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SHALE GAS

Westralian Gas and Power Limited's (ASX:WGP) has made application to the Department of Mines and Petroleum and is awaiting environmental approvals to conduct a seismic program at its 100 per cent owned permit DR-11 at the Beres Road location which is adjacent to EP-455 to target shale gas drill sites near Eneabba.

AWE Limited, WGP's new joint venture partner in EP-455, is testing for the shale gas potential of the Woodada deep well in the nearby permit.

KALOORUP ROAD # 2 TESTING CONTINUES

Testing of water from the zone of interest over the interval of 330.7m to 334.1m in WGP's Kaloorup Road #2 well has now been completed.

Samples of the fluids were sent to the Amdel Laboratory for testing to identify anomalies noted during the dewatering of the zone. Results have proven negative for gas.

WGP is now awaiting the results of headspace analysis of coal chip samples from the well to determine concentrations of hydrocarbon gases.

PETER BRIGGS

EXECUTIVE CHAIRMAN