



# WESTRALIAN GAS & POWER LIMITED

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## **WGP and AWE Announce Sale & Purchase Agreement**

Coal Seam Gas explorer Westralian Gas and Power Ltd (“WGP”) announces that AWE Limited (“AWE”) will farm-in for a 90 per cent equity share in Exploration Permit EP 455 in the North Perth Basin.

AWE will pay \$200,000 to WGP for the equity share and carry WGP through a gross permit expenditure of up to \$7,500,000 after which AWE will pay 90 per cent and WGP 10 per cent of approved work programs and budget expenditure.

AWE announced in its December 2009 Quarterly Report that the March quarter will see first field work in AWE’s objective to evaluate the gas potential of shales in its onshore Perth Basin permits. In March AWE will drill Woodada Deep- 1 within its 100 per cent owned production permit, L5 located adjacent to EP455. It will recover core samples which will be sent for detailed analysis to assist in determining the gas production potential of these shales. AWE had undertaken analysis of drill cuttings from a number of wells and the data to date has been sufficiently positive to encourage the commitment to a full coring program.

While shale gas has traditionally been difficult to extract, modern hydraulic fracturing techniques have enabled new sources of natural gas to be exploited. The United States is a leader in the technological development of shale gas and in November 2009 President Obama signalled his intention to focus on the expansion of the shale gas industry in the USA and China.

Peter Briggs  
Chairman