

COMPANY ANNOUNCEMENT

Date:	29 April 2008
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Number of Pages:	7

**January - March 2008 - Third Quarter Activities Report
and
January - March 2008 – Third Quarter Cashflow Report**

Summary of Activities

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

KENTUCKY USA

During the quarter the Company experienced a decrease in activity over all of its leases in Kentucky. This was in the main due to the extreme weather conditions of the North American winter.

With temperatures dropping to below zero overnight for weeks on end, with not much improvement during the day the production of oil was reduced significantly to protect the pumps and surface equipment. When oil is below freezing (0 degrees Celsius) it becomes significantly thicker and is more the consistency of grease than a liquid. This thicker consistency exerts undue pressure on pumps and seals and can result in breakages of other surface equipment.

Further during this period the Kentucky region was affected by tornadoes and flooding. This made operations in the field difficult at best and at times life threatening. Field activities were restricted to necessary maintenance procedures as a result.

By the end of March the weather had improved somewhat although access to the leases was hampered by local flooding and extremely muddy conditions. This restricted the tanker trucks accessing the leases to pick up and deliver to the refinery any oil which had been produced.

The Dyer # 1 well was drilled during this time with a fair show of oil from the Murfreesboro being recorded. As access is poor this well is presently on standby, awaiting assessment and could possibly be acidised by the end of May.

With a late spring now giving better operating conditions, it is anticipated that the work undertaken prior to Christmas and the protection of the field during the winter will now enable the Company to increase its wellhead production in the next quarter.

Results of the seismic survey run prior to Christmas have now been received with the results being very encouraging. The work has generated eight good leads with work on numerous others yet to be finalised.

With the field now in good condition and the bad weather having abated we believe that the next quarter will see an increase in production from the existing wells and also new drilling leading to new discoveries in some of the recently acquired leases.

WESTERN AUSTRALIA

CSM Exploration Onshore Western Australia

The farmin option held by ERG Gas expired in March 2008, as reported to the ASX on the 15th of April 2008.

The Company is presently reviewing its options in regard to all of its Perth Basin onshore areas, which also includes the Greenough area handed back recently by Eneabba Gas due to time delays over native title issues.

Recent work by the Company in the Leeuwin-Naturaliste area has firmed up several new leads worthy of further work, which it is hoped will lead to a drilling proposal being lodged with the Department of Industry and Resources.

Perth Basin Offshore Western Australia

The initial review of the electrical survey has now been completed and detailed mapping of seismic markers is continuing. The aim is to select the area where 2D reprocessing will be undertaken to delineate high-grade prospect targets.

The final report of the sampling of the core from Araucaria # 1 well using neutron tomography was reviewed. The results of this study are now being incorporated in the prospect evaluation work.



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 March 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	27	72
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(236)	(571)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	32
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		(604)	(1,666)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	5	(26)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	(5)	(53)
1.10	Loans to other entities	-	3
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(6)	(86)
1.13	Total operating and investing cash flows (carried forward)	(610)	(1,752)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(610)	(1,752)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	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)	(37)	(90)
	Net financing cash flows	(37)	2,239
Net increase (decrease) in cash held			
		(647)	487
1.20	Cash at beginning of quarter/year to date	1,201	67
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	554	554

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	110
1.24	Aggregate amount of loans to the parties included in item 1.10	10

1.25 Explanation necessary for an understanding of the transactions

Cash payments for consulting fees, directors' fees and rent.

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	70
4.2 Development	-
Total	70

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	54	24
5.2 Deposits at call	500	1,177
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	554	1,201

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	Nil		

+ 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 <i>(description)</i>	Converting Incentive Preference Shares.			
	-	Nil	Nil	Nil
7.2 Changes during quarter				
(a) Increases through issues	-			
(b) Decreases through returns of capital, buy-backs, redemptions	13,700,000			
7.3 +Ordinary securities	74,623,310	74,623,310	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	17,340	17,340		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-			
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	16,250,000	16,250,000	<i>Exercise price</i> 25cents	<i>Expiry date</i> 17/9/09
	4,000,000	-	30 cents	17/9/09
	4,000,000	-	30 cents	30/11/08
	2,250,000	-	25 cents	30/11/10
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	-	
7.12	Unsecured notes <i>(totals only)</i>	-	

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: 29 April 2008

Print name: Dean McKenzie