

WESTRALIAN GAS & POWER LIMITED

ABN: 53 109 213 470

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Western Australia 6005

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Western Australia 6872

Telephone: +61 08 9322 6955
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3 May 2010

Company Announcements
ASX Limited

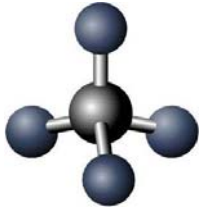
Dear Sir,

LETTER TO OPTION HOLDERS

Enclosed is a letter to be mailed to all holders of options to acquire shares in Westralian Gas and Power Limited.

Yours faithfully

Jack Toby
Company Secretary



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Dear Option Holder

NOTICE TO OPTION HOLDERS OF SHARE PURCHASE PLAN

We are writing to you in relation to your option holding in Westralian Gas and Power Limited (Company).

The Company has announced to the ASX Limited (ASX) that it will offer eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP).

Participation in the SPP is open to shareholders with a registered address in Australia or New Zealand on the register at 5pm WST on 19 May 2010 (**Record Date**) (**Eligible Shareholders**).

By participating in the SPP, Eligible Shareholders may subscribe for up to A\$15,000 (minimum \$2,000) of new ordinary shares. The issue price for each share under the SPP is 2 cents (\$0.02). This price represents a discount to the average market price of the Company's shares on ASX during the 5 trading days immediately prior to the date of the announcement of the SPP.

Pursuant to the terms of the options that were issued to you, the Company is required to notify you of your right to participate in new issues of capital offered to shareholders if you exercise your options prior to the record date for the SPP.

Accordingly, take notice that in order to participate in the SPP, you will need to be registered as an Eligible Shareholder prior to the record date for the SPP, being 5.00pm WST on 19 May 2010.

Should you have any queries in relation to this matter, please do not hesitate to contact the Company on (+61 8) 9322 6955.

Yours faithfully

Jack Toby
Company Secretary