

ASX

Announcement

29 January 2013

EPC contract signed with Sinopec for Kalina Cycle[®] power plant

- Wasabi New Energy Asia subsidiary, SSNE signs US\$10m EPC contract with Sinopec
- Sinopec is one of the largest integrated petrochemical producers in China
- First application of the Kalina Cycle[®] in the Chinese petrochemical industry
- Follows a design and technical services contract as announced in August 2012
- Key step in aggressive global rollout of Kalina Cycle[®] technology

Wasabi Energy Ltd (ASX:WAS, AIM:WAS, OTCQX:WSBLY), an international power producer, is pleased to announce that Wasabi New Energy Asia's subsidiary and Kalina Cycle[®] licensee, Shanghai Shenghe New Energy Resources Science and Technology (SSNE) has signed an engineering, procurement and construction agreement with the Sinopec Hainan Refining & Chemical Co., Ltd. for a 4.0 MW Kalina Cycle[®] power plant. The contract, worth in excess of US\$10m, is expected to be completed by the end of 2013.

The Kalina Cycle[®] power plant will take low temperature hot water from the paraxylene process in the 600,000 tons per year polyester materials plant and turn it into up to 4.0 MW of usable emission free power thereby reducing the greenhouse emissions on the site.

Sinopec Hainan Refining & Chemical Co is part of Sinopec Corp (China Petroleum & Chemical Corporation). 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 over US\$75B and a net profit in excess of US\$11.0B (FY2011).

The conversion of this project to an EPC contract from the design and technical services contract announced in August 2012 marks the first large scale Kalina Cycle[®] power plant to be built in China and in a Chinese petrochemical refinery. Sinopec is a major producer and leader in driving innovation and environmental protection, and operates 45 other refineries within China that have been identified as suitable for Kalina Cycle[®] power plants. This does not include their many overseas petrochemical plants.

The design of the Kalina Cycle[®] power plant has been led by SSNE with review and approval by Sinopec Engineering Co. Ltd., which is one of the authorised petrochemical design institutes in China as well as the East China Power Design Institute (ECPDI) and the Sinopec Hainan refinery team.

Within China there is a mandate from the government to improve energy efficiency and reduce emissions. Within the petrochemical industry, five strategies are listed in the 12th Five Year Plan including energy conservation, technology innovation, structural adjustment, quality guarantee and globalisation of the

industry. These strategies have been formulated to grow and transform the industry in a safe and energy saving manner. In addition, there are specific targets to reduce energy consumption and carbon dioxide rates in the petrochemical industry by 15% from the rate at the end of 2010.

WNEA is progressing well on documentation to list on the Toronto Stock Exchange's Venture exchange (TSX-V) which is expected to be completed in Q1 2013. SSNE is a Kalina Cycle® licensee and under the agreement will pay a one off royalty to WNEA based on the capacity of the Sinopec Kalina Cycle® power plant.

The Chairman of Wasabi Energy, Mr John Byrne said a successful Sinopec project would provide another important reference site for industrial waste heat conversion using the Kalina Cycle®.

"Wasabi Energy is now preparing for larger scale roll out and establishing engineering teams to cover a global expansion in geothermal and waste heat" Mr Byrne said.

While engineering design and license fees will provide a growing revenue stream, Wasabi Energy management primary aim is in building, owning and operating power generation facilities.

"Our aim is to have 25 MW's of high margin power plants under construction or completed by 2015 and then grow at 25 MW annually" Mr Byrne said.

Mr. John Byrne added:

"We congratulate SSNE on their first project with Sinopec. This contract marks a significant step forward for the utilisation of the Kalina Cycle® in China to generate emission free power from waste heat and assisting Chinese industry in meeting their emission targets under the current 12th Five Year Plan.

"Sinopec is a world leading integrated petrochemical company that is leading the way in clean industrial development. The Sinopec Hainan Refining & Chemical Co reviewed their options and considered available technologies for two years before choosing Kalina Cycle®. The benefit of the Kalina Cycle® is that it offers increased power output against other power generation technologies, especially at low temperatures.

"The Chinese market offers significant opportunities for SSNE and WNEA utilising waste heat from the petrochemical, steel, glass and cement industries. Renewable energy sources in China are still developing and there is enormous potential for power generation using the Kalina Cycle® from geothermal and solar thermal sources, including hot water from the vast onshore oilfields within China.

"With the support of Sinopec, SSNE and WNEA are entering into exciting stages of their development as a leading power producer in the Asian region."

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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 Depositary 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 19.2% interest in Lignol Energy Corporation (TSXV: LEC) an advanced bio-refinery group who recently purchased a 14.9% 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