

ASX

Announcement

15 May 2012

Corporate Update

Wasabi Energy (ASX: WAS, AIM: WAS, OTCQX: WSPLY) is pleased to provide an update on its major projects and investments. Wasabi Energy continues to make good progress on its strategy of becoming an independent power producer through the establishment of Kalina Cycle[®] power plants. Progress is in line with management targets for Build, Own, Operate power plants (BOO) as well as those for Engineering, Procurement and Construction (EPC) contracts and license partners.

Strong demand continues for increased energy efficiency in industry and geothermal developments due to the rising power costs and growing requirement for electricity combined with pressure on industry to be efficient and reduce greenhouse gases. As a result, Wasabi Energy is in ongoing discussions with a number of major organisations across the world.

Imparator Enerji - Turkey

Wasabi Energy's Turkish subsidiary, Imparator Enerji continues to develop a portfolio of significant power generation (BOO) and Kalina Cycle[®] project licensing (EPC) opportunities in Turkey. Wasabi Energy announced in April 2012, that Imparator Enerji has entered into an Option Purchase Agreement to acquire a 50% interest in an advanced geothermal project. The project located in Western Turkey will form the foundation of Imparator Enerji's power generation business as the project provides an attractive near term development opportunity. As key commercial milestones are achieved, Wasabi Energy expects to provide further details about the advanced geothermal project and other projects being pursued by Imparator Enerji.

ArcelorMittal South Africa

Wasabi Energy is progressing its business in South Africa with a number of projects under discussion across a range of industries. In November 2011, Wasabi Energy announced a term sheet agreement with ArcelorMittal South Africa at its Vanderbijlpark Steel Works. The feasibility study for Phase 1 for a 6MW Kalina Cycle[®] power plant was completed on time. ArcelorMittal's Vanderbijlpark Steel Works have revised their plant configuration which is planned to come into effect in 2014. The effect of the new operating conditions is a change in the production levels from the Kalina Cycle[®] power plant which may result in an increased power output in Phase 1 from 6 MW to 10 MW. These revised operating conditions are currently being engineered. The final feasibility study and power purchase agreement are expected to be completed in the second half of this year.

Global Geothermal Limited (GGL)

DG Khan – FLSmidth EPC contract

Construction of the 8.6MW Kalina Cycle[®] power plant at DG Khan's Khairpur cement plant in Pakistan is well underway. All of Wasabi Energy's contractual design, specification and procurement tasks were completed on time and all power plant equipment has been shipped to the site. Wasabi Energy's engineers are now providing project advisory services, plant operations manuals and operator training.

FLSmidth, the principal project contractor and Kalina Cycle[®] technology licensee, is working closely with DG Khan to achieve initial plant start up and commencement of commissioning activity in the August/September 2012 timeframe.

Husavik Iceland

The Husavik geothermal power plant refurbishment project commenced in early 2011. During the engineering phase further opportunities for optimisation of the turbine generator were identified. Wasabi Energy has been working with GE, the turbine manufacturer, to modify the turbine, which has now been agreed and approved. This change in the works programme will result in the Husavik geothermal power plant being commissioned towards the second half of 2013.

Taufkirchen Germany

Wasabi Energy remains in discussion with Geothermie Taufkirchen regarding their geothermal power plant in Germany. The project's initial production well has been successfully completed and an injection well is currently in the final stages of drilling.

The Geothermie Taufkirchen geothermal plant will provide district heating fluid as well as power generation. Their current model has significantly increased hot water production for district heating sales, which affects annual power generation. Due to this planned increase in hot water generation for district heating, Wasabi Energy is in discussion regarding optimal Kalina Cycle[®] plant design for the power section of the plant, as well discussions regarding Wasabi Energy's scope and role as the project moves forward.

EcoGen Japan

The Japanese Government recently announced that it is releasing feed-in tariffs for geothermal power with commencement planned for July 2012. At the end of April a Japanese Government panel recommended two different feed-in tariffs for geothermal power over a period of 15 years. For plants that are larger than 15 MW a rate of \$0.335 per kWh (Yen 27.3) was recommended and for plants less than 15 MW, \$0.51 per kWh (Yen 42). This is a positive development for Wasabi Energy in that the new feed-in tariff rates are expected to encourage an increase in renewable power supplies, including Kalina Cycle[®] power plants.

Wasabi Energy is well placed to benefit from this development with three existing power plants already operational in Japan at Fuji Oil, Sumitomo Metals and the Matsunoyama Onsen. Wasabi Energy completed and installed the first of two EcoGen units at Matsunoyama Onsen for its Japanese customer, GERD, in December 2011. The EcoGen unit is Wasabi Energy's proprietary, small scale, pre-packaged Kalina Cycle[®] geothermal power plant designed for rapid, low cost deployment in low temperature natural hot springs applications. This first operating EcoGen Kalina Cycle[®] power plant in Japan continues in the commissioning and testing phase. Testing also continues on the second GERD EcoGen unit in the United States to ensure similar specifications as the first unit.

Kalina Cycle[®] Licensees

The Kalina Cycle[®] licensees have been very active and a number of engineering studies are underway with major international firms. Wasabi Energy expects that a number of these opportunities will convert to projects in the coming months.

Aqua Guardian Group (AGG)

As announced in December 2011, Wasabi Energy owns 79% of Aqua Guardian Group. In addition to its flagship water conservation product AquaArmour™, Aqua Guardian Group also owns approximately 22.7% of Clean TeQ (ASX: CLQ), a provider of innovative clean technology solutions for the air and water treatment markets.

AquaArmour™ has been deployed across four sites in South Australia and Victoria and will be deployed on an urban water storage in Western Australia in June 2012.

The product has also attracted a lot of interest in the key markets of North America, South America, South Africa and Asia. The business is currently submitting proposals for substantial deployments in mining and urban water applications.

Clean TeQ

Clean TeQ continues to convert contracts and recently announced a significant joint venture with Nippon Gas for the treatment of water for the coal seam gas industry in Australia. The 50:50 joint venture with Nippon Gas saw the injection of A\$4m cash for an equity position as well as a little over A\$2m through a placement of 14 million shares. The coal seam gas industry is expected to have water treatment operating costs of approximately \$500m pa at peak production. The proprietary Continuous Ionic Filtration water process (CIF™) is an efficient and cost effective method of treating the water produced from coal seam gas production into agricultural grade water.

As previously announced, to realise the value of Aqua Guardian Group Wasabi Energy is considering a listing for it. Further details of this process and the timetable will be released in the near future.

Australian Renewable Fuels (ARW)

Wasabi Energy holds approximately 300 million shares or 13.3% of the ASX listed company Australian Renewable Fuels (ASX:ARW). ARW recently announced its Quarterly Report to shareholders and reported a net operating cash flow of A\$2.3m for the quarter. Revenues have improved dramatically year on year with results from Q1 2012 of A\$22.5m compared with Q1 2011 of \$1.7m. This turnaround is due to the processing and sales of consistent volumes of biofuels.

As announced in their Quarterly Report ARW expects improvements in revenues and margins due to the use of Recycled Mill Oil as a new feedstock which has already been successfully processed through one of its plants.

Wasabi Energy has engaged a leading accounting firm to complete a valuation report on Australian Renewable Fuels with a view to finding a strategic investor. The report is due for completion by early June 2012.

Ongoing Business Development

Wasabi Energy continues to work on a number of projects with major industry participants around the world. Our engineering team currently has 18 active projects including the design of a geothermal power plant in Australia and repeat business with a key industrial company. As these projects develop we will continue to inform the market of our progress.

The demand for the Kalina Cycle® continues to grow and we are confident that our growth targets will be achieved.

For further information, please contact:

Wasabi Energy Limited

John Byrne, Executive Chairman +61 (0)3 9663 7132

Diane Bettess, COO

**Cenkos Securities – London Financial
Advisor, Broker & NOMAD**

Ivonne Cantu +44 (0)207 397 8900

Beth McKiernan +44 (0)131 220 9778

Newgate Threadneedle – UK Media Enquiries

Josh Royston +44 (0)207 653 9850

Hilary Millar



About Wasabi Energy

Wasabi Energy Limited is listed on both the Australian Securities Exchange (ASX: *WAS*) and the AIM market in London (AIM: *WAS*) as well as American Depository Receipts trading on OTCQX Market (OTCQX: *WSBLY*). Wasabi Energy is an emerging power producer that also invests in sustainable technologies. Its power business is based on the proprietary Kalina Cycle® power generation technology which utilises low grade, waste heat from industrial facilities or geothermal sources to produce electricity. In a typical industrial application of the Kalina Cycle® technology can increase energy efficiency in an industrial plant by up to 20%. Through its strategic investments Wasabi Energy owns a 79.2% interest in Aqua Guardian Group, the developer of the AquaArmour™ a water management, conservation and algal control product. Aqua Guardian Group also has a 22.7% interest in the air, water and minerals ASX listed company CleanTeq (ASX: *CLQ*). Wasabi Energy also owns a 13.3% interest in Australian Renewable Fuels, a separately ASX listed company (ASX: *ARW*) which produces liquid biofuels from a variety of non-food grade feedstocks.

Additional information:

www.wasabienergy.com