

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Wasabi Energy Limited

ABN

24 000 090 997

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Preference Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 460,800,000 preference shares (or 498,300,000 if current options are exercised prior to the record date). |

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- 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Preference Shares

- convert into 1 ordinary share and 1 unlisted option to acquire an ordinary share at 1 cent.
- If no dividend declared in a 12 month period the conversion into ordinary shares will be increased by 7% per annum
- Automatically convert to ordinary shares if the ordinary shares of the Company trade above 1.5 cents for more than 14 days consecutively within 12 months from the issue of the Preference Share; or above 2 cents for more than 14 days consecutively within 24 months from the issue of the Preference Share; or above 2.5 cents for more than 14 days consecutively within 36 months from the issue of the Preference Share; or at the expiration of 3 years from the date of issue of the Preference Shares.

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Preference Shares – No</p> <ul style="list-style-type: none"> - Rank equally from the date they are converted to Ordinary shares - 7% preferential entitlement to dividend if dividend is declared - the holder of a Preference Share shall in a winding up be entitled to rank in priority to all other shares for the time being issued in the capital of the Company for repayment of the issue price of the Preference Share but shall have no further right to participate in the profits or assets of the Company, whether surplus or otherwise; <p>(a) the holder of a Preference Share shall be entitled to vote in each of the following circumstances but not in any others:</p> <ul style="list-style-type: none"> (i) during a period during which a dividend (or part of a dividend) in respect of the shares is in arrears; (ii) on a proposal to reduce the capital of the Company; (iii) on a resolution to approve the terms of a buy-back agreement; (iv) on a proposal that affects the rights attached to the Preference Share; (v) on a proposal to wind up the Company (vi) on a proposal for the disposal of the whole of the Company's property, business and undertaking (vii) during the winding up of the Company
<p>5 Issue price or consideration</p>	<p>1 cent each</p>

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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>General Working Capital Investment capital Repayment of debt</p>	
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>3 July 2009</p>	
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p>	<p>+Class</p>
	<p>881,640,445 498,300,000</p>	<p>Fully paid ordinary shares Preference Shares</p>

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	10,000,000	Options exercisable at 3 cents expiring 29 November 2009
	10,000,000	Options exercisable at 3.5 cents expiring 29 November 2009
	10,000,000	Options exercisable at 3 cents expiring 30 November 2009
	10,000,000	Options exercisable at 3.5 cents expiring 30 November 2009
	37,500,000	Options exercisable at 1 cent expiring 4 May 2011
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 for 2
14 +Class of +securities to which the offer relates	Ordinary shares and qualifying options
15 +Record date to determine entitlements	12 June 2009
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17 Policy for deciding entitlements in relation to fractions	Rounding down of entitlements

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<p>18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>United States of America Canada Switzerland Hong Kong Cyprus Malaysia Singapore Cayman islands Hungary South Africa</p>
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>29 June 2009</p>
<p>20 Names of any underwriters</p>	<p>Pekwey Pty Limited, Napier Holding Services Limited, Mining and Rural Investments Limited, Chris Kyriakou, Fifth Avenue Capital Inc, Osiris Capital Investments Pty Ltd and Sassey Pty Limited</p>
<p>21 Amount of any underwriting fee or commission</p>	<p>2%</p>
<p>22 Names of any brokers to the issue</p>	<p>n/a</p>
<p>23 Fee or commission payable to the broker to the issue</p>	<p>n/a</p>
<p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders</p>	<p>n/a</p>
<p>25 If the issue is contingent on ⁺security holders' approval, the date of the meeting</p>	<p>n/a</p>
<p>26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</p>	<p>15 June 2009</p>
<p>27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders</p>	<p>1 June 2009</p>
<p>28 Date rights trading will begin (if applicable)</p>	<p>n/a</p>

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29	Date rights trading will end (if applicable)	n/a
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	n/a
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	n/a
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	n/a
33	+Despatch date	3 July 2009

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000

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100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 2 June 2009
(Director)

Print name: Tim Wise

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