



29 October 2009

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

Dear Sir/Madam

**AUTOMATIC CONVERSION OF PREFERENCE SHARES UPDATE**

Further to the announcement on 22 October 2009, Wasabi wish to confirm the automatic conversion of the Preference Shares was completed today by the Company's registrar, Computershare.

Please see attached an updated Appendix 3B correcting the number of new ordinary shares being issued.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Alwyn Davey', with a long horizontal flourish extending to the right.

Alwyn Davey  
Company Secretary

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## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Wasabi Energy Limited

ABN

24 000 090 997

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Ordinary Shares and Unlisted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 467,266,774 Ordinary shares<br>457,514,466 Options   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | -Fully Paid Ordinary Shares<br>-Options to purchase an ordinary share at a price of 1c each expiring 21 October 2011 |

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**New issue announcement**

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Ordinary Shares – Yes</p> <p>Options – no. On conversion to ordinary shares these will rank equally.</p>				
<p>5 Issue price or consideration</p>	<p>Nil – Conversion of Preference Shares</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Conversion of Preference Shares</p>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>29 October 2009</p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1556 989 1601">Number</th> <th data-bbox="989 1556 1283 1601"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1601 989 1830">1,388,621,894</td> <td data-bbox="989 1601 1283 1830">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	1,388,621,894	Fully paid ordinary shares
Number	<sup>+</sup> Class				
1,388,621,894	Fully paid ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	10,000,000	Options exercisable at 3 cents expiring 29 November 2009
	10,000,000	Options exercisable at 3.5 cents expiring 29 November 2009
	10,000,000	Options exercisable at 3 cents expiring 30 November 2009
	10,000,000	Options exercisable at 3.5 cents expiring 30 November 2009
	1,033,050	Options exercisable at 1c expiring 23 July 2011
	1,181,205	Options exercisable at 1c expiring 17 August 2011
	457,514,466	Options exercisable at 1c expiring 21 October 2011
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

### Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	

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- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled

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27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

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**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:  
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>Conversion of Preference Shares</p>
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<p>42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">1,388,621,894</td> <td style="vertical-align: top;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	1,388,621,894	Fully paid ordinary shares
Number	<sup>+</sup> Class				
1,388,621,894	Fully paid ordinary shares				

**Quotation agreement**

1 <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX’s absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  .....Date: 29 October 2009  
(Secretary)

Print name: Alwyn Davey

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