

PROXY FORM

Australian Power and Gas Company Limited - ABN 96 077 206 583

Appointment of Proxy

I/We,

being a shareholder of Australian Power and Gas Company Limited and entitled to attend and vote at the Annual General Meeting (AGM), appoint

or failing the person so named or, if no person is named, the Chairman of the (AGM) or the Chairman's nominee, to act generally at the AGM and to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the AGM to be held at 10.30am (EDST) on Monday 30 November 2009 at Boardroom, Australian Power & Gas, Level 9, 341 George Street, Sydney, New South Wales and at any adjournment thereof.

Important

If the Chair of the AGM is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box. By marking this box, you acknowledge that the Chair of the AGM may exercise your proxy even though he has an interest in the outcome of the resolution and votes cast by the Chair of the AGM for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair of the AGM will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chair intends to vote in favour of all of the resolutions if no directions are given.

Voting directions on your proxy -



please mark to indicate your directions

Ordinary Business

FOR AGAINST ABSTAIN*

FOR AGAINST ABSTAIN*

Item 2 – Adoption of Remuneration Report

Item 3 – Re-election of Michael Hogg as Director

Special Business

Item 4 – Ratification of the previous issue of options to Fortress Credit Corporation

Item 5 – Ratification of the previous issue of options to David Franks

Item 6 – Approval to issue options under Employee Share Option Plan

Item 7 – Approval to issue shares under Employee Share Plan

Item 8 – Approval to issue options to Ian McGregor as previously approved by Directors

Item 9 – Approval to issue performance options to James Myatt under Employee Share Option Plan

Item 10 – Approval of provision of financial assistance to James Myatt

* If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Second Proxy

If two proxies are being appointed, the

proportion of voting rights this proxy represents is % OR number of votes

Signed by:

Individual

Sole Director/Company Secretary

Director/Company Secretary

Please also provide the following information below in case we need to contact you.

.....
Contact Name

.....
Daytime Telephone Number

.....
Date

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the *Corporations Act 2001* (Cth) (Corporations Act). Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the AGM.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney (or a copy of such document) must be lodged with this proxy.
6. To vote by proxy, please complete and sign this Proxy Form as soon as possible and either:
 - (a) send or deliver the Proxy Form to the Company Secretary, Australian Power and Gas Company Limited, Suite 206 The Bentleigh, 1 Katherine Street, Chatswood, New South Wales 2067;
 - (b) send the proxy form by facsimile to the Company Secretary on facsimile number +612 9419 2944; or
 - (c) send the proxy form by email to dfranks@fa.com.au,

so that it is received not later than **7.00pm (EDST) on Saturday 28 November 2009**.

Proxy Forms received later than this time will be invalid.