



14 May 2009

The Manager
Australian Stock Exchange Limited (ASX)
Company Announcements Office

Dear Sir/Madam

Acquisition of Debt

The directors of Wasabi Energy Limited wish to advise they have resolved to purchase a \$250,000 loan made to Australian Renewable Fuels Limited ("ARF") by Mining and Rural Investments Limited (as announced by ARF on 30 January 2009) subject to the assignment provisions of the loan. The purchase price for the loan will be settled on or about the closing of the proposed Wasabi rights issue as announced on 22 April 2009.

The key terms of the loan are:

- Term – until 29 January 2010 unless the Loan is converted earlier pursuant to an ARF rights issue or placement;
- Interest – 12% per annum compound, payable quarterly in arrears;
- Secured – subject to any shareholder approval required from ARF shareholders.

The amount owing under the loan is repayable at the election of the lender in cash or by the issue of ordinary shares at an issue price of 1 cent per share with a free attaching option exercisable at 1 cent each pursuant to an ARF rights issue or by way of placement by ARF.

This increased investment in ARF is in keeping with Wasabi's strategic aim to become a major profitable energy and clean technology company building on an established platform of strategic investments in these sectors.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Timothy' followed by a flourish.

Tim Wise
Director

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