



WESTRALIAN GAS & POWER LIMITED

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ASX: WGP
ADR: WGPY

22 August 2011

ENTITLEMENT ISSUE AND APPENDIX 3B

Further to the Company's announcement released to the market on 28th July 2011, Westralian Gas and Power Limited (**WGP** or **the Company**) is pleased to announce the following revised terms in regard to the proposed pro-rata entitlement issue (**Rights Issue**).

The Board has resolved that the Rights Issue will be a non-renounceable offer to eligible shareholders on the basis of two (2) new shares (**New Shares**) for every three (3) shares held by shareholders on the record date of 2 September 2011 (**Record Date**) at an issue price of \$0.01 per Share to raise approximately \$2,666,159, together with one (1) free attaching option (**Attaching Option**) for every two (2) New Shares issued. The Rights Issue is fully underwritten by Pendulum Capital Pty Limited (**Underwriter**) and will seek to raise proceeds of approximately \$2,666,159 (assuming no existing options presently on issue are exercised prior to the Record Date).

The underwriting includes a commitment by directors Paul Garner and Darren Levy, via their controlled entities, to each sub-underwrite up to 30,000,000 New Shares and 15,000,000 Attaching Options of any shortfall under the Rights Issue.

The funds raised will be applied principally to investigate new opportunities for the Company, explore the Company's shale gas prospect, DR11, and working capital requirements (refer ASX announcement of 28th July 2011).

The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted ordinary shares. The Attaching Options will represent a new class of options with an exercise price of 1.5 cents each that will be exercisable on or before 31 December 2012. The New Option is exercisable into one (1) ordinary share.

Details of the Rights Issue and How to Participate

Eligible shareholder will receive a copy of the Rights Issue prospectus and accompanying Entitlement and Acceptance Form setting out the relevant details.

Key dates are set out below:

These dates are indicative only and the Company reserves the right to vary them, subject to the Corporations Act and the ASX Listing Rules.

Notify existing option holders of the Rights Issue	22 August 2011
Lodgement of Prospectus and Appendix 3B with ASX	22 August 2011
Notice sent to Shareholders	24 August 2011
Ex Date	29 August 2011
Record Date for determining Shareholder entitlements	2 September 2011
Prospectus despatched to Shareholders	6 September 2011
Closing Date	20 September 2011
Securities quoted on a deferred settlement basis	21 September 2011
Notify ASX of under-subscriptions	22 September 2011
Despatch date	26 September 2011

An Appendix 3B for the issue of the securities under the Rights Issue is attached.

Also attached are letters to be sent to shareholders and optionholders.

Should you have any further queries please do not hesitate to contact the undersigned, or alternatively, the Company Secretary, Mr Jack Toby on (61 8) 9322 6955.

Yours sincerely

Darren Levy
Chairman

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 | (a) Ordinary Shares
(b) Listed Options
(pursuant to a pro rata Entitlement Issue) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) Up to 266,615,858
(b) Up to 133,307,929
(assuming none of the options currently on issue are exercised prior to the relevant record date) |
| 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) | (a) Shares to rank equally with existing ordinary shares on issue.
(b) Exercisable at \$0.015 on or before 31 December 2012 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 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

(a) Yes
 (b) No, the Listed Options will form a new class of securities with any ordinary shares issued as a result of the exercise of any Listed Options to rank equally with existing ordinary shares on issue.

5 Issue price or consideration

(a) \$0.01
 (b) NIL

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

To provide funds to principally investigate new opportunities for the Company, explore the Company's shale gas prospect, DR11, and to provide general working capital for the Company.

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

26 September 2011

	Number	⁺ Class
8 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	666,539,644	Fully paid ordinary shares
	190,186,639	Options exercisable at \$0.05 on or before 1 October 2011
	133,307,929	Options exercisable at \$0.015 on or before 31 December 2012

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	30,000,000	Options exercisable at \$0.0275 on or before 31 October 2013
	5,000,000	Options exercisable at \$0.05 on or before 31 July 2015
	162,512,991	Options exercisable at \$0.03 on or before 31 October 2015
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?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	(a) Two (2) New Shares for every Three (3) shares held (b) One (1) free Attaching Option for every Two (2) New Shares issued
14 +Class of +securities to which the offer relates	(a) Fully paid ordinary shares (b) Options
15 +Record date to determine entitlements	2 September 2011
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17 Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18	Names of countries in which the entity has *security holders who will not be sent new issue documents	Shareholders that do not have a registered address within Australia or New Zealand
	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	20 September 2011
20	Names of any underwriters	Pendulum Capital Pty Limited
21	Amount of any underwriting fee or commission	An underwriting fee of 6% of the cash raised. Pendulum Capital Pty Limited will also be issued with 15,996,951 options with the same terms as the Attaching Options and 6,000,000 unlisted options exercisable at 1 cent on or before 31 March 2013.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	N/A
25	If the issue is contingent on *security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	6 September 2011
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	22 August 2011
28	Date rights trading will begin (if applicable)	N/A

+ See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	N/A
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Despatch date	26 September 2011

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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 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

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)

+ See chapter 19 for defined terms.

	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.
- 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.

Sign here: Jack Toby
 Company Secretary

Date: 22 August 2011

Print name: Jack Toby

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ASX: WGP
ADR: WGPXY

24 August 2011

Dear Shareholder

NON-RENOUNCEABLE ENTLEMENT ISSUE - DETAILS

On 22 August 2011 Westralian Gas and Power Limited (**WGP** or **the Company**) announced details of a pro-rata non renounceable entitlements issue (**Rights Issue**) to eligible shareholders on the basis of two (2) new shares (**New Shares**) for every three (3) shares held by shareholders on the **record date of 2 September 2011 (Record Date)** at an issue price of \$0.01 per Share to raise approximately \$2,666,159, together with one (1) free attaching option (**Attaching Option**) for every two (2) New Shares issued. The Rights Issue is fully underwritten by Pendulum Capital Pty Limited (**Underwriter**) and will seek to raise proceeds of approximately \$2,666,159.

On 22 August 2011, WGP lodged a prospectus with the Australian Securities and Investments Commission setting out the details of the Rights Issue. A copy of the Prospectus was also lodged with Australian Securities Exchange (ASX) on 22 August 2011 and is available on the websites for ASX (www.asx.com.au) and WGP (www.westraliangasandpower.com.au).

It is anticipated that the Prospectus will be sent to all shareholders in Australia and New Zealand on 6 September 2011.

Proposed Timetable*

The current proposed timetable for the Rights Issue is set out below. The dates are indicative only and WGP reserves the right to vary the dates subject to the Corporations Act 2001, the Listing Rules of the ASX (**Listing Rules**) and other applicable law.

Notice sent to Optionholders	22 August 2011
Lodgement of Prospectus and Appendix 3B with ASX	22 August 2011
Notice sent to Shareholders	24 August 2011
Ex Date	29 August 2011
Record Date for determining Shareholder entitlements	2 September 2011
Prospectus despatched to Shareholders	6 September 2011
Closing Date of Offer	20 September 2011
Securities quoted on a deferred settlement basis	21 September 2011
Notify ASX of under-subscriptions	22 September 2011

*The directors reserve the right to vary the key dates without prior notice, subject to the Corporations Act 2001, the Listing Rules and other applicable law.

Dealing with Entitlements

Shareholders have the following alternatives available in relation to the Rights Issue:

1. accept their entitlement in full;
2. partially accept their entitlement; or
3. allow their entitlement to lapse.

Information required to be given to you in accordance with the Listing Rules:

Pursuant to the Listing Rules, the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Up to a maximum of 266,615,858 New Shares and 133,307,929 Attaching Options will be issued pursuant to the Rights Issue (assuming no presently existing options are exercised). The Underwriter (or their nominee) will also be issued 15,996,951 options with the same terms as the Attaching Options and 6,000,000 options exercisable at 1 cent on or before 31 March 2013 pursuant to the Underwriting Agreement.
2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted ordinary shares. The Attaching Options will represent a new class of options with an exercise price of 1.5 cents each that will be exercisable on or before 31 December 2012. The New Option is exercisable into one (1) ordinary share.
3. The issue price of the New Shares will be 1 cent each. The Attaching Options will attach to the New Shares on a one (1) for two (2) basis and will be issued for nil consideration.
4. The Company will apply for quotation of the New Shares and Attaching Options issued pursuant to the Rights Issue on the official list of the ASX.
5. The funds raised by the Rights Issue will be used principally to investigate new opportunities for the Company, explore the Company's shale gas prospect, DR11, and to provide general working capital for the Company.
6. The securities will be entered into uncertificated holdings on 26 September 2011.
7. The total number and class of all securities quoted on ASX (including then maximum number of New Shares and Attaching Options to be issued in the Rights Issue on a non-diluted basis - i.e. assuming none of the Company's options currently on issue are exercised), will be as follows:

Number	Class
666,539,644	Ordinary shares
190,186,639	Listed options exercisable at 5 cents on or before 1 October 2011
149,304,880	Listed options exercisable at 1.5 cents on or before 31 December 2012

8. The following are securities of the Company not quoted on ASX:

Number	Class
30,000,000	Unlisted options exercisable at 2.75 cents on or before 31 October 2013
5,000,000	Unlisted options exercisable at 5 cents on or before 31 July 2015
162,512,991	Unlisted options exercisable at 3 cents on or before 31 October 2015
6,000,000	Unlisted options exercisable at 1 cent on or before 31 March 2013

9. The Company currently has no dividend policy.

10. No shareholder approval for the Rights Issue is required.

11. The Rights Issue is non-renounceable.

12. The New Shares in the Rights Issue will be offered on the basis on two (2) New Shares for every three (3) shares held together with one (1) free Attaching Option for every two (2) New Shares issued.

13. The offer under the Rights Issue relates to ordinary fully paid shares in the capital of the Company.

14. The **record date** to determine the entitlements is **2 September 2011**.

15. Holdings on different registers (or sub registers) will not be aggregated for calculating entitlements.

16. In determining the entitlement of shareholders, any fractional entitlement will be rounded up to the nearest whole number.

17. The Company will not be sending an offer under the Rights Issue to any security holders who are not resident in Australia or New Zealand at the record date.

In compliance with Listing Rule 7.7.1 of the Listing Rules, the Company has decided that it is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas shareholders, the number and value of securities these shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Rights Issue offer is not being extended and securities will not be issued to shareholders with a registered address which is outside Australia or New Zealand.

18. The **closing date** for receipt of acceptances is 5.00pm WST on **20 September 2011**.

19. The Rights Issue is fully underwritten by Pendulum Capital Pty Limited who will be paid a fee of 6% of the cash raised, being \$2,666,159, which equates to a fee of \$159,970. The fee is quoted on a GST exclusive basis. Pendulum Capital Pty Limited will also be issued with 15,996,951 options with the same terms as the Attaching Options and 6,000,000 options exercisable at 1 cent on or before 31 March 2013.

20. There is no other broker to the Rights Issue.

21. Brokers will receive no handling fee for acceptances lodged by them on behalf of the security holders.

22. The Prospectus for the Rights Issue and an accompanying Entitlement and Acceptance Form will be sent to you on **6 September 2011**.

23. Existing option holders may participate in the Rights Issue upon exercise of their options. The Company has sent a notice to option holders on 22 August 2011 to notify option holders of their right to participate in the Rights Issue upon exercise of their options.
24. **The latest date for despatch of shareholder holding statements is 28 September 2011.**

The above information was provided to ASX on 22 August 2011.

For further information on your entitlement please contact your stockbroker or WGP's share register:

Computershare Investor Services Pty Limited

Telephone (within Australia):1300 850 505 and **Telephone (overseas):** +61 3 9415 4000

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jack Toby', written in a cursive style.

Jack Toby
Company Secretary

Westralian Gas and Power Limited

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SAMPLEVILLE VIC 3030

ASX: WGP
ADR: WGPXY

22 August 2011

Dear Optionholder

NON-RENOUNCEABLE ENTLEMENT ISSUE

Westralian Gas and Power Limited (**WGP or the Company**) is undertaking a pro-rata non renounceable entitlements issue (**Rights Issue**) to eligible shareholders on the basis of two (2) new shares (**New Shares**) for every three (3) shares held by shareholders on the record date of 2 September 2011 (**Record Date**) at an issue price of \$0.01 per Share to raise approximately \$2,666,159, together with one (1) free attaching option (**Attaching Option**) for each two (2) New Shares issued. The Rights Issue is fully underwritten by Pendulum Capital Pty Limited (**Underwriter**) and will seek to raise proceeds of approximately \$2,666,159.

The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted ordinary shares. The Attaching Options will represent a new class of options with an exercise price of 1.5 cents each that will be exercisable on or before 31 December 2012. The New Option is exercisable into one (1) ordinary share.

The Rights Issue will seek to raise funds principally to investigate new opportunities for the Company, explore the Company's shale gas prospect, DR11, and working capital requirements. Your Directors consider that the potential funding offered by the Rights Issue is a prudent capital raising mechanism and in the best interests of the Company. **Under the terms of the options that you currently hold, to be eligible to participate in the Rights Issue, you will need to exercise your existing options and ensure you are registered as a shareholder by 5.00pm WST on the Record Date.** Please ensure the Option Exercise Notice, accompanied by a cheque for the exercise monies, is completed and returned in sufficient time for the Company to issue the shares on or prior to the Record Date.

It should be noted that the exercise of your options is not compulsory. However, failure to exercise your options before the Record Date will result in you not being eligible for participation in the Rights Issue.

Should you have any further queries please do not hesitate to contact the undersigned, or alternatively, the Company Secretary, Mr Jack Toby on (61 8) 9322 6955.

Yours sincerely

Darren Levy
Chairman