



WESTRALIAN GAS & POWER LIMITED

ACN 109 213 470

1/46 Ord Street West Perth
Western Australia 6005

Telephone: 08 9322 6955
Facsimile: 08 9322 6722

www.westraliangasandpower.com.au
email: wgp@westraliangasandpower.com.au

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008

ONSHORE PERTH BASIN PROJECTS

The Company announced to the ASX on the 21st of August that it had entered into an MOU with Oswal Resources Pty Ltd to jointly explore the Company's leases in the onshore Perth and Collie Basins. Under the terms of the MOU, Oswal Resources Pty Ltd will fund 100 percent of the exploration on WGP's leases in south west and mid west Western Australia to a bankable feasibility, to earn a 15% interest. This will add new drive to the Company's exploration activities over all of its Permits.

Perth Basin Onshore

Having now resolved all of the native title issues on its permits, the Company is now in the process of finalising drilling permits for its upcoming drilling over the next 18 months. Three drilling permits have been applied for and are presently being assessed by the DoIR's environmental department and these should be issued in the near future. The Company has also applied for approval to undertake seismic surveys to firm up possible Coal Seam Gas leads in both the northern and southern parts of the Perth Basin.

Collie / Wilga Basins

Having finally completed the native title process the Company is looking forward to the grant of both permits in the very near future. Initial work will focus on a limited seismic survey in both areas to firm up drill locations outlined by earlier work by the Company.

The Company also holds a mining tenement within the Wilga petroleum licence. This will allow the company to assess not only the gas potential of the area but also explore other uses for the coal contained in the area. The Company has also applied for and is awaiting the grant a mining exploration tenement (EL) over a large portion of the Wilga Basin Coal Field

Eneabba

Having completed native title negotiations the Company has lodged an application to undertake a seismic survey spanning both permits held by the Company. A large part of this work is to take place in a nature reserve where very little or no seismic has previously been recorded. As the area is protected extra care is being taken to plan the survey with the assistance of the Department of Environment and Conservation (DEC). The Environmental Management Plan (EMP) has been lodged.

.../2

Greenough

The Company has now successfully converted its SPA to an Exploration Permit (EP462) and is now planning its seismic survey of 40 km based on the results of the data review which is presently underway.

OFFSHORE PERTH BASIN

The Company and its joint venture partners have agreed to undertake the next phase of its exploration in the offshore Perth Basin with the reprocessing and interpretation of up to 1500 km of 2D seismic to the value of \$10 million. The results of this work should be available by mid October 2008 and will be used to plan the 2009/10 3D seismic program.

This work will build a prospect and lead inventory for the first exploration wells by the Joint Venture in the permits due in 2009/10.

KENTUCKY

With the recent down turn in oil prices and the Company focusing on its Australian interests it has continued to seek an outright sale or joint venture of its interests in Kentucky.

Expressions of interest in the leases have been received and are being reviewed. The leases are producing sufficient oil on “care and maintenance” to cover the field operating overheads of the Company’s subsidiary Sunset Energy LLC.

Stephen Thomas
Managing Director
20 October 2008