

COMPANY ANNOUNCEMENT

Date:	30 January 2008
To:	ASX Companies Announcement Office by Electronic Lodgement
Number of Pages:	7

October - December 2007 - Second Quarter Activities Report and

October - December 2007 – Second Quarter Cashflow Report

Summary of Activities

Westralian Gas and Power Ltd ('the Company' or 'WGP')

KENTUCKY USA

During the quarter, work over and remedial actions were completed on wells across the Company's portfolio of leases while also continuing drilling activity.

On the Carter lease, wells 1, 3, 6, 21, 24 and 26 were all brought up to a level of sustained production testing. A number of wells were acidised and several were fitted with new pumps while others required new timers to be fitted.

Wells 22 and 23 were drilled and brought into production testing phase

The producing horizon for all of the Carter wells is the Granville Sand, which is known to produce oil in the range of 2 to 10 barrels per day with the average being 4 barrels per day. This geological formation is well known for producing over many years in this district.

A limited seismic survey was conducted on the lease during November 2007, which is aimed at delineating a new set of targets for the spring drilling campaign.

On the Riddle lease work is still underway to bring all of the producing wells on to a consistent and predictable flow rate.

The Riddle # 14 well, which was abandoned due to a drill bit being lost in the hole, has now been brought on as a producer following an acid job over the Sunnybrook Formation.

Riddle Farm # 1 was also drilled in December 2007 and has been brought on stream as a producer following a stimulation program

Riddle #10, which had oil leaking into the well bore from the zone intersected at 965 ft in the Murfreesboro, has now been acidised and is now a producer.

Riddle #11 and #13 have declined in production and will be deepened to the next oil horizon in the Stones River Formation.

A seismic survey was conducted over the Dyer, Davis, Shepherd and Carter leases during the quarter to determine the locations of wells for the spring drilling campaign.

Stockton continues to produce a small but dependable amount of oil.

The Company also secured several new leases in the quarter. As a result the overall land holding is now approximately four thousand acres.

The Company is encouraged by the last quarter's field operations, which has now stabilised production from each well in support of the concept of low cost oil farming.

WESTERN AUSTRALIA

The Company's farm in option holder ERM Gas has been undertaking data studies to determine the thrust of its exploration program, which is scheduled to begin in late March 2008. The onshore Coal Seam Methane projects at Eneabba and in the southwest of Western Australia were farmed in to by ERM Gas in the previous quarter.

In the interim the Company has been applying for drill location permits in three of the permits in the southwest of Western Australia while also submitting applications for seismic surveys in both the north and southern Perth Basin.

The Company is awaiting the outcome of ROC Oil Ltd's recent data studies which will lead to the determination of the field parameters for the upcoming exploration program due to commence in the near future. ROC Oil Ltd farmed into the Company's two offshore permits in the previous quarter.



Stephen Thomas BSc (Hons). AustIMM

Managing Director

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Westralian Gas and Power Limited

ABN

853 109 213 470

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	9	45
1.2	Payments for		
	(a) exploration and evaluation	(202)	(335)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(576)	(901)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	28	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	100
	Net Operating Cash Flows	(741)	(1,062)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	(21)	(31)
	(b)equity investments	-	-
	(c) other fixed assets	(24)	(48)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	3	3
	(c)other fixed assets	-	-
1.10	Loans to other entities	(14)	(4)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(56)	(80)
1.13	Total operating and investing cash flows (carried forward)	(797)	(1,142)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(797)	(1,142)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,979	2,329
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)	(33)	(53)
	Net financing cash flows	1,946	2,276
	Net increase (decrease) in cash held	1,149	1,134
1.20	Cash at beginning of quarter/year to date	52	67
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,201	1,201

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	200
1.24	Aggregate amount of loans to the parties included in item 1.10	4

1.25 Explanation necessary for an understanding of the transactions

Cash payments for consulting & directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
Total	50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	24	52
5.2 Deposits at call	1,177	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,201	52

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	<ul style="list-style-type: none"> • Higginbotham • 'Noah Hollow' 	Kentucky, USA Oil Leases	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	Converting Incentive Preference Shares. 13,700,000	Nil	Nil	Nil
7.2 Changes during quarter				
(a) Increases through issues	-			
(b) Decreases through returns of capital, buy-backs, redemptions	-			
7.3 +Ordinary securities	74,605,970	74,605,970	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	17,213,470	17,213,470		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities (description)	-			
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	16,250,000 4,000,000 4,000,000 2,250,000	16,250,000 - - -	Exercise price 25cents 30 cents 30 cents 25 cents	Expiry date 17/9/09 17/9/09 30/11/08 30/11/10
7.8 Issued during quarter	2,250,000	-	25 cents	30/11/10
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures (totals only)	-			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	-	
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

(Company secretary)

Date: 30 January 2008

Print name: Dean McKenzie