

# 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 September 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from customers	2,138	2,138
1.2 Payments for (a) staff costs	(28,663)	(28,663)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(128,382)	(127,382)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10,688	10,688
1.5 Interest and other costs of finance paid	-	-
1.6 GST refunded	-	-
1.7 Exploration	-	-
<b>Net operating cash flows</b>	<b>(143,219)</b>	<b>(143,219)</b>

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	Current quarter	Year to date (3 months)
	\$A	\$A
1.8	<b>(143,219)</b>	<b>(143,219)</b>
1.9	<b>Cash flows related to investing activities</b>	
	Payment for acquisition of:	
	-	-
	(776,486)	(776,486)
	-	-
	-	-
	-	-
	(300,971)	(300,971)
1.10	Proceeds from disposal of:	
	-	-
	-	-
	-	-
	-	-
	-	-
1.11	(37,287)	(37,287)
1.12	200,000	200,000
1.13	-	-
	<b>(914,744)</b>	<b>(914,744)</b>
<b>1.14</b>	<b>(1,057,963)</b>	<b>(1,057,963)</b>
	<b>Cash flows related to financing activities</b>	
1.15	-	-
1.16	-	-
1.17	-	-
1.18	-	-
1.19	-	-
1.20	-	-
	-	-
	<b>-</b>	<b>-</b>
	<b>(1,057,963)</b>	<b>(1,057,963)</b>
1.21	1,492,745	1,492,745
1.22	-	-
1.23	<b>434,782</b>	<b>434,782</b>

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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	26,453
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 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

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	434,782	1,492,745
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		434,782	1,492,745

**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 October 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 Rum Jungle Uranium Limited for 44 million shares and 10 million options.

Wasabi will own approximately 38% of Rum Jungle Uranium at listing.

Rum Jungle Uranium is seeking a public listing on the ASX. It is expected to raise \$12M in its initial public offering which closed on 25 October 2007.

Wasabi shareholders were offered the opportunity to own shares in Rum Jungle Uranium directly.

### **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 has 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 sublicensees include Siemens, Geodynamics, Ebara and X-Orka 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.

#### **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.

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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 Evolution Energy Pty Ltd. 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.

### **Lillyburt Coal**

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

### **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.

#### **Aviva Corporation Limited shareholding**

Following transactions with Xtract Energy Plc during the quarter, Wasabi is the largest shareholder in Aviva Corporation. Wasabi holds 14.1 million shares in Aviva which is listed on the ASX. Aviva is proposing to build a 400MW state of the art coal fired power station in the mid west of Western Australia.

Aviva also has coal interests in Botswana and intends to provide Botswana and neighboring South Africa with power fueled by the Mmantswe coal deposit which has the potential to hold 600 Million tones of high quality thermal coal.

#### **Danieli Corus Joint Venture**

Wasabi also purchased a 50% interest in a joint venture with Danieli Corus, a world leader in steel making technology, from Xtract Energy Plc.

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.

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**Other**

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

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