

WASABI ENERGY LIMITED

ACN 000 090 997

OFFER DOCUMENT

for

a non-renounceable Rights Issue of new fully paid Ordinary Shares to Eligible Shareholders at a price of 0.4 cents per Ordinary Share on the basis of 1 new Ordinary Share for every 1 Ordinary Shares held.

THE OFFER CLOSSES AT 5.00 pm MELBOURNE TIME ON

20 December 2013

IMPORTANT NOTICE

This Offer Document is important and should be read in its entirety.

This Offer Document is not a prospectus or other disclosure document under the Corporations Act and it does not contain all of the information an investor would find in a prospectus or other disclosure document, or which may be required to make an informed decision regarding the Company or about the rights attaching to the New Shares offered by this Offer Document.

If, after reading this Offer Document you have any questions about the Offer, then you should consult your stockbroker, accountant or other financial adviser without delay. Certain capitalised terms and abbreviations used in this document have defined meanings which are set out in the Glossary.

The Ordinary Shares offered by this Offer Document are a speculative investment.

Contents

CORPORATE DIRECTORY 3

IMPORTANT INFORMATION 4

LETTER TO SHAREHOLDERS 5

DETAILS OF THE ISSUE 14

CAPITAL STRUCTURE & EFFECT OF THE ISSUE 20

WASABI ENERGY LIMITED

Corporate Directory

Directors:

John Byrne (Chairman)

Robert Reynolds

Malcolm Jacques

Robert Vallender

Chief Operating Officer

Diane Bettess

Secretary:

Alwyn Davey

Registered and Principal Office:

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Share Registry:

Computershare Investor Services Pty Limited

UK Depositary:

Computershare Company Nominees Limited

452 Johnston Street, Abbotsford Victoria 3067

The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

Tel: 1300 787 272

Stock Exchange Listing:

Australian Securities Exchange (ASX)

Alternative Investment Market of London Stock Exchange (AIM)

Code: WAS

Code: WAS

OTCQX

Code: WSBLY

For more information regarding this Offer please contact:

Alwyn Davey, Company Secretary on +61 (03) 9663 7132

IMPORTANT INFORMATION

This Offer Document is dated 27 November 2013.

This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document was lodged with the ASX on 27 November 2013. ASX does not take any responsibility for the contents of this Offer Document.

This Offer Document does not contain all of the information which a prospective investor may require to make an informed decision or which would otherwise be required under Australian law or any other law to be disclosed in a prospectus.

This Offer Document has not been approved by the Financial Conduct Authority in the UK as a prospectus under the Prospectus Rules (made under Part VI of the UK Financial Services and Markets Act 2000) or by London Stock Exchange plc.

Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to the ASX and on RNS and consult their professional advisers before deciding whether to apply for New Shares. Announcements made by the Company to the ASX and on RNS are available from the ASX website <http://www.asx.com.au>, the London Stock Exchange website <http://londonstockexchange.com> or from the Company's website <http://wasabienergy.com>.

The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Timetable

Ex Entitlement Date	29 November 2013
Record Date	5 December 2013
Closing date for receipt of acceptances and payment	20 December 2013
New Shares quoted on ASX on deferred settlement basis	23 December 2013
Shortfall notification date	24 December 2013
Issue of New Shares	30 December 2013
Issue of Depositary Interests in respect of the New Shares issued to UK Eligible Shareholders pursuant to the Offer and to be capable of being traded in CREST	30 December 2013
AIM Admission of the New Shares issued pursuant to the Offer and commencement of dealings on AIM	30 December 2013
Closing date by which the Shortfall Shares, remaining after the Offer has completed may be placed by the Directors	19 March 2014

The Company reserves the right to extend the Closing Date, in which case subsequent dates will alter accordingly. The ASX Listing Rules require at least 6 Business Days notice to be given of any extension to the Closing Date.

LETTER TO SHAREHOLDERS

Dear Shareholder

The Directors of Wasabi Energy issue this Offer Document in respect of a non-renounceable Rights Issue to raise gross proceeds of approximately \$14.8 million. This Offer Document contains details of the Offer. You should read this Offer Document carefully.

Kalina Cycle Advantages – Technical, Market, And Earnings Potential

The Kalina Cycle[®] is a remarkable achievement and breakthrough. Today, members of the original team of scientists and engineers are busy implementing the Kalina Cycle[®] technology all over the world through the company Recurrent Engineering, which is wholly owned by Wasabi Energy. It has taken decades of research and development to demonstrate the validity of the breakthrough to the world, and with 14 plants built and some in constant operation for over a decade, that proof is now established. The Kalina Cycle[®] is the most efficient power generation cycle for medium to low temperature thermal energy process, and is ideally positioned to service the increasing demand for more energy efficient power generation.

How it Works

Conventional steam power generation works by heating water until it boils into pressurized steam, and then uses that pressurized steam to spin a turbine connected to a generator. Water has a fixed boiling point, the water can only absorb a certain amount of energy limited by that boiling point until all the water has vaporized and the steam can then be superheated. In contrast, the Kalina Cycle[®] works by heating up a mixture of water and ammonia. Unlike water that boils at a constant temperature and can therefore only absorb a certain amount of energy, an ammonia-water solution boils at varying and increasing temperatures that can be used to capture *10-40% more energy than water alone*.

The Market

To date the Kalina Cycle[®] has been mainly deployed in lower temperature heat sources which include geothermal brines, steel plant waste heat, oil refinery waste heat, and cement kiln waste heat. These are good applications for the Kalina Cycle[®] because it is at these temperatures that the Kalina Cycle[®] shows the largest performance gain over other technologies. These Kalina Cycle[®] power plants are the first in a growing global megatrend in energy efficiency. China alone is expected to have 20,000 MWe of waste heat power generation by 2015 which is the equivalent of *57 million tons of coal*. The world market in waste heat only is estimated to be three to five times that size.

The Kalina Cycle[®] has also demonstrated over 6,000 hours of successful operation as a gas turbine bottoming cycle. This means that it takes heat from the gas turbine to produce additional power. Gas-turbine combined cycles are a massive market with a single gas turbine combined cycle power plant easily producing more than 400 MWe. The United States alone is expected to have over 400,000 MWe of gas turbine power generation by the end of the decade, offering a large potential market for the Kalina Cycle[®]. Furthermore, with new natural gas discoveries in the United States and other parts of the world, new plants can be built with Kalina Cycle[®] combined cycles, which use cooler exhaust turbines to maximize overall efficiency and increase electricity production.

Right now, demand for solar power plants is high and they are receiving government subsidies and generous power purchase agreements around the world. Utility companies require more baseload and dispatch power – two generation profiles that conventional solar plants simply can not provide. The highest demand for power occurs in the three hours after the highest energy from the sun has already started waning, that is in the early evening hours when the world returns home from work and school.

Instead of heating steam directly, many new solar plants heat a thermal storage system such as a thermal oil, a molten salt, or heat conducting concrete to provide longer power generation availability. Thermal storage like these are over 90% efficient, but at much lower temperature than directly focused

sunlight. The Kalina Cycle[®] as it operates efficiently at low temperature, can operate directly from these thermal storage units and produce power as required. It can be turned up when the utilities call for dispatch power, and it can run 24/7 when the utilities need baseload power. The Kalina Cycle[®] can be tailored to fit the exact power generation demand curve something steam solar can never do as without the extra degree of freedom in a variable boiling point working fluid, steam power and organic rankine cycles are fundamentally and thermodynamically inferior to the Kalina Cycle[®].

Wasabi Energy is continuing to evolve the Kalina Cycle[®] technology as we continue to patent the competitive advantages of the Kalina Cycle[®] and maintain an active patent portfolio. These improvements to the Kalina Cycle[®] provide more efficiency to the systems and increase the number of applications.

Our proprietary technology, the Kalina Cycle[®] is a major breakthrough in thermal power generation which we believe is applicable to at least 60% of the world's waste heat.

Wasabi Energy has been focused on the rapid deployment of the Kalina Cycle[®] power generation technology and its objective of 25 MWe of owned power by the end of 2015. This accelerated deployment has been framed around regional subsidiaries and dedicated teams that will target opportunities in their specific regions. We have a number of opportunities on the cusp of development including in particular in Turkey with Imperator Enerji's Tuzla Geothermal Power Project and Wasabi New Energy Asia and the expected growth in that region.

Two of the largest Kalina Cycle[®] plants built to date are currently being commissioned in Pakistan and UAE by our licensee, FLSmidth.

The commissioning of these Kalina Cycle[®] power plants is progressing well with the plants operating as expected under partial loads using the available heat from the cement plants. The turbine generators have been synchronised and are operating to plan. Punch lists are also being completed.

Formal completion of the plants is achieved with final performance testing. These 72 hour performance tests follow the global standard PTC-46 and require the cement plants to be operating and providing sufficient heat to meet the Kalina Cycle[®] power plant design operating parameters.

Progress also continues at the Sinopec Hainan 4 MWe Kalina Cycle[®] plant being built by our Chinese licensee, SSNE. This project and their Enhanced Rankine cement plant power projects are progressing through construction and commissioning.

For an overview of an operating plant and how the Kalina Cycle[®] works, a video tour of the Unterhaching Kalina Cycle[®] geothermal power plant is available at <http://wasabienergy.com/-ytv>

The Offer

Key Terms of the Offer

- One (1) new Ordinary Share for every one (1) Ordinary Share held
- shareholders with a registered address in Australia, New Zealand, Switzerland or the UK may participate
- the Offer price is 0.4 cents per new Offer Share
- UK Eligible Shareholders are able to apply for their entitlement in British Pounds. For them, the price per Offer Share is 0.24 pence using the exchange rate of \$1:£0.60
- the Record date is 5 December 2013 and the Offer closes at 5:00pm (Melbourne time) on 20 December 2013
- the deadline for applications from holders of Depository Interests in the UK is 5pm (London time) on 20 December 2013
- Eligible Shareholders will be able to subscribe for additional Offer Shares

Use of Proceeds

As indicated above, the Offer will raise up to approximately \$14.8 million (gross). The Company will use these funds to, (i) pay the exercise amount for the Tuzla Geothermal Power Project (TGPP) (ii) repay the secured loan notes issued by the Company in December 2012 (iii) to provide support to Wasabi New Energy Asia as they undertake their own fundraising activities (iv) as working capital of the Company.

To the extent that the Offer is not fully subscribed, the Company is in discussions with the secured loan note holders in relation to an extension of the term of the note or the participation of the noteholders as Underwriters to the Offer.

Further information on the use of proceeds is set out on page 13 of this document.

Outcome of the Offer

Assuming the Offer is fully subscribed or the directors place any shortfall, Wasabi will be in a strong position to deliver on its objectives of becoming a strong independent power producer leveraging off its technology advantages to secure interests in projects.

While the Company has stated a strategy of establishing regional subsidiaries, with dedicated management and funding at the regional subsidiary level, it is the directors opinion that given the value accretive opportunity presented by increasing the Company's support of its two major subsidiaries, Imparator Enerji (Imparator) in Turkey, and Wasabi New Energy Asia, it is important at this time that the Company retain as high an interest as possible in these subsidiaries before they complete initial public offerings.

This rights issue will bring the required funds for Wasabi Energy to achieve these objectives and in the long term provide strong returns to our shareholders.

Turkey

The Offer will allow for sufficient funds to be invested into TGPP to take it through the refurbishment of the existing operating power plant, and combined with the funds from the disposal of the non-core assets, the bankable feasibility study for the 30 MWe build out at the TGPP and its anticipated equity contribution for the build following which the TGPP is expected to provide additional cashflow for the Group.

More detail on Imparator Enerji, the Group's Turkish operating subsidiary is set out below.

Wasabi New Energy Asia

The Offer will provide additional near term support to Wasabi New Energy Asia (WNEA), by way of secured loans as the underlying business in WNEA is growing. By providing this support the Company will be in a strong position at the time of the IPO of WNEA to either receive funds back to it, or to convert into additional equity in WNEA, thereby strengthening its ownership position. More detail on WNEA is set out below.

Sale of Non-Core Assets and Regional Subsidiaries

Having paid out the Secured Loan notes, the Company will be able to realise further funds from the sale of its non-core assets in an orderly manner. These additional funds will be available to further support Imparator at TGPP or other opportunities in Turkey as well as for the establishment of other regional subsidiaries within as yet under serviced market places for the Kalina Cycle[®] technology, such as India, the Middle East, Europe and the America's.

The Company is focused on delivering our objective of 25 MWe of owned power generation under construction or in operation by the end of 2015 and targeting a growth rate of 25 MWe per annum thereafter. We continue to work on a number of opportunities globally and engineering studies are underway with industry leading companies. Wasabi expects that a number of these will convert to projects in the coming months. As these projects develop we will continue to keep the market informed.

In context, if we achieve this growth, every 25MWe of owned power generation (assuming 10c per kwh feed in tariff, 8% discount rate) represents an estimated increase of approximately \$120 million NPV per annum.

The Board and management are confident that the current strategy and market opportunities for the Company provide a solid basis for growth.

Yours Sincerely

John Byrne

Chairman

REVENUE MODEL

The strategic objective for Wasabi Energy is to have 25 MWe of our own power production commissioned or under construction by the end of 2015 and achieve a growth rate of 25 MWe per annum thereafter. In addition we will undertake engineering projects to generate cash and to develop market sectors. Wasabi will also continue to leverage our licensing strategy in markets where appropriate.

A key factor in the development of our own power production is the price of power or the feed-in tariffs that utilities and governments offer for purchasing the power that is generated. Wasabi will continue to target regions where there are high feed-in tariffs of greater than 8 cents per kilowatt hour to maximise shareholder returns.

Revenue and Value Creation

Wasabi Energy and its regional subsidiaries will generate revenues from long-term electricity sales from our own power plants, as well as through engineering services and through licensing the Kalina Cycle[®] Technology. The Directors believe that for subsidiaries where Wasabi has an interest, the future receipt of dividends or capital appreciating through the growth of that business may also result in value creation in Wasabi.

Build Own Operate (BOO)

Wasabi is focused on delivering revenue from power sales. The build own operate (BOO) model takes the project from concept through to operation and revenue is generated from the sale of electricity. The initial design, engineering, procurement, construction and commissioning of the power plants may be undertaken by Wasabi or subcontracted.

Under this BOO model Wasabi will receive revenues from power sales to either the industrial client or to a utility. Wasabi will evaluate each project to ensure that it can enter into a long-term contract at a competitive power price that will provide returns that meet the investment targets.

Under this model Wasabi may also receive fees from the EPC services as well as a margin from the power sales.

Given the capital requirements it is likely that these projects will have a portion of debt or project finance funding.

Engineer Procure and Construct (EPC)

Wasabi has an experienced engineering team capable of taking a project from concept through design, engineering and procurement and through construction using key partners. Wasabi will also provide commissioning services and operating manuals and training.

It is anticipated that repeat power plant installations in specific industry applications may result in a more modular approach to the power systems provided and increased efficiencies.

Licensing

Wasabi has issued a number of key licenses for either regions or specific market applications. The licensing model involves an upfront fee that covers the transfer of technology and design reviews on the initial projects. In addition for each project undertaken using the Kalina Cycle[®] Technology by the licensee Wasabi is paid a one off project royalty based on the size of the project.

Imparator Enerji

Overview

Imparator Enerji is a wholly owned subsidiary of Wasabi Energy, that was established in 2011 to specifically focus on strategic power generation opportunities within the rapidly developing Turkish energy market. Imparator Enerji is an emerging independent power producer (IPP) whose value creation strategy involves the strategic application of the Kalina Cycle[®] technology to develop a diverse portfolio of attractive power generation assets.

The Turkish energy sector is heavily dependent on primary energy imports, a situation that has been confounded in recent years with strong domestic economic growth placing further pressure on energy supplies, particularly within the electricity sector. In addition to the award of several large nuclear power projects, the Government of Turkey has embarked on a process to provide incentives to improve energy efficiency as well as provide support for the development of new power generation capacity, particularly within the renewable sector.

The innovative Kalina Cycle[®] power technology owned by Wasabi Energy, has been identified as an important technology to assist with improving the efficiency of industrial operations in Turkey, particularly the steel and cement sectors which are amongst the largest in Europe. Within the renewable sector, geothermal resources in Turkey are abundant, with growth in the sector forecast to continue along its rapid growth trajectory.

With the exception of the cement sector, Imparator Enerji holds exclusive rights to the Kalina Cycle[®] technology in Turkey and is working with several market participants across several sectors to address the substantial market opportunities to integrate this innovative technology.

Tuzla Geothermal Power Project (TGPP)

As first announced in April 2012, Imparator holds an option (the “Option”) to acquire up to 50% of the project company that owns the Tuzla Geothermal Power Project (TGPP) in Çanakkale, Turkey.

Since acquiring the Option, Imparator has been working with Egenda Enerji, the plant owner and operator on a range of initiatives including plans for an upgrade of the existing plant and future expansion of installed generation capacity at the TGPP. Following a recent upgrade of the geothermal resource at the TGPP (Geologica, July 2013), Imparator recently finalised a comprehensive pre-feasibility study (PFS) based on a 30 MWe Kalina Cycle[®] conceptual development (TGPP-2) at the TGPP. The PFS has been prepared with the support of experienced third parties, most notably Power Engineers, a U.S. based recognised global leader in geothermal power plant design and development.

The key findings of the PFS are highly encouraging and support Imparator’s development plans for the installation of additional power generation capacity at the TGPP. In addition to the modelled financial performance of TGPP-2, the PFS concluded that, provided the PFS can be advanced to a bankable feasibility study (BFS) by the end of CY2014 (and financial close reached shortly thereafter), first power from TGPP-2 could be realised in the second-half of CY2016, adding significantly to existing project cash flow from the power plant that is currently operating on the site.

As part of the PFS a detailed project financial model was developed, based on installed project cost, the basic geothermal tariff (US\$0.105/kWh) and a range of assumptions deemed to be appropriate at the time of preparation. In addition to detailed project design and development related information; the key financial outputs of the study indicate the following:

EBITDA:	\$19.6 million (As of the first full year of commercial operation)
NPV:	\$141.6 million
IRR:	57.1%

Whilst every effort has been made to ensure the accuracy of the PFS, the above numbers are provided on a best-estimate basis and do not represent a financial forecast.

Additional information regarding the TGPP, and the key findings of the PFS, refer to the Wasabi Energy ASX announcement of 18 October 2013.

Business Development

In addition to the TGPP, Imparator Enerji is collaborating with market participants evaluating opportunities to integrate the Kalina Cycle® technology in a range of sectors including, energy efficiency related applications in the cement, glass and steel sectors, with renewable applications in the solar thermal and geothermal sectors. Market opportunities in other sectors such as the fossil-fuelled power generation sectors, such as coal and diesel powered generation have been identified, however given the incentives for renewables including a generous feed-in tariff, the emphasis to date has been on geothermal and industrial energy efficiency related applications.

Geothermal Opportunities

Recent studies suggest the economic geothermal power generation potential of Turkey is in the order of 2,000 MWe, providing a significant resource base for large-scale renewable power generation capacity. Installed geothermal power generation capacity in Turkey has increased from 15 MWe in 2005 to a more significant 242 MWe currently operating. Installed capacity is expected to reach 300 MWe before the end of 2013, with growth continuing to build significant momentum with forecast capacity in 2018 expected to be in the order of 750 MWe.

Growth of the geothermal power generation sector in Turkey is underpinned by high quality geothermal resources, a skilled but relatively low-cost operating environment and a feed-in tariff of US\$105/MWh. At a major geothermal conference (GeoPower – Turkey), on the 22nd October 2013, the President of the Turkish Geothermal Association, Mr. Orhan Mertoglu announced an anticipated increase in the basic geothermal feed-in tariff to US\$120 – 130/MWh, which if realized, would provide support for geothermal project development in Turkey. If the increase in the basic geothermal feed-in tariff was applied to the PFS completed for TGPP, it is estimated an additional \$4 million of EBITDA would be generated.

Imparator has reviewed a large number of geothermal projects in Turkey and is currently evaluating a portfolio of projects that provide Imparator with an opportunity to create value in the near to medium term alongside its first project, the TGPP.

Notwithstanding the intention to maintain 100% of its interest in Imparator, the Company continues its discussions with third parties interested in Imparator and, if in the opinion of the directors, these discussions can provide better value to the Company they may proceed with a transaction with regard to its ownership in Imparator. Any such transaction will be notified to the market as soon as applicable.

Additionally, the Company intends to undertake a listing of Imparator on a stock exchange at an appropriate time in the development of Imparator and its projects. It is anticipated that the shareholders of Wasabi would be given a priority entitlement to participate in any such listing where possible.

Wasabi New Energy Asia Limited (WNEA)

Overview

WNEA is a 66.7% owned subsidiary of Wasabi Energy and holds the Kalina Cycle[®] License for Asia, as well as owning 50.5% of Shanghai Shenghe New Energy Resource Science Technology Limited (SSNE), the Kalina Cycle[®] Licensee for China.

The Company has lent approximately \$5.8 million to WNEA and anticipates providing further funds from the Offer to continue to support WNEA and SSNE as they increase their business activities in China in particular.

The WNEA business operates in two main areas:

- China, Taiwan, Hong Kong and Macau through SSNE
- The rest of Asia directly through WNEA

WNEA generates revenue through two main streams – selling power through build own operate power plants and fee for service through EPC, (engineering, procurement and construction) contracts. In addition WNEA may also generate revenue through the licensing or sublicensing its intellectual property.

The power business is focused on two main markets – industrial energy efficiency and renewable energy generation (geothermal and solar thermal).

Within the Asian market there are a number initiatives that are in place to improve the energy efficiency of existing industries and targets for renewable power generation. Two countries have a major campaign in these targets – China and Japan.

China through its Five Year Plans has mandated energy efficiency across a range of industries and established targets for renewable energy. SSNE has been establishing the foundations for this market and at the end of 2012 secured the first Kalina Cycle[®] power plant with Sinopec at their Hainan refinery. This relationship is set to grow through the development of geothermal resources in China by Sinopec as well as the proliferation of energy efficiency measures generally.

In Japan, and some other Asian countries such as South Korea and Taiwan, the issue of nuclear-based power is coming into question. In looking for alternatives their untapped geothermal resources offer baseline power alternative to these countries.

WNEA has engaged with an international broker in Hong Kong to support their funding process through to an IPO in 2014.

KEY OFFER STATISTICS

Offer price per Share	\$0.004													
Existing Listed Securities	3,718,761,160 Ordinary Shares 380,540,000 Options convertible at \$0.008 each expiring 31 March 2014													
New Shares offered under this document*	3,718,761,160 Ordinary Shares													
Total issued Shares at conclusion of the offer*	7,437,522,320 Ordinary Shares													
Market Capitalisation at the offer price*	\$29,750,089													
Listed Options	380,540,000 Options convertible at \$0.008 each expiring 31 March 2014													
Unlisted Options on issue	6,500,000	Options exercisable at 2.8c expiring 17 December 2013												
	10,000,000	Options Exercisable at 3.4c from 1 April 2012 and expiring 31 March 2014.												
	350,000,000	Warrants exercisable at 2c expiring 14 December 2013												
	18,750,000	Options exercisable at 0.8c expiring 14 December 2013												
Funds and Use of Proceeds	<p>The Company intends to use its current funds and the funds raised from the offer as follows:</p> <table> <tr> <td>Offer expenses</td> <td>\$300,000</td> </tr> <tr> <td>TGPP</td> <td>\$4,000,000</td> </tr> <tr> <td>Repayment of Secured Loan note</td> <td>\$8,000,000</td> </tr> <tr> <td>WNEA loan</td> <td>\$1,000,000</td> </tr> <tr> <td>Working Capitalⁱ</td> <td>\$1,575,044.64</td> </tr> <tr> <td>Total (AUD)</td> <td>\$14,875,044.64</td> </tr> </table> <p>(i) The above use of funds assumes full subscription. The Directors reserve the right to place any Shortfall and the above is based on the assumption the Shortfall is placed.</p>		Offer expenses	\$300,000	TGPP	\$4,000,000	Repayment of Secured Loan note	\$8,000,000	WNEA loan	\$1,000,000	Working Capital ⁱ	\$1,575,044.64	Total (AUD)	\$14,875,044.64
Offer expenses	\$300,000													
TGPP	\$4,000,000													
Repayment of Secured Loan note	\$8,000,000													
WNEA loan	\$1,000,000													
Working Capital ⁱ	\$1,575,044.64													
Total (AUD)	\$14,875,044.64													

*Assumes no Options are exercised prior to the Record Date.

DETAILS OF THE ISSUE

The Offer

The Company is inviting existing registered holders of Ordinary Shares to subscribe for new fully paid Ordinary Shares via a non-renounceable *pro rata* entitlement offer on the basis of one (1) new Ordinary Share at an issue price of 0.4 cents for every one (1) fully paid Ordinary Shares held in the capital of the Company as at the 5 December 2013. Fractional entitlements will be rounded up to the next whole Ordinary Share. If fully subscribed, the Offer will raise \$14,875,044.64 (gross).

No Trading of Rights

The Offer is non-renounceable which means there will be no trading in Entitlements to the Offer. As the price at which the Shares are being offered under this Offer is likely to be at a small discount to the trading price of the Ordinary Shares, and given the low trading price of Ordinary Shares, the rights granted under this Offer are unlikely to have any significant value. In the circumstances, the Company has chosen to make the Offer non-renounceable rather than renounceable.

Offer period

Applications for Offer Shares may be lodged at any time after the receipt of this Offer Document. The Closing Date for Applications is 5.00pm Melbourne time on 20 December 2013.

The Company reserves the right to extend the Closing Date, subject to the Listing Rules.

Payment for Offer Shares

Australian and other non UK Eligible Shareholders

The issue price of each Offer Shares is 0.4 cents, payable in full on acceptance. Payment from Eligible Shareholders other than those with addresses in the UK registered with Computershare Company Nominees Limited will only be accepted in Australian currency as follows:

- (a) cheque or money order drawn on and payable at any Australian bank,
- (b) bank draft drawn on and payable at any Australian bank, or
- (c) BPAY^{®1}. If you pay by Bpay you do not need to lodge the Entitlement and Acceptance Form. Payment by Bpay should be made in accordance with the instructions set out in the Entitlement and Acceptance Form.

If paying via Bpay, Shareholders should note that their own financial institution may implement earlier cut off times with regard to electronic payment. You should take this into consideration to ensure that your Application is received before the close of the Offer.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form.

¹ [®] Registered to BPAY Pty Limited ABN 69 079 137 518

If you have more than one shareholding of Ordinary Shares and consequently receive more than one Entitlement and Acceptance Form, use the CRN specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. DO NOT use the same CRN for more than one of your shareholdings. This can result in your application monies being applied to your entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

Your cheque, money order, bank draft must be made in Australian currency and where applicable drawn on an Australian branch of a financial institution. Such payment must be made payable to Wasabi Energy Limited and crossed "Not Negotiable".

Please ensure that you make arrangements so that your cheque, money order or bank draft is received at the below address by the end of the offer period.

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Victoria 3001
Australia

Please do not forward cash. Receipts for payment will not be issued. Post dated cheques will not be accepted. Entitlement and Acceptance Forms will not be accepted at any other address other than that shown above.

Application monies received in excess of your maximum entitlement (and greater than A\$1) will be refunded as soon as practicable after the close of the offer. The refund method will be at the discretion of the Company.

UK Eligible Shareholders - Action required by Depositary Interest holders

UK Eligible Shareholders will receive an Entitlement and Application Form with details for accepting their entitlements in British Pounds.

The issue price of 0.4 cents per Offer Share equals 0.24 pence based on an exchange rate of AUD\$1:GBP£0.60.

Payment will only be accepted in British Currency as follows:

- (a) cheque or money order drawn on and payable at any United Kingdom bank,
- (b) bank draft drawn on and payable at any United Kingdom bank.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a bank or building society or a branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, and banker's drafts should be made payable to "CIS PLC re Wasabi Energy — Offer 2013" and crossed "a/c payee only". Such payments will be held by Computershare on behalf of Wasabi Energy, which is acting as principal on receipt of such monies. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Entitlement

The number of Offer Shares to which you are entitled ("**Entitlement**"), is shown on the enclosed Entitlement and Acceptance Form. Your acceptance of the Offer must be made on the Entitlement and Acceptance Form unless you pay by Bpay (see section 3.5(b)). Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

What you may do

You may:

- take up all of your Entitlement;
- take up part of your Entitlement;
- allow whole or part of your Entitlement to lapse. If you allow your Entitlement to lapse, you will receive no benefit from the Offer, and your proportional shareholding in the Company will be diluted.

Details of how to apply for your Entitlement (in full or part) are set forth on the Entitlement and Acceptance Form.

Additional New Shares

Eligible Shareholders who apply for the full Entitlement, may apply for Additional Offer Shares. Applicants for Additional Offer Shares will be allocated Additional Offer Shares from any Shortfall. Please note that Additional Offer Shares will only be allocated to you if there are sufficient Offer Shares available in the Shortfall. If you apply for Additional Offer Shares there is no guarantee you will be allocated any. If you apply for Additional Offer Shares and are not allocated any or less than the number you applied for, the Application Monies in relation to those Additional Offer Shares will be returned to you, without interest, as soon as practicable.

Offer Shares Not Taken Up by Eligible Shareholders

The Directors reserve the right to place any Shortfall Shares at their discretion during the 3 month period immediately subsequent to the Closing Date, at an issue price of not less than 0.4 cents per share. The Directors cannot participate in any such placement.

Non Eligible Shareholders

This Offer is being made only to Shareholders with a registered address in Australia, New Zealand, the United Kingdom and Switzerland.

In accordance with the requirements of the ASX Listing Rules and the AIM Rules, having regard to:

- (a) the number of holders resident outside Australia, New Zealand, the United Kingdom and Switzerland;
- (b) the number and value of Ordinary Shares that Shareholders resident outside Australia, New Zealand, the United Kingdom and Switzerland would be offered; and
- (c) the cost of complying with the legal requirements and the requirements of regulatory authorities in places other than Australia, New Zealand, the United Kingdom and Switzerland,

The Directors have decided that it is not reasonable to extend the Offer to Shareholders resident outside Australia or New Zealand, other than to those in the United Kingdom and Switzerland.

This Offer Document and the Entitlement and Acceptance Form do not constitute an offer of, or any invitation to subscribe for, any of the Ordinary Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Where this Offer Document has been despatched to Shareholders resident outside Australia and New Zealand, the United Kingdom or Switzerland and where the relevant jurisdiction's laws prohibit or restrict in any way the making of the offer contemplated by this Offer Document, this document is provided for information purposes only.

Shareholders resident in Australia, New Zealand, the United Kingdom and Switzerland holding existing Ordinary Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up their Entitlements does not breach the laws of the relevant overseas jurisdiction. The return of a duly completed Entitlement and Acceptance Form (or payment) will constitute a representation by the Applicant that there has been no breach of any such laws.

Allotment

In accordance with the Corporations Act, all subscription monies, before the allotment and issue of New Shares, will be held by the Company in trust in a bank account established solely for the purpose of depositing application monies received. Any interest earned will be for the Company's account.

Applications for Listing on the ASX and AIM, Settlement and Dealings

Applications have been made to ASX by the Company for the New Shares to be quoted on ASX and will be made to AIM for the New Shares to be admitted to trading on AIM.

The Company will not be issuing share certificates to non UK Eligible Shareholders. The Company participates in CHESS, the electronic transfer system operated by the ASX. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation. Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their security holding in the Company during the preceding month.

UK Eligible Shareholders

To be traded on AIM, securities must be able to be transferred and settled through the "CREST" system, a UK computerised paperless share transfer and settlement system, which allows shares and other securities, including Depositary Interests, to be held in electronic form rather than in paper form.

For certain foreign securities, in this case the New Shares, to be issued and settled through CREST, they need to be in the form of "Depositary Interests".

The Company, through its UK Depositary, has a facility whereby Depositary Interests, representing Ordinary Shares, will be issued by the UK Depositary to persons who wish to hold the Ordinary Shares in electronic form within CREST. It is intended that the Company will apply for the Depositary Interests, representing New Shares to be issued to UK Eligible Shareholders, to be admitted to CREST with effect from AIM Admission. Accordingly, settlement of transactions in Depositary Interests representing the Ordinary Shares following AIM Admission may take place within CREST if the relevant Shareholders so wish.

The Ordinary Shares will remain listed and traded on the ASX, with trades settled electronically on the Australian registry through the CHESS system.

Subject to the CREST Regulations and the ASTC Settlement Rules, Ordinary Shares held through CHESS on the Australian registry may be transferred into Depositary Interests held through CREST on the UK Depositary register and vice versa. Shareholders wishing to transfer stock, from CHESS to a Depositary Interest on CREST can do so through an Australian broker on a same day basis. Movements from CREST to CHESS can be made on a next day basis. In such a way the Ordinary Shares can be traded on the ASX or AIM, irrespective as to which jurisdiction the investor is based.

If permission for official quotation of the New Shares is not granted by ASX within 3 months after the Closing Date, the Company, in accordance with the Corporations Act, will either:

- (a) repay all Application Moneys; or
- (b) issue a new Offer Document advising that the New Shares will not be listed on ASX and give applicants one month to withdraw their application and be repaid in full.

No interest will be paid on any monies repaid.

Dividend Policy on Increased Capital

The New Shares offered by this document will be entitled to any dividend declared on Ordinary Shares in respect of the financial year in which the shares are issued. The Directors do not anticipate declaring a dividend during the current financial year, nor in the next financial year, being the financial year in which the Offer Share will be issued.

No Underwriting

As at the date of this Offer Document there are no Underwriters to the Offer. However the Directors are in discussions with non-related third parties with regard to underwriting the Offer and or commitment to any Shortfall under the Offer. The Company will announce any underwriting or Shortfall commitment to the market as appropriate.

Taxation

The potential tax effects relating to the Offer will vary between each investor. Investors are advised to consider the possible tax consequences of participating in the Offer or to consult a professional tax adviser.

Speculative Investment

There are risks associated with an investment in the Company and the Ordinary Shares offered by this Offer Document must be regarded as a speculative investment. The Ordinary Shares offered under this Offer Document carry no guarantee in respect to the return on capital invested, payment of dividends, or future value of the Ordinary Shares.

In making representations in this Offer Document, regard has been given to the fact that Company is a disclosing entity under the Corporations Act and certain matters may reasonably be expected to be known to investors and the professional advisers whom potential investors may consult.

Privacy Act

If you complete an Application, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a security holder, facilitate distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out on page 3 of this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for securities, the Company may not be able to accept or process your application.

CAPITAL STRUCTURE & EFFECT OF THE OFFER

Issued Capital as at date of this Offer Document

Number of Securities	Class
3,718,761,160	Ordinary Shares

Options (quoted on ASX)

380,540,000 exercisable at 0.8 cents each until 31 March 2014

Options (all unquoted)

6,500,000 exercisable at 2.8 cents each until 17 December 2013

10,000,000 exercisable at 3.4 cents each until 31 March 2014

350,000,000 exercisable at 2 cents each until 14 December 2013

18,750,000 exercisable at 0.8 cents each until 14 December 2013

Total: 760,790,000

Shares offered by this document

3,718,761,160 Ordinary shares at 0.4 cents per share which represents 50% of the share capital of the Company post Offer as set out below.

Capital Structure Post Offer

Number of Securities	Class
7,437,522,320	Ordinary Shares

Options (quoted on ASX)

380,540,000 exercisable at 0.8 cents each until 31 March 2014

Options (all unquoted)

6,500,000 exercisable at 2.8 cents each until 17 December 2013

10,000,000 exercisable at 3.4 cents each until 31 March 2014

350,000,000 exercisable at 2 cents each until 14 December 2013

18,750,000 exercisable at 0.8 cents each until 14 December 2013

Total: 760,790,000

* For the purpose of calculating this figure it is assumed that (i) no pre-existing Options are converted prior to the Record Date, (ii) the Offer will be fully subscribed or (iii) any Shortfall Shares will be issued by the Directors within 3 months of the Closing Date

Effect of the Offer

Assuming the Offer is fully taken up by Eligible Shareholders, \$14,875,044.64 less expenses of the Offer, which are estimated to be \$300,000, will be raised. The funds raised will be used as set out in the Use of Proceeds paragraph set out above.

If the Offer is fully subscribed, a further 3,718,761,160 Ordinary Shares will be issued, increasing the Company's issued capital by 100%.

Effect of the Offer on control of the Company

As the Offer is being made as a pro-rata rights issue on a 1 for 1 basis, the maximum number of new Ordinary Shares which may be issued under the Offer represents 100% of the share capital of the Company currently on issue. Accordingly, the Offer could have a material effect on the control of the Company.

By way of example, the most significant effect which the Offer could have on the control of the Company would occur if the largest Eligible Shareholder takes up its full entitlement under the Offer and no other Eligible Shareholder subscribes to the Offer. In these circumstances the largest Eligible Shareholder's holding would increase from 9.46% to 17.28%.

As at least some other Eligible Shareholders are expected to take up their Entitlements, the proportional increase in the holdings of the largest Eligible Shareholder is likely to be less than shown above, and will be less if the Company secures an underwriter for all or part of any Shortfall.

If the Company secures an underwriter for the whole of any Shortfall, and no Eligible Shareholder take up their entitlement under the Offer, the underwriter would acquire voting power of 50% in the Company.

GLOSSARY

Applicant means an investor who applies for Ordinary Shares pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means, as the context requires, ASX Limited (ACN 008 624 691) or the Australian Securities Exchange.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5pm (Melbourne time) on 20 December 2013 (unless varied by the Directors).

Company or **Wasabi** means Wasabi Energy Limited (ABN 24 000 090 997).

Constitution means the Company's Constitution as at the date of this Offer Document.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Offer Document.

Dollar or "\$" means Australian dollars.

Eligible Shareholder means a person registered as a Shareholder as at the Record Date whose registered address is in Australia, New Zealand, the United Kingdom or Switzerland.

Eligible UK Shareholder means a Depository Interest holder with a UK address registered with Computershare Company Nominees Limited

Entitlement means the entitlement of a Shareholder to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Document.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

MWe means the electric output of a power plant in megawatts

New Shares means an Ordinary Share offered by this Offer Document

Non Eligible Shareholder means a person registered as a Shareholder as at the Record Date with a registered address in a country other than Australia, New Zealand, the United Kingdom or Switzerland.

Offer, Issue or **Entitlement Issue** means the non-renounceable entitlement issue of one (1) new ordinary Share for every one (1) Ordinary Shares held.

Option means an option to acquire an Ordinary Share.

Ordinary Share means a fully paid share in the capital of the Company

Offer Document means this document.

Record Date means the record date for determining a Shareholder's entitlement to participate in the Offer, being 5 December 2013.

RNS means the Regulatory News Service for release of information to the AIM market of the London Stock Exchange

Share Registry means Computershare Investor Services Pty Limited ABN 710 054 858 25.

Shareholder means a shareholder of the Company.

Shortfall means the ordinary Shares (if any) not taken up under the Entitlement Issue.