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**WESTRALIAN GAS AND POWER LIMITED  
(TO BE RENAMED TITAN ENERGY LTD)  
ACN 109 213 470**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 4:00 pm (WST)  
**DATE:** 12 October 2011  
**PLACE:** 45 Ventnor Ave  
West Perth, Western Australia 6005

*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**

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**VENUE**

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The annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 4:00 pm (WST) on 12 October 2011 at:

45 Ventnor Ave  
West Perth, Western Australia 6005

**YOUR VOTE IS IMPORTANT**

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

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Westralian Gas and Power Limited, 31 Ord Street, West Perth, Western Australia 6005; or
- (b) facsimile to the Company on facsimile number (+61 8) 9322 6722,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the annual general meeting of Shareholders will be held at 4:00 pm (WST) on 12 October 2011 at 45 Ventnor Ave, West Perth, Western Australia 6005.

The Explanatory Statement provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders at 5.00pm (WST) on 10 October 2011.

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

## AGENDA

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### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2011."*

**Note:** the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

**Important details regarding the appointment of proxies for this Resolution are contained in Section 1 of the Explanatory Statement.**

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## 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DARREN LEVY

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

*“That, for the purpose of clause 13.5 of the Constitution and for all other purposes, Mr Darren Levy, a Director who was appointed on 8 July 2011, retires, and being eligible, is re-elected as a Director.”*

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## 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – PAUL GARNER

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

*“That, for the purpose of clause 13.5 of the Constitution and for all other purposes, Mr Paul Garner, a Director who was appointed on 19 July 2011, retires, and being eligible, is re-elected as a Director.”*

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## 4. RESOLUTION 4 – NON-EXECUTIVE DIRECTORS' REMUNERATION

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

*“That, for the purposes of clause 13.8 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to non-executive Directors be set at \$300,000 to be paid in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director 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.

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## 5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – PLACEMENT 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 52,163,972 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.

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## 6. RESOLUTION 6 – PLACEMENT – FIRST PENDULUM 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 issue up to 15,996,951 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.

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**7. RESOLUTION 7 – PLACEMENT – SECOND PENDULUM 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 issue up to 6,000,000 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.

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**8. RESOLUTION 8 – CHANGE OF NAME**

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

*"That, for the purpose of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to "Titan Energy Ltd"."*

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**DATED: 7 SEPTEMBER 2011**

**BY ORDER OF THE BOARD**

**JACK TOBY  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 4:00 pm (WST) on 12 October 2011 at 45 Ventnor Ave, West Perth, Western Australia 6005.

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.

## FINANCIAL STATEMENTS AND REPORTS

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In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so. Shareholders may view the Company annual financial report on its website at [www.westriliangasandpower.com.au](http://www.westriliangasandpower.com.au).

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### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the resolution to make the Company's 2012 Directors' report considered at the Company's 2012 annual general meeting was passed, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

## 1.2 Proxy Voting by Chairman

The Chairman intends to vote all undirected proxies in relation to Resolution 1 in favour of the Resolution.

Before nominating the Chairman as your proxy, the Directors recommend that you read the instructions in the Proxy Form carefully.

## 1.3 Voting Restrictions where Proxy is Key Management Personnel

Pursuant to the Corporations Act, if you do not appoint the Chair as your proxy and you appoint a member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, *you must direct that proxy how they are to vote*. Where you do not direct a member of Key Management Personnel or Closely Related Party (other than the Chair) on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

## 1.4 Definitions

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

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## 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DARREN LEVY

Clause 13.5 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Darren Levy was appointed as a Director on 8 July 2011. Mr Levy holds a Bachelor of Commerce degree from Melbourne University, Post Graduate

Diploma from the Securities Institute of Australia and has been admitted as a Fellow of the Financial Services Institute of Australia (F.Fin.). Mr Levy has had 25 years experience in the finance and stockbroking industry.

Mr Levy will retire in accordance with clause 13.5 of the Constitution and being eligible seeks re-election.

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### **3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – PAUL GARNER**

Clause 13.5 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Paul Garner was appointed as a Director on 19 July 2011. Mr Garner has extensive experience in international business and over 35 years experience in the properties and equities market, public company capital raisings and restructurings. Mr Garner has served on the boards of various listed oil and gas companies at various stages of their development.

Mr Garner will retire in accordance with clause 13.5 of the Constitution and being eligible seeks re-election.

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### **4. RESOLUTION 4 – NON-EXECUTIVE DIRECTORS' REMUNERATION**

Clause 13.8 of the Constitution requires that the total aggregate fixed sum per annum to be paid as remuneration to the Directors (excluding the remuneration of the Managing Director or Executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the non-Executive Directors in such proportions as they agree or, in default of agreement, between them in equal shares. This sum has previously determined by Shareholders at the Company's annual general meeting held on 25 November 2008.

Resolution 4 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the non-Executive Directors by \$100,000 to \$300,000.

The total aggregate fixed sum per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration provides the Board with adequate flexibility in determining the future composition of the Board and is in line with corporate remuneration of similar companies.

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### **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – PLACEMENT OF SHARES**

#### **5.1 General**

On 28 July 2011, the Company announced to ASX a placement pursuant to which the Company placed 52,163,972 Shares at an issue price of \$0.01 each to raise \$521,640. Pendulum Capital Pty Limited (**Pendulum**) managed the placement of these Shares and the Shares were placed with clients of Pendulum.



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

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

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities 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 a 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.

## **5.2 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 Placement Ratification:

- (a) 52,163,972 Shares were allotted;
- (b) the issue price was \$0.01 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 clients of Pendulum Capital Pty Limited; and
- (e) the funds raised from this issue were applied to exploration expenses, administration expenses and working capital.

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## **6. RESOLUTION 6 – PLACEMENT – FIRST PENDULUM OPTIONS**

### **6.1 General**

Pursuant to an Underwriting Agreement dated 19 August 2011 entered into between Pendulum Capital Pty Limited (**Pendulum**) and the Company (**Underwriting Agreement**), Pendulum agreed to fully underwrite the Company's recent Rights Issue, as announced to ASX on 22 August 2011.

Under the terms of the Underwriting Agreement, the Company agreed to issue to Pendulum or its nominees 15,996,951 Options on the terms and conditions set out in Schedule 1 (**First Pendulum Options**).

The effect of Resolution 6 will be to allow the Directors to issue the First Pendulum Options to Pendulum or its nominees without using the Company's 15% annual placement capacity (**First Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

## 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 Resolution 6:

- (a) the maximum number of Options to be granted is 15,996,951;
- (b) the Options will be issued no later than 3 months after the date of the 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 the issue will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Pendulum Capital Pty Limited or its nominees - none of these parties will be related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the First Pendulum Options as they will be issued as part of the consideration pursuant to the Underwriting Agreement outlined above.

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## 7. RESOLUTION 7 – PLACEMENT – SECOND PENDULUM OPTIONS

### 7.1 General

Pursuant to an Underwriting Agreement dated 19 August 2011 entered into between Pendulum Capital Pty Limited (**Pendulum**) and the Company (**Underwriting Agreement**), Pendulum agreed to fully underwrite the Company's recent Rights Issue, as announced to ASX on 22 August 2011.

Under the terms of the Underwriting Agreement, the Company agreed to issue to Pendulum or its nominees 6,000,000 Options on the terms and conditions set out in Schedule 2 (**Second Pendulum Options**).

The effect of Resolution 7 will be to allow the Directors to issue the First Pendulum Options to Pendulum or its nominees without using the Company's 15% annual placement capacity (**Second Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

### 7.2 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 Resolution 7:

- (a) the maximum number of Options to be granted is 6,000,000;
- (b) the Options will be issued no later than 3 months after the date of the 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 the issue will occur on the same date;
- (c) the Options will be issued for nil cash consideration;

- (d) the Options will be allotted and issued to Pendulum Capital Pty Limited or its nominees - none of these parties will be a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Second Pendulum Options as they will be issued as part of the consideration pursuant to the Underwriting Agreement outlined above.

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**8. RESOLUTION 8 – CHANGE OF NAME**

The new name proposed to be adopted under Resolution 8 is "Titan Energy Ltd". The Directors believe that the new name more accurately reflects the proposed future operations of the Company.

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**9. ENQUIRIES**

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

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**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.

**Closely Related Party** has the meaning given in Section 1.4 of the Explanatory Memorandum.

**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.

**First Pendulum Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Key Management Personnel** has the meaning given in Section 1.4 of the Explanatory Memorandum.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Second Pendulum Option** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**Option** means either a First Pendulum Option or Second Pendulum Option as the context requires.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Annual General 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.

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**SCHEDULE 1 – TERMS AND CONDITIONS OF FIRST PENDULUM OPTIONS**

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

- (c) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 1.5 cents per Share subscribed for.
- (d) The Options will lapse at 5.00pm, Western Standard Time on 31 December 2012.
- (e) The Options may not be listed for official quotation on the ASX, however, the Company may, in its absolute discretion, apply for the Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the Options to be listed for official quotation on the ASX. In the event that the 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 Options on the ASX.
- (f) The Option holder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those 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).

- (g) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (h) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (i) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by them.
- (j) The notice of exercise of Options may 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.

- (k) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (l) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (m) If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (n) There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a pro rata issue.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF SECOND PENDULUM OPTIONS

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

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of 1 cent per Share subscribed for.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 31 March 2013.
- (c) The Options may not be listed for official quotation on the ASX, however, the Company may, in its absolute discretion, apply for the Options to be listed for official quotation on the ASX in the future. The Company is under no obligation to apply for the Options to be listed for official quotation on the ASX. In the event that the 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 Options on the ASX.
- (d) The Option holder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those 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 Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (f) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (g) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by them.
- (h) The notice of exercise of Options may 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.

- (i) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
- (j) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (k) If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (l) There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a pro rata issue.



**PROXY FORM**

**APPOINTMENT OF PROXY TO VOTE ON YOUR BEHALF  
WESTRALIAN GAS AND POWER LIMITED  
ACN 109 213 470**

**ANNUAL GENERAL MEETING**

I/We   
of

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

Appoint   
Name of proxy

OR  the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Westralian Gas and Power Limited to be held at 45 Ventnor Ave, West Perth, Western Australia 6005, at 4:00 pm (WST) on 12 October 2011 and at any adjournment of that meeting.

**Important for Resolution 1 – If the Chair of the Meeting is appointed as your proxy or is appointed as your proxy by default.**

By marking the box below, you are directing the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolution 1 as set out below and in the Notice of Meeting. If you do not mark the box below, and you have not directed the Chair how to vote on Resolution 1, the Chair of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on these resolutions. If you appoint the Chair of the Meeting as your proxy you can direct the Chair how to vote by either marking the boxes below (for example, if you wish to vote against or abstain from voting) or by marking this box (in which case the Chair of the Meeting will vote in favour of Resolution 1).

The Chair of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 4.

I/We direct the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) and acknowledge that the Chair of the Meeting may exercise my proxy even though Resolutions 1 and 4 is connected directly or indirectly with the remuneration of a member of Key Management Personnel and even if the Chair of the Meeting has an interest in the outcome of these items and that votes cast by the Chair, other than as proxy holder, would be disregarded because of that interest.

**Items of Business**

**PLEASE NOTE:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Darren Levy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – Paul Garner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Non-Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Prior Issue – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Placement – First Pendulum Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Placement – Second Pendulum Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Change of Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**The Chair of the Meeting intends to vote all available proxies in favour of each item of business**

**Signature of Securityholder(s)** *This item must be completed*

**Individual or Securityholder 1**

**Sole Director/Company Secretary**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary**

**Contact  
Daytime**

**Contact Name:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_ **Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**WESTRALIAN GAS AND POWER LIMITED**  
**ACN 109 213 470**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(How to Vote on Items of Business)**

All your securities will be voted in accordance with your directions.

2. **(Appointment a Proxy):**

- **Voting 100% of you holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.
- **Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.
- **Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.
- **A proxy need not be a securityholder of the Company.**

3. **(Signing Instructions):**

- **(Individual):** Where the holding is in one name, the securityholder must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the securityholders should sign.
- **(Power of Attorney):** If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise, this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

4. **(Attending the Meeting):** Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

5. **Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
- (a) post to Westralian Gas and Power Limited, 31 Ord Street, West Perth, Western Australia 6005; or
  - (b) facsimile to the Company on facsimile number +61 8 9322 6722,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**