



3 February 2009

Nicholas Ong
Companies Advisor
Australian Stock Exchange Limited
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

By facsimile: (08) 9221 2020

Dear Nicholas,

Appendix 4C Query

I refer to your letter of 30 January 2009 regarding the information provided by the Company in the Appendix 4C for the consolidated entity (Group) for the period ended 31 December 2008 and advise:

1. The Group expects it will be able to fund its operating activities for the next and subsequent quarters. Whilst the Group has had negative operating cash flows for the year to date the operations have and will continue to be funded from sources other than operating revenues including raising additional capital when required through the sale of tradable securities and/or the issue of equity or the licensing of technologies.
2. Yes, the Group does expect negative operating cash flows for the next twelve months which will be funded by the means stated at 1 above.
3. The Company's business continues to be the identification and investment (either directly or indirectly) in early stage energy and resource related projects and technologies and to support these projects to progress to the next stage of development or commercialisation. Shareholder value will be realised through the sale, public listing or profitable operation of these investments.

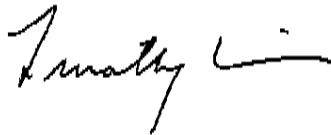
As such, the Group does not expect positive operating cash flows at this time and revenues and expenses are as anticipated.

4. As outlined above, the Group is intending to meet its operating expenses and progress its strategic goals through: the sale of marketable securities or the issue of additional equity as and when required; renegotiating terms of current debt; delaying or ceasing planned subscriptions in existing investments; and the licensing of technologies.

The Company has tradable securities that, based on current market prices, are valued at approximately \$2.7 million and a further \$3.3 million of listed shares escrowed to between November 2009 and April 2010. The Company is also considering alternatives for an issue of new securities.

5. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.
6. The Company considers that its financial condition is adequate to comply with listing rule 12.2 taking into account the composition of the Group balance sheet, relative size of liabilities to assets and access to funds.

Yours sincerely



Tim Wise
Director

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

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Perth WA 6000

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FAXED
30 January 2009

Phillip MacLeod
Company Secretary
Wasabi Energy Limited
Level 2 Mezzanine
28 Ord Street
West Perth WA 6005

By Facsimile: 9322 5052

Dear Phillip,

Wasabi Energy Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2008, released to ASX Limited ("ASX") on 29 January 2009, (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$3,192.
2. Net negative operating cash flows for the quarter of \$[1,237,786].
3. Cash at end of quarter of \$280,144.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may only have sufficient cash to fund its activities for January 2009. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
5. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
6. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

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Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5.00 p.m. W.D.S.T. on Tuesday, 3 February 2009.**

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0017.

Yours sincerely,



Nicholas Ong
Principal Adviser, Issuers (Perth)