



26 August 2008

Elizabeth Harris
Companies Advisor
Australian Stock Exchange Limited
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

By facsimile: (08) 9221 2020

Dear Elizabeth,

Appendix 4C Query

I refer to your letter of 21 August 2008 regarding the information provided by the Company in the Appendix 4C for the consolidated entity (Group) for the period ended 30 June 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 last financial year 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 debt.
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. & 4. 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.

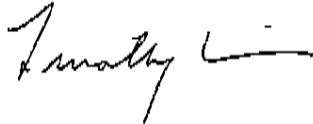
5. As outlined above, the Group is intending to meet its operating expenses and progress its strategic goals through the sale of marketable securities or the issue of additional equity or debt as and when required.

The Company has tradable securities that, based on current market prices, are valued in excess of \$10 million. The Company is also raising funds of up to \$3.5 million by the issue of convertible notes. The issue of the convertible notes will be subject to shareholder approval.

The Company's 70% owned subsidiary, Global Geothermal Limited, is preparing for a public listing and is in the process of securing outside equity of GBP350,000 to support its operations.

6. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.
7. 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

ASX Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

21 August 2008

Mr Tim Wise
Company Secretary
Wasabi Energy Limited
Level 2
28 Ord Street
WEST PERTH WA 6005

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0029
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

By facsimile: 9322 5052

Dear Tim

Wasabi Energy Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2008, released to ASX Limited ("ASX") on 30 July 2008 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$38,839.
2. Net negative operating cash flows for the quarter of \$471,845.
3. Cash at end of quarter of \$784,517.

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 not have sufficient cash to fund its activities for the next quarter. 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. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.
5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

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 4.00 pm WST on Tuesday, 26 August 2008.**

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 0011.

Yours sincerely,



Elizabeth Harris
Senior Adviser, Issuers (Perth)