

Form 604
Corporations Act 2001
Section 671B
Notice of change of interests of substantial holder

To Company Name/Scheme	Australian Power and Gas Company Limited																																															
ACN/ARSN	077 206 583																																															
<p>1. Details of substantial holder(1)</p> <p>Name Nippon Gas and each of the Controlled Entities</p> <p>ACN/ARSN (if applicable) N/A</p> <p>There was a change in the interests of the substantial holder on 31/12/2012</p> <p>The previous notice was given to the company on 11/05/2012</p> <p>The previous notice was dated 11/05/2012</p> <p>2. Previous and present voting power</p> <p>The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Class of securities (4)</th> <th colspan="2">Previous notice</th> <th colspan="2">Present notice</th> </tr> <tr> <th></th> <th>Person's votes</th> <th>Voting power (5)</th> <th>Person's votes</th> <th>Voting power (5)</th> </tr> </thead> <tbody> <tr> <td>Ordinary shares (APK shares)</td> <td>37,254,510</td> <td>19.67%</td> <td>42,358,930</td> <td>22.12%</td> </tr> </tbody> </table> <p>3. Changes in relevant interests</p> <p>Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date of change</th> <th style="width: 15%;">Person whose relevant interest changed</th> <th style="width: 30%;">Nature of change (6)</th> <th style="width: 20%;">Consideration given in relation to change (7)</th> <th style="width: 15%;">Class and number of securities affected</th> <th style="width: 15%;">Person's votes affected</th> </tr> </thead> <tbody> <tr> <td>10/09/2012</td> <td>Nippon Gas</td> <td>Purchase of APK shares through off market transfer</td> <td>\$0.50513 per APK Share plus brokerage</td> <td>604,420 APK shares</td> <td>604,420</td> </tr> <tr> <td>31/12/2012</td> <td>Nippon Gas</td> <td>Purchase of APK shares through off market transfer. Acquisition under Section 611 Exemption 9 (3% creep provision)</td> <td>\$0.49 per APK Share plus brokerage</td> <td>4,500,000 APK shares</td> <td>4,500,000</td> </tr> </tbody> </table> <p>4. Present relevant interests</p> <p>Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Holder of relevant interest</th> <th style="width: 15%;">Registered holder of securities</th> <th style="width: 20%;">Person entitled to be registered as holder (8)</th> <th style="width: 20%;">Nature of relevant interest (6)</th> <th style="width: 15%;">Class and number of securities</th> <th style="width: 15%;">Person's votes</th> </tr> </thead> <tbody> <tr> <td>Nippon Gas</td> <td>Nippon Gas</td> <td>Nippon Gas</td> <td>Legal and beneficial holder</td> <td>42,358,930</td> <td>42,358,930</td> </tr> </tbody> </table>				Class of securities (4)	Previous notice		Present notice			Person's votes	Voting power (5)	Person's votes	Voting power (5)	Ordinary shares (APK shares)	37,254,510	19.67%	42,358,930	22.12%	Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected	10/09/2012	Nippon Gas	Purchase of APK shares through off market transfer	\$0.50513 per APK Share plus brokerage	604,420 APK shares	604,420	31/12/2012	Nippon Gas	Purchase of APK shares through off market transfer. Acquisition under Section 611 Exemption 9 (3% creep provision)	\$0.49 per APK Share plus brokerage	4,500,000 APK shares	4,500,000	Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes	Nippon Gas	Nippon Gas	Nippon Gas	Legal and beneficial holder	42,358,930	42,358,930
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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are:

Name	Address
Nippon Gas	10-7, Halchobori 2-Chome, Chuo-Ku, Tokyo 10-8540 Japan
Controlled Entities	As set out in the list of one page annexed to this notice and marked Annexure A.

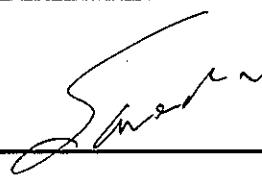
Signature

print name Shinji Wada

Capacity: Representative Director

Date: 4/01/2013

sign here



DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identify of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

ANNEXURE A

This is Annexure A of one page referred
To in Form 604 Notice of Change of Interests of Substantial Holder

Signed by me and dated 4 January 2013

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Shinji Wada – Representative Director

CONTROLLED ENTITIES

Company Name	Address
TOSAI Gas, Inc.	14-1 Koshigaya 1-chome, Koshigaya-shi, Saitama 343-0813, Japan
Higashinihon Gas Corporation	608-1, Sageto, Abiko-shi, Chiba, Japan
Shinnihon Gas Co., Ltd.	1-5, FuruichibaKitamoto-shi, Saitama, Japan
Kitanihon Gas Co., Ltd.	11-22, Hanagaki-cho 1-chome, Oyama-shi, Tochigi, Japan
Nihongas Koji, Inc.	5-2, Hatchobori 3-chome, Chuo-ku, Tokyo 104-0032, Japan
Nippon Gas UnyuSeibi Kabushiki Kaisha	23-1, Shibakubocho 1-chome, Nishi Tokyo-shi, Tokyo, Japan