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Quarterly Activities Report for the Quarter ended 31 March 2011

ONSHORE PERTH BASIN PROJECTS

South Perth Basin Onshore

Kaloorup Drilling Program

Westralian Gas and Power Ltd (ASX:WGP) has submitted an application to convert its Drilling Reservation (DR10) to an SPA (Special Prospecting Authority) to enable it to continue its geological and geophysical assessment which has been undertaken over the last four years.

The period of the SPA will see further seismic infill data recorded and down-hole assessment of the zones encountered in the Kaloorup # 2 well. No well drilling is permitted by the DMP in a SPA.

Margaret River Permit

In the Margaret River permit EP 445, WGP has submitted applications to drill a minimum of three wells in the Rosabrook area of the permit during 2011. With the increased scrutiny on the unconventional gas exploration industry the Company is taking the opportunity offered by the drilling permit application period to resubmit its environmental management plan (EMP) and has commissioned environmental consultants, EnviroWorks Consulting, to prepare a more detailed environmental plan for this permit area.

Eneabba DR 11

The Company has lodged an amended application to record a seismic survey with the DMP. This amended application has been designed to avoid entering the Eneabba Nature Reserve which holds a number of rare plants

The new parameters are designed to tie together several older generations of seismic surveys recorded to the east and the west of the permit. No significant seismic surveys of good quality have been recorded in the permit in the past. The new survey is aimed at delineating the gas prone shales of the Carynginia Formation which are also the target of drilling in EP 413 to the north west of DR11 by a consortium which includes AWE Limited. It is also anticipated that the Cattamarra Coal Measures and Cadda Formation which produced over 700,000 cubic feet per day in the old Ocean Hill #1 well (3 Km to the east of DR11) will also be mapped at a shallower depth in the WGP's Permit. WGP's seismic program, planned for the second quarter of 2011, will determine the locations of the two wells planned for late 2011, early 2012.

KENTUCKY

The Company continues to produce limited amounts of oil from its Kentucky leases as production is again hampered by the severe winter being experienced.

The associated gas produced from the wells continues to be studied to determine if it can be used for power generation into the local grid.

A number of opportunities for increased gas production are presently being reviewed and may prove to be an important addition to its existing portfolio.

A recent visit by WGP's CEO has firmed up support both locally and at the State level for the establishment of a pilot plant to utilise this wasted gas in electricity generation. From this visit, several parties in New York and California have expressed an interest in the Company's wholly owned subsidiary Sunset Energy LLC.

With the possibility of a pilot gas project along with existing production it is expected the asset is now more attractive as a sale.

PETER BRIGGS
EXECUTIVE CHAIRMAN