

# ASX

## Announcement

2 August 2012

### China Licensee, SSNE, signs design agreement with Sinopec

- **Agreement for design of 4.0 MWe Kalina Cycle® power plant at the Hainan petrochemical plant**
- **Sinopec, a leading integrated petrochemical company in China, operates 45 major petrochemical facilities**
- **Investigating potential for utilising the Kalina Cycle® in global oil & gas fields**

Wasabi Energy (ASX: WAS, AIM: WAS, OTCQX: WSBLY) is pleased to announce that its Chinese Licensee, Shanghai Shenge New Energy Resources Science & Technology Company (SSNE) have signed a Design and Technical Services Agreement with China Petroleum & Chemical Corporation (Sinopec), China's leading petrochemical producer, for the design of a 4.0 MWe Kalina Cycle® power plant at their Hainan petrochemical plant.

The Kalina Cycle® power plant will capture waste heat from the paraxylene (PX) process stream and turns it into zero emission electricity as well as reducing the overall greenhouse gas emissions from the petrochemical plant.

The plant design has been reviewed and approved by Sinopec Engineering Co. Ltd., which is one of the authorized petrochemical design institutes in China. If as expected, the project proceeds to construction, it will be the first significant commercial application of Kalina Cycle® technology in China and would become operational in the second half of 2013. Under the Kalina Cycle® license agreement with SSNE, Wasabi Energy received an upfront fee and thereafter will receive a one off royalty payment for each MW installed.

Sinopec operates 45 major petrochemical facilities in China that could utilise Kalina Cycle® power plants for waste heat recovery and improved energy efficiency and environmental impact. Sinopec Corp is one of the largest integrated energy and chemical companies in China. They are listed on domestic and international stock exchanges with a market capitalisation of US\$78.6B and a net profit in excess of US\$11.0B (FY2011).

The Chinese government is focused on energy efficiency and greenhouse gas emission reductions with a number of laws and policies aimed at energy conservation and clean energy production. The PRC National Development and Reform Commission (NDRC) has issued a guideline requiring all new petrochemical projects in China to include clean energy environmental protection and energy conservation measures.

The NDRC and the Chinese Energy Authorities have endorsed the Kalina Cycle® and other technologies offered by SSNE.

The Kalina Cycle® is the most thermodynamically efficient power cycle converting heat into emission-free electricity. The Kalina Cycle® can be applied using heat from industrial processes or renewable heat sources such as geothermal and solar thermal applications. Within the petrochemical industry, a 4.0 MWe Kalina Cycle® power plant has been operational since 2006 at Fuji Oil's refinery in Chiba, Japan.

Wasabi Energy is also investigating the potential of electricity generation in the upstream petrochemical industry by utilising the Kalina Cycle® power generation technology using hot fluids from oil and gas wells. Within the wells there are hot fluids (90 to 200+° C) that are released as the oil and gas is extracted and there can also be hot fluids that are trapped within the field. The US Department of Energy (July 2010) reported more than 37,000 possible sites in Texas and the Gulf Coast of the United States with potential for more than 7,800 MWe of power production. In addition there is potential for generating power from the hot water that refills the abandoned fields.

Wasabi Energy Executive Chairman Mr John Byrne commented:

“Wasabi Energy is entering an exciting stage of its development as a power producer with the conversion of significant market opportunities. SSNE's recent contract with Sinopec marks the beginning of many commercial opportunities within China where there is accelerated development of energy efficiency and clean industrial development. We are delighted with the progress of the SSNE team and expect rapid growth in the installation of Kalina Cycle® power plants in China.

As power demand rises and power prices increase there are growing opportunities for the Kalina Cycle® in both industrial and renewable heat applications. The prospect of utilising the Kalina Cycle® for power generation in oil and gas fields (both operational and abandoned) is significant and possibly one of the most exciting applications of the technology.

We continue to develop new applications and markets for Kalina Cycle® power plants and we congratulate SSNE on their progress.”

**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

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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 12.2% 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](http://www.wasabienergy.com)