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15 May 2013

Wasabi Energy Ltd
(“Wasabi” or the “Company”)

Rights Issue to raise up to \$3 millionⁱ (£1.98 million)

Wasabi Energy (ASX: WAS, AIM: WAS, OTCQX: WSPLY) an emerging power producer announces today that it is raising up to \$3m through a rights issue.

The Directors of the Company are pleased to offer shareholders the opportunity to participate in the funding of the Company by way of a non-renounceable Rights Issue to raise gross proceeds of up to \$3m (£1.98 m) consisting of:

- 1 for 8 Rights Issue of up to 381,129,864 New Ordinary Shares at an issue price of 0.8 cent per share
- 1 accompanying option per New Ordinary Share issued exercisable at 0.8 cents per share on or before 31 March 2014

The proceeds of the Rights Issue will be used primarily for investment capital and working capital and further details are presented below.

A Prospectus containing the terms and conditions of the Rights Issue and information on the Company will be sent to Shareholders and is available on the Company's website, www.wasabienergy.com. The Prospectus has also been lodged with ASIC and the ASX and is available on the ASX website at www.asx.com.au. (Capitalised terms in this announcement bear the same meaning as in the Prospectus.)

Commenting, John Byrne, Executive Chairman said:

“The proposed issue will help finance our strategic initiatives across various geographies and industries, particularly with our projects in Turkey and the establishment of Wasabi New Energy Asia. These opportunities provide a strong platform for growth for both the Company and the independent regional subsidiaries. Each of the subsidiaries will have dedicated management teams and will look to access their own sources of funding thereby reducing dependency on the Company to fund their projects during the next growth phases. We are confident in the growth prospects of the Company and remain on track to reach our target of commissioning 25 MWe of Wasabi Energy owned power production by 2015.”

Trading Update

Wasabi Energy is focused on the delivery of its strategy to become an independent power producer through the establishment of Kalina Cycle® power plants globally. Corporate Updates were provided on 30 April 2013 and 22 February 2013 that outlined our progress on key projects and activities within the Company.

Our strategy involves the establishment of independent subsidiaries in key regions to accelerate the roll out of Kalina Cycle® technology whilst also undertaking projects in our own right outside of these regional areas. The formation of independent subsidiaries has commenced with Imparator Enerji in Turkey, AAP Carbon in Sub Saharan Africa and the ongoing establishment of Wasabi New Energy Asia covering Asia.

In addition we are focused on the delivery and assisting the deployment of the five Kalina Cycle® power plants, including Husavik that are currently under construction.

The Company is focused on achieving our objective of commissioning 25 MWe of owned power generation by 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.

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

The Rights Issue

The non-renounceable entitlement issue will be made on the basis of one (1) share for every eight (8) Ordinary Shares held by Eligible Shareholders registered at 5.00pm (Melbourne time) on **23 May** 2013 at an issue price of 0.8 cents per Share to raise up to approximately \$3m (£1.98m) gross (Rights Issue).

The Rights Issue will result in the issue of up to 381,129,864 Ordinary Shares with 381,129,864 accompanying options in the Company.

In calculating entitlements under the Rights Issue, fractions will be rounded up to the nearest whole number.

The Offer is not being made, and no Shares will be issued to, any Shareholders whose registered address is in a country other than Australia, New Zealand, Switzerland or the United Kingdom for the reasons given in the Prospectus.

The Prospectus will be sent to Foreign Security holders for information purposes only. No Entitlement and Acceptance Forms will be sent to Foreign Security holders. Shareholders who are eligible to participate should read the Prospectus carefully.

The Prospectus relating to this Rights Issue has been lodged with ASIC and the ASX and is available on the ASX website at www.asx.com.au for inspection. The timetable and important dates of the Rights Issue are set out below:

Lodgement of Appendix 3B effective date	15 May 2013
Notice to Option Holders	15 May 2013
Notice to Shareholders	16 May 2013
Ex Date	17 May 2013
Record Date for determining entitlements	23 May 2013
Opening Date and despatch of Prospectus	28 May 2013
Closing Date of Offer	13 June 2013
Shares quoted on a deferred settlement basis	14 June 2013
Issue Date	19 June 2013

Use of Proceeds

The Company will raise approximately \$3m excluding expenses from the Rights Issue which will be applied as follows:

Offer expenses including cost of the Prospectus	\$60,000
Administration and Operations (Subsidiaries)	\$400,000
Investment Capital*	\$1,000,000
Working Capital* ⁱ	\$1,589,038
Total (AUD)	\$3,049,038

*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.

Final Capital Structure

Following the Rights Issue and assuming it is fully subscribed (and no outstanding options have been exercised) the capital structure on completion will be:

Number of existing Ordinary Shares as at the date of this announcement	3,049,038,916
Maximum number of Ordinary Shares issued pursuant to the Rights Issue*	381,129,864
Number of Ordinary Shares in issue following the Placing and the Rights Issue assuming full subscription*	3,430,168,780
Listed Options on issue*	381,129,864 exercisable at \$0.008 on or before 31 March 2014

Unlisted Option 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

* For the purpose of calculating this figure the Company has assumed that no Options will be converted prior to the Record Date, that the Offer will be fully subscribed, and that all of the Shortfall Shares remaining will be issued by the Directors within 3 months of the Closing Date.

For further information contact

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ⁱ All references to \$ are references to Australian Dollars