



ASX RELEASE

Thursday, 18th January 2007

Australian Power & Gas Queensland Electricity and Gas Licence Approved

Australian Power & Gas Company Limited (ASX:APK) is pleased to announce it has received confirmation from the Queensland Government's Department of Mines and Energy that its applications for licences to sell electricity and gas in Queensland have both been approved.

CEO of Australian Power and Gas James Myatt said "The approval of the licences to sell gas and electricity in Queensland ideally positions Australian Power & Gas to aggressively compete in the Queensland market when it opens mid this year."

"This compliments our other licences for electricity and gas in Victoria and electricity in NSW. Our NSW gas licence is also expected to be granted shortly".

"The Queensland licence approvals follows the recently announced completion of our \$12M capital raise and the previously released \$100M debt facility terms.

The combination of a strong debt and equity position along with the exclusive sales contract with the Cobra Group, Australia's largest direct sales company ideally positions Australian Power and Gas to compete in Victoria and NSW before entering the QLD market later in the year".

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For further information please contact:

James Myatt
Ph: 02 8908 2710
Fax: 02 8908 2701