

ASX

Announcement

26 April 2012

Appendix 4C

Please find attached the Wasabi Energy (ASX: WAS, AIM: WAS, OTCQX: WSBLY) Appendix 4C cash flow statement.

This statement reflects the consolidation of Aqua Guardian Group Limited from 7 February 2012 when Wasabi Energy increased its ownership to 79.2%.

Revenues relate to sales of the AquaArmour™ product within Aqua Guardian as well as project progress payments in relation to the DG Khan Cement Kalina Cycle power plant being undertaken with FLSmidth.

Aqua Guardian Group

Aqua Guardian is progressing well with commercialisation of its first product, AquaArmour™ including recent deployments in South Australia and an upcoming deployment in Western Australia which is scheduled to be completed by June. In addition, Aqua Guardian own 32,624,208 shares in Clean TeQ Holdings Limited (ASX:CLQ) representing 22.7% of CLQ issued capital and valued at over A\$5,000,000 at its current price. CLQ recently entered into a Joint Venture (JV) with Nippon Gas to utilise the Continuous Ion Filtration technology developed by CLQ for water treatment in the Australian coal seam gas industry. Under the terms of the JV, CLQ has provided the technology and Nippon Gas has contributed A\$4,000,000 working capital into the JV. In addition, Nippon Gas has subscribed for approximately A\$2,000,000 of new shares in CLQ, thereby becoming a 10% shareholder of CLQ.

It is Wasabi Energy's intention to publicly list Aqua Guardian Group on the ASX. Further details of this process and the expected timetable will be provided in the near future.

Turkish Subsidiary

Wasabi Energy announced on 4 April 2012, that through its wholly-owned Turkish subsidiary, Imperator Enerji, it has purchased an option in relation to an advanced geothermal field in Turkey.

Australian Renewable Fuels

Wasabi Energy continues to hold approximately 300,000,000 shares in Australian Renewable Fuels (ASX: ARW). ARW is due to release its Appendix 4C to the ASX market in the near future.

Wasabi Energy remains encouraged with the work being undertaken by the new management at ARW and the positive turnaround in the business.

In the half year report from ARW announced to the ASX on 29 February, management provided the following update:

- Finalisation of the purchase of Biodiesel Producers Limited, resulting in capacity increasing to 150 million litres per annum
- Consistent sales during the past months
- A review of the three facilities by the US Environmental Protection Agency which resulted in all facilities receiving accreditation under the US Renewable Fuel Standards and also approval to generate US renewable energy credits. This creates an export opportunity into the US market.
- Continued work to validate the processing and logistics for using Recycled Mill Oil (RMO) in each of the three facilities thereby reducing feed stock costs substantially.

In addition, within the ARW December quarterly update to shareholders, ARW management confirmed that they believe RMO will be available to all of ARW's facilities in the second half of 2012. Furthermore, ARW management believe that ongoing demand for biodiesel will continue such that its plants will be at or near full capacity by the end of 2012, compared with approximately 30% at present.

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 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 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

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

WASABI ENERGY LIMITED

ABN

24 000 090 997

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from customers	2082	3517
1.2	Payments for (a) staff costs	(921)	(2429)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(2115)	(6378)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	31
1.5	Interest and other costs of finance paid	-	(14)
1.6	Income taxes paid	-	-
1.7	Other (R&D Tax rebate)	349	350
Net operating cash flows		(602)	(4923)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(602)	(4923)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(100)	(229)
(c) Project Development	(164)	(282)
(d) physical non-current assets	-	(125)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	273	774
(c) intellectual property	-	-
(d) physical non-current assets	2	2
(e) other non-current assets	-	-
1.11 Loans to other entities	(86)	(1946)
1.12 Loans repaid by other entities	-	33
1.13 Other (Provide details if material)	-	-
Net investing cash flows	(75)	(1773)
1.14 Total operating and investing cash flows	(677)	(6696)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	2078
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	410	410
1.18 Repayment of borrowings	(2)	(448)
1.19 Dividends paid	-	-
1.20 Other (adjustment for acquisition of subsidiary)	36	36
Net financing cash flows	444	2076
Net increase (decrease) in cash held	(233)	(4620)
1.21 Cash at beginning of quarter/year to date	1036	5223
1.22 Exchange rate adjustments to item 1.20	(3)	197
1.23 Cash at end of quarter	800	800

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	144
1.25	Aggregate amount of loans to the parties included in item 1.11	86
1.26	Explanation necessary for an understanding of the transactions 1.24 Directors' consulting and salaries paid on normal commercial terms. 1.25 Amount advanced to Aqua Guardian Group prior to the Company increasing its holding to 79.2% on 7 February 2012.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- On 7th February 2012, Aqua Guardian Group (AGG) converted \$4.254m owing to the Company by issuing 85,083,120 ordinary shares at 5 cents per share each in AGG. As a result of this Wasabi's holding in AGG increased from 47.5% to 79.2%. Net assets acquired amount to \$3.495m
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
- None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	1500	400
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	435	413
4.2	Deposits at call	365	623
4.3	Bank overdraft	-	-
4.4	Other	-	-
Total: cash at end of quarter (item 1.23)		800	1036

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 26 April 2012

Print name: Alwyn Davey

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.