

ASX STATEMENT

APK Reports Queensland Expansion Ahead of Schedule

- *Record gross sales of over 18,000 achieved in August and September*
- *Net customer accounts now greater than 165,000*

Sydney, 29 September 2010 – Australia's fastest growing independent energy retailer, Australian Power & Gas (ASX: APK) achieved over 18,000 gross sales in August and is on schedule to exceed this number in September.

These strong sales results have been underpinned by the company's expansion into Queensland and continued sales within the Victorian market.

The company now has in excess of 165,000 active billable accounts following its launch as an independent energy retailer in 2007. This is a more than 10 per cent increase over the 145,000 active billable accounts announced as at 30 June 2010.

Australian Power & Gas CEO, James Myatt said: "While it took three years to realise 140,000 active accounts in Victoria, the early results from Queensland indicate that we are tracking ahead of our forecast targets, (announced to the market on 18 Aug 2010) which is pleasing.

"As a result, we have recorded a healthy start to the new financial year, and as we continue to roll out our product and services in Queensland, we have commenced looking at our entrance strategy into the New South Wales market," he said.

About Australian Power & Gas

Australian Power & Gas Company Ltd is listed on the Australian Securities Exchange (ASX) under the code APK. Australian Power & Gas holds a full suite of gas and electricity retail licences in Victoria, New South Wales, ACT, South Australia and Queensland and has been approved to operate by AEMO, the Australian Energy Market Operator. The company benefits from a strong management team with more than 50 years combined experience in the energy industry. Australian Power & Gas was announced as the fastest starting company in the 2010 Business Review Weekly Annual Fast Starters List.

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