

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

WASABI ENERGY LIMITED

ABN

24 000 090 997

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (12 months) \$A
1.1 Receipts from customers	2,139	7,470
1.2 Payments for		
(a) staff costs	(63,435)	(233,838)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(93,074)	(421,584)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	25,746	53,779
1.5 Interest and other costs of finance paid	(3,384)	(5,037)
1.6 GST refunded	10,022	79,669
1.7 Exploration	(206,189)	(362,725)
Net operating cash flows	(328,176)	(882,267)

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	Current quarter	Year to date (12 months)
	\$A	\$A
1.8 Net operating cash flows (carried forward)	(328,176)	(882,267)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(65,262)	(65,262)
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(241,225)	(324,207)
1.12 Loans repaid by other entities	-	-
1.13 Purchase of prospects	-	(500,000)
Net investing cash flows	(242,305)	(2,272,066)
1.14 Total operating and investing cash flows	(634,664)	(2,210,999)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	* 1,170,000	4,781,462
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	(50,000)	(50,000)
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (capital raising costs)	(23,956)	(25,966)
Net financing cash flows	1,096,044	4,705,496
Net increase in cash held	461,380	2,433,430
1.21 Cash at beginning of quarter/year to date	2,246,800	274,750
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,708,180	2,708,180

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	63,435
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Directors' fees and salaries and related costs on normal commercial terms.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
 Refer to activities report.
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A	Amount used \$A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	2,708,180	2,246,800
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other	-	-
Total: cash at end of quarter (item 1.22)		2,708,180	2,246,800

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Tim Wise*
Director

Date: 31 July 2007

Print name: Tim Wise

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Quarterly Activities Report

Wasabi has exposure to a broad range of resources and energy related projects which now include exploration for uranium in the Northern Territory and coal in Canada, renewable and energy efficient technology, and bio diesel production.

Uranium Assets

Rum Jungle Uranium

Wasabi has transferred its interests in the Woolner Dome, Alice Springs and Mount Bundy leases to its subsidiary Rum Jungle Uranium Limited for 44M shares and 10M options.

Rum Jungle Uranium is seeking a public listing on ASX Limited. The prospectus is expected to be lodged in the month of August.

The effect of the IPO will be that the Wasabi will retain its existing interest in Rum Jungle Uranium (44M shares and 10M options) and that shareholders in the Wasabi will be given the right to subscribe pursuant to the offer. Wasabi shareholders will need to hold a minimum number of shares which is yet to be determined in order to be eligible for a priority entitlement in the IPO. \$3M worth of Rum Jungle stock is to be offered to Wasabi shareholders with the balance of the IPO money being raised through other sources.

*The consolidated cash flow statement in this Appendix 4C includes the Company's interest (approx.78%) in the cash balance and cash flow of Rum Jungle Uranium.

Renewable Energy Technology

Exergy / Global Geothermal

Wasabi has formed a new Company, "Global Geothermal Limited" (GGL). Wasabi has transferred the loans owed to it by Exergy to GGL. It has also assigned to GGL an option to purchase its 46% Exergy shareholding for \$1.

Wasabi currently owns 70% of GGL with the remaining 30% held by AMP Resources LLC who have vended their subsidiary Recurrent Engineering, a company which specializes in Geothermal and Waste heat power stations, into GGL.

GGL will have a particular interest in the patented Kalina cycle technology for which Recurrent Engineering is world wide licensee. Wasabi has a 46% shareholding in the licensing company Exergy Inc.

Exergy's licensees and sublicencees include Siemens, Geodynamics, Ebara and ExOrka who have an operational Kalina Cycle power station in Iceland. There are also several operating Kalina Cycle plants in Japan, one of which is owned by Sumitomo steel.

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Kalex Licence

Wasabi has entered into a licensing agreement with the US based Kalex LLC (KALEX) that will significantly enhance Wasabi's capability to develop zero and low greenhouse gas emission power generation projects. This opportunity is particularly exciting for the Company given the opportunities that are rapidly emerging with global recognition of climate change problems and the need to reduce greenhouse gases.

Under the terms of the agreement Wasabi Energy has acquired a global licence to develop power projects utilizing KALEX system technology.

The acquisition of the KALEX licence complements Wasabi's existing technology investments and provides Wasabi Energy with access to a raft of other project development opportunities especially in the area of power production from waste heat.

Bio diesel Investment

Wasabi has entered into a joint venture with Cambrian Mining and Swann Capital Group whereby Wasabi has a 50% stake in a newly formed company, "Evolution Energy". Cambrian and Swann each have a 25% stake in the company.

The purpose of the company is to evaluate several opportunities in the ethanol and bio diesel industry. Evaluation of opportunities is continuing.

Evolution Energy has advanced \$325 000 to K E Engineering with the objective of having direct access to the engineering know how of an operating Australian bio diesel plant.

The plant is located at Laverton, Victoria. Wasabi, for its contribution to the investment in K E Engineering, is to be paid a royalty on the first 20,000,000 litres of production. The total royalty payable is \$896,000.

Lillyburt Coal

Approvals are still being sought for an initial drill programme to assist in determining the quality and quantity of the Lillyburt project.

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Corporate

Wasabi has good exposure to future projects and opportunities in a wide range of areas through its major shareholders Xtract Energy Plc and Cambrian Mining plc which have a combined market capitalisation of \$360 million.

Wasabi has entered in to several agreements which will further strengthen the Company's energy asset base. These agreements are subject to shareholder approval in August 2007.

The first of the agreements involves the purchase of a 50% interest in a joint venture with Danieli Corus, a world leader in steel making technology.

The Danieli Corus Joint Venture is a well advanced research project studying a method of producing char using an environmentally benign process. The process may have applications in the steelmaking industry in the pre treatment of coal and for coal liquification.

The second agreement involves the acquisition of 12.3M Aviva shares from major shareholder, Xtract Energy Plc. Wasabi already owns 1.8M shares in Aviva. If the transaction is approved Wasabi's holding in Aviva will increase to 14.1 M shares (around 18%).

Aviva (ASX code: AVA) holds extensive coal deposits near Geraldton, in the rapidly developing central west iron ore province. Aviva has also entered into an agreement with Mawana Minerals Ltd of Botswana over the Mmamantswe coal project located 70 km north of the capital, Gaborone.

In addition Wasabi is looking at several other exciting opportunities which may add further asset value to its portfolio.

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