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ASX ANNOUNCEMENT

Underwriting of Aqua Guardian Group IPO

Wasabi Energy Limited announced on 3 October 2007 that it had made a \$500,000 investment in Aqua Guardian Group Ltd (“Aqua Guardian”) taking a 20% stake in the company. Wasabi Energy has also agreed to sub-underwrite \$1 million of a proposed \$4.5 million public offering by Aqua Guardian.

Wasabi intends to offer shareholders holding a minimum of 50,000 shares, a priority entitlement to shares in the upcoming float of Aqua Guardian. If an offer is made in Aqua Guardian in the future, the offer will be made pursuant to a prospectus and anyone wishing to acquire shares at that time will need to complete the application form that will be in or accompanies the prospectus. A copy of the disclosure document will be made available to you by Wasabi at the relevant time.

Aqua Guardian is seeking to commercialise a potentially cost effective device to reduce evaporative water losses from open water storage areas such as dams and tailings ponds. The device involves simple, hollow disc shaped hexagons, which float semi submerged under their own buoyancy to effectively cover the water body. The devices reduce wind disturbance, direct sun impact and work to reduce the overall temperature of the water body, potentially reducing evaporation by 70%-90% over the area covered.

Tim Wise
Managing Director

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