, and will be granted a period of at least nine (9) business days before books closing date to exercise the October 2011 Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the October 2011 Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

- (h) The October 2011 Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of October 2011 Options held by them accompanied by an Option Certification and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some October 2011 Options shall not affect the rights of the Optionholder to the balance of the October 2011 Options held by them.
- (i) The notice of exercise of October 2011 Options shall be deemed by the Company to be received at the end of the calendar month in which it is actually received and the Company shall comply with the ASX Listing Rules with respect to the allotment of resultant Shares and the issue of a statement of shareholding.
- (j) Shares allotted pursuant to an exercise of October 2011 Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (k) The Company shall make an application to have those Shares allotted pursuant to an exercise of October 2011 Options listed for official quotation by ASX.
- (l) If there is a bonus share issue to the holders of Shares, the number of Shares over which an October 2011 Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the October 2011 Option had been exercised before the record date for the bonus issue.
- (m) There is no right to change the exercise price of the October 2011 Options nor the number of underlying Shares over which the October 2011 Options can be exercised, if the Company completes a pro rata issue.

SCHEDULE 3 – VALUATION OF OCTOBER 2011 OPTIONS TO BE ISSUED TO DIRECTORS

The October 2011 Options to be issued to the Related Parties pursuant to Resolutions 9, 10 and 11 have been valued by internal management.

Using the theoretical Cox, Ross, & Rubinstein Binomial option model and based on the assumptions set out below, the Options were ascribed a value range, as follows:

Assumptions:	
Valuation date	4 May 2009
Market price of Shares	2.9 cents
Exercise price	5 cents
Expiry date	1 October 2011
Risk free interest rate	5%
Volatility	1) Close Price method 133.0% 2) EWMA method 127.4% 3) Lamda (EWMA) method 93.6% 4) GARCH method 139.2%
Indicative value per October 2011 Option	1) 1.760 cents 2) 1.685 cents 3) 1.202 cents 4) 1.840 cents Average: 1.622
Total Value of October 2011 Options	\$383,024
Kristian Barnes	\$32,435
Peter Briggs	\$243,263
Stephen Thomas	\$162,175

Note: The valuation ranges noted above are not necessarily the market prices that the October 2011 Options could be traded at and they are not automatically the market prices for taxation purposes.

ANNEXURE A

Westralian Gas and Power Limited
Suite 1, Ground Floor
46 Ord Street
West Perth, Western Australia

4 May 2009

Dear Sir

Notice of nomination of proposed auditor

Northgold Pty Ltd <Northgold Super Fund A/C>, of 31C Richmond Street, North Perth Western Australia 6006, being a member of Westralian Gas and Power Limited, hereby nominates Somes and Cooke of Level 1, 1304 Hay Street, West Perth, Western Australia for appointment as auditor of Westralian Gas and Power Limited.

Northgold Pty Ltd consents to the distribution of a copy of this notice of nomination as an annexure to the Notice of General Meeting and Explanatory Statement for the General Meeting of Westralian Gas and Power Limited as required by section 328B(3) of the Corporations Act 2001.

Signed:



Jack Toby
Sole Director and Secretary
Northgold Pty Ltd

PROXY FORM

**APPOINTMENT OF PROXY
WESTRALIAN GAS AND POWER LIMITED
ACN 109 213 470**

GENERAL MEETING

I/We

of

being a member of Westralian Gas and Power Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10.30 am (WST), on Thursday, 25 June 2009 at Ground Floor, 46 Ord Street, West Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 7 or 9 to 14** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 7 or 9 to 14 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 7 or 9 to 14 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 7 or 9 to 14 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 7 or 9 to 14.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue of Shares to SMBA Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Prior Issue of November 2009 Options to Ohio Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Placement of October 2011 Options to Christopher Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Placement of October 2011 Options to Naturaliste Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Placement of Shares and October 2011 Options to Ohio Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Placement of Shares and October 2011 Options to Kyle Bay Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Appointment of Kristian Barnes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Issue of October 2011 Options to Kristian Barnes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Issue of October 2011 Options to Peter Briggs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Issue of October 2011 Options to Stephen Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – Placement of Shares Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 – Placement of Shares Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 – Placement of October 2011 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15 - Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16 - Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

WESTRALIAN GAS AND POWER LIMITED
ACN 109 213 470

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001; or
 - (b) facsimile to Computershare Investor Services Pty Ltd on facsimile number (+61 3) 9473 2555; or
 - (c) post to Westralian Gas and Power Limited, Suite 1, 46 Ord Street, West Perth, Western Australia 6005; or
 - (d) facsimile to the Company on facsimile number +61 8 9322 6722,so that it is received not later than 10.30 am (WST) on 23 June 2009.

Proxy forms received later than this time will be invalid.