

WESTRALIAN GAS & POWER LIMITED

ABN: 53 109 213 470

31 Ord Street West Perth
Western Australia 6005

Po Box 198 West Perth
Western Australia 6872

Telephone: +61 08 9322 6955
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Email: wgp@wgp.com.au
www.westraliangasandpower.com.au

24 May 2010

Company Announcements
ASX Limited

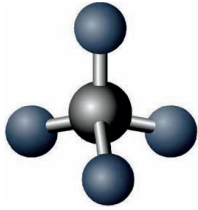
WESTRALIAN GAS AND POWER LIMITED – SHARE PURCHASE PLAN

On 03 May 2010, Westralian Gas and Power Limited (“WGP”) announced that it would be making offers under a Share Purchase Plan (SSP) to Eligible Shareholders.

Accordingly, the Company will be mailing the following documents to shareholders today together with a copy of the WGP Operational Highlights Presentation that was announced to the ASX on 13 May 2010.

Regards,

Peter Briggs
Chairman



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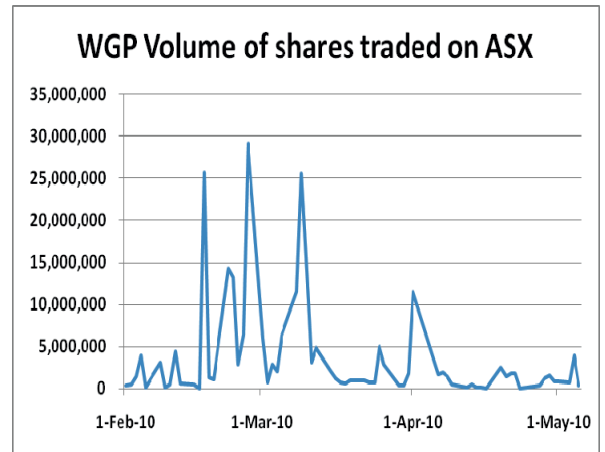
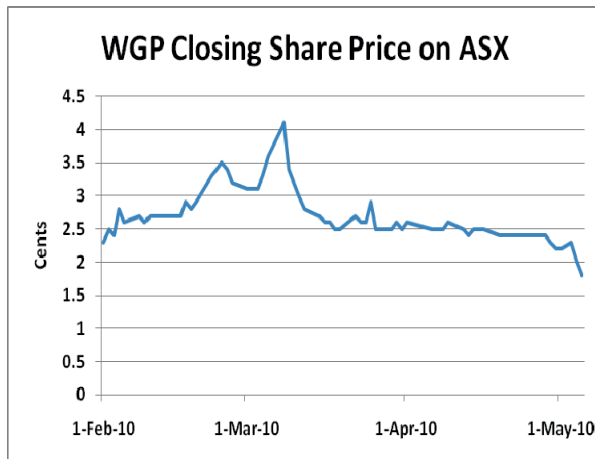
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24 May 2010

Dear Shareholder

We enclose our new Share Purchase Plan for Westralian Gas and Power Ltd. When we offered our first share purchase plan it was a great success for the shareholders and the company. I am confident that the new plan will be just as successful.

As you can see from the charts below, Westralian Gas and Power's share price this year has had good volume and share price.

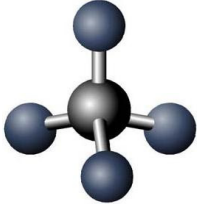


We've had an active year and the attached document entitled "Operational Highlights and Projects – May 2010" shows that we have broadened our exploration program into the new and exciting shale gas arena. We have also entered into a joint venture agreement with AWE Limited to help develop our promising shale gas areas close to Geraldton in the Mid-West region of Western Australia – one of the emerging oil and gas regions in our State.

Our coal drilling at Boyup Brook found coal and has given us more exploration targets.

We look forward to the next 12 months of exploration activities and I commend this share purchase plan to you.

PETER BRIGGS
EXECUTIVE CHAIRMAN



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24 May 2010

Dear Shareholder

INVITATION TO PARTICIPATE IN SHAREHOLDER SHARE PURCHASE PLAN

The Board of Directors of Westralian Gas and Power Limited (**WGP or Company**) has approved the introduction of a Shareholder Share Purchase Plan (**Plan**).

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the capital of WGP (**Shares**) at 5pm (WST) on the Record Date of 19 May 2010 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Board is pleased to offer to all Eligible Shareholders an opportunity to participate in the Plan. Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to 750,000 Shares, being an investment of \$15,000, at an issue price of \$0.02 per Share (**Offer**).

Current Projects

Details of the Company's current activities are set out in the announcements made by WGP to the ASX and are available from the ASX or WGP's website at <http://www.westraliangasandpower.com.au/>.

The funds raised under the Plan will be used by the Company to increase working capital and to fund the Company's current activities.

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Subscription and Application Procedure

If you would like to participate in the Offer, please return your completed Entitlement and Acceptance Form (enclosed), together with your payment for the subscription monies for the Shares you wish to acquire to Computershare Investor Services Pty Limited, Locked Bag 2508, Perth WA 6001, on or before the Closing Date of 5pm (WST) on 18 June 2010. Late applications may not be accepted.

In the absence of a scale back, the number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the purchase price per Share.

Please note the maximum investment per Eligible Shareholder is 750,000 Shares, being an investment of \$15,000 at 2 cents (\$0.02) per Share, and the minimum investment per Eligible Shareholder is 100,000 Shares, being an investment of \$2,000 at 2 cents (\$0.02) per Share. Eligible Shareholders may apply for any number of Shares between the minimum and maximum amount.

The maximum investment any Eligible Shareholder may apply for will remain \$15,000 even if an Eligible Shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Calculation of the Purchase Price and Acceptance of Risk Factors

The Shares under the Offer will be offered at \$0.02 per Share.

The issue price of the Offer represents a discount to the average market price of the Company's shares on the ASX during the 5 trading days on which sales of Shares were recorded on the ASX immediately prior to the date of the announcement of this Offer.

On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on the ASX was 2.2 cents. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for the Shares may exceed the market price of the Shares at the date of allotment of Shares under this Offer.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the market price, Shares are a speculative investment and the price of Shares on the ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject any application over \$15,000. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on the ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum number of Shares that may be issued by the Company pursuant to this Offer is 57,594,783. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Shortfall Placement

In the event that less than 57,594,783 Shares are applied for pursuant to this Offer, the shortfall may be placed at the discretion of the directors.

Indicative Timetable

Announcement Date of Plan	3 May 2010
Record Date (5.00pm WST)	19 May 2010
Opening Date of Offer	24 May 2010
Closing Date of Offer	18 June 2010
Issue of Shares under the Plan	30 June 2010
Dispatch date for holding statements	2 July 2010
Quotation of Shares on the ASX	5 July 2010

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary on (08) 9322 6955.

Yours faithfully

Peter Briggs
Chairman

WESTRALIAN GAS AND POWER LIMITED
ABN 53 109 213 470
Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Westralian Gas and Power Limited (**WGP**) the opportunity to acquire additional fully paid ordinary shares in the Company (**WGP Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at a discount to the 5 day average market price of WGP Shares on the financial market operated by ASX Limited (**ASX**) prior to announcement of the Plan, without the need to pay brokerage costs and without the need for WGP to issue a Prospectus, upon such terms and conditions as the board of directors of WGP, in its absolute discretion, sees fit.

Shareholders eligible to participate

Eligible shareholders of WGP Shares that are registered with an address in Australia or New Zealand at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any WGP Shares offered under the Plan).

An offer may, at the discretion of the directors of WGP, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The directors of WGP may also determine in their discretion the minimum amount for participation, the multiple of WGP Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Price of WGP Shares

The price of WGP Shares to be issued under the Plan is \$0.02 per Share. Accordingly, the maximum number of Shares that each eligible Shareholder may apply for is 750,000.

Applications and Notices

At the discretion of the directors of the Company, WGP will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for WGP Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by WGP to participants may be given in any manner prescribed by its Constitution.

Underwriting

An Offer may be underwritten and the underwriters and/or sub-underwriters may be issued with Shares pursuant to the Plan where one or more of the eligible shareholders fail to subscribe for the maximum number of shares available to them under the Offer. The Directors may pay a broker's fee to Underwriters.

Issue of WGP Shares

WGP Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of WGP in the relevant offer.

WGP Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in WGP from the date of issue.

Shareholding statements or CHES notification will be issued in respect of all WGP Shares issued under the Plan. The Company will, promptly after the issue of WGP Shares under the Plan, make application for those WGP Shares to be listed for quotation on the official list of the ASX.

Modification and Termination of the Plan

WGP may modify or terminate the Plan at any time.

WGP will notify the ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of the ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, WGP may issue to any person fewer WGP Shares than the person applied for under the Plan if the issue of the WGP Shares applied for would contravene any applicable law or the Listing Rules of the ASX.

Dispute Resolution

WGP may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or WGP Shares. The decision of WGP in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

WGP reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of WGP under these conditions may be exercised by the directors of WGP or any delegate of the directors of WGP

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Company Secretary on 9322 6955.

Please return completed form to:
Computershare Investor Services Pty Limited
Locked Bag 2508 Perth
Western Australia 6001 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
web.queries@computershare.com.au
www.computershare.com



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SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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For your security keep your SRN/HIN confidential.

Entitlement Number:
Record Date: 19 May 2010
Offer Closes: 5pm AWST 18 June 2010
Price per Security: A\$0.02

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Westralian Gas & Power Limited Share Purchase Plan (SPP) contained in the letter to Westralian Gas & Power Limited securityholders dated 24 May 2010, Westralian Gas & Power Limited is offering eligible securityholders the opportunity to purchase Shares up to a maximum value of A\$15,000.00 per eligible securityholder, subject to a minimum application of A\$2,000.00.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Westralian Gas & Power Limited and agree that the submission of this payment constitutes an irrevocable offer by you to Westralian Gas & Power Limited to subscribe for Westralian Gas & Power Limited Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed A\$15,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Westralian Gas & Power Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Westralian Gas & Power Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Westralian Gas & Power Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Westralian Gas & Power Limited does not notify you of that event.

W G P

S P R B



PLEASE DETACH HERE

SAMP_PAYMENT_000000/000001/000001/i



Westralian Gas & Power Limited
ABN 53 109 213 470

Please see overleaf for Payment Options



Biller Code: 123456

Ref No: 1234 5678 9012 3456 78

I/We wish to pay:

Form for entering the amount to pay, showing \$, comma, and two zeros.

Please insert the amount you wish to subscribe for with a minimum of A\$2,000.00 and any amount in between, to a maximum of A\$15,000.00. Submission of this form will constitute the subscription for shares for the amount entered on the basis of 2 cents per share.

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Form for payment details including Drawer, Cheque number, BSB number, Account number, and Cheque amount (A\$).

Make your cheque or bank draft payable to Westralian Gas & Power Limited

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Form for entering the name of the contact person.

Contact person's daytime telephone number

Form for entering the contact person's daytime telephone number.

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form;

Your cheque, bank draft or money order payable to Westralian Gas & Power Limited in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip overleaf.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 4pm AWST on 18 June 2010. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Ensure you have read and accurately followed your banking institution's BPAY FAQ or other instructions prior to making multiple payments for multiple holdings under this offer. Neither CIS nor Westralian Gas & Power Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Perth by no later than 5pm AWST on 18 June 2010. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 557 010.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 557 010 or visit www.computershare.com (certificated/issuer sponsored holders only).

CHES holders must contact their Controlling Participant to notify a change of address

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Payment Options:



Biller Code: 123456

Ref No: 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Westralian Gas & Power Limited
Computershare Investor
Services Pty Limited
Locked Bag 2508
Perth, Western Australia 6001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

