Wasabi Energy Limited
ABN 24 000 090 997
Level 9, 175 Collins Street
Melbourne Vic 3000
Australia

Telephone: +61 3 9663 7132
Facsimile: +61 3 9650 0066
www.wasabienergy.com

ASX Announcement

14 June 2011

Wasabi Energy Signs Term Sheet to Acquire Interest in German Kalina Cycle® Geothermal Development Project.

Global Geothermal
Advanced Waste Heat Engineering
A Wasabi Energy Company

- **Wasabi Energy to join consortium to develop 4,500 kW geothermal Kalina Cycle® power plant**
- **Project marks the first opportunity to build-own-operate power plant with a Kalina Cycle® licensee**
- **Daldrup & Söhne AG to commence drilling at the Taufkirchen project in June 2011**
- **Kalina Cycle® well positioned as preferred technology in the emerging German geothermal sector**

Wasabi Energy (ASX: WAS, AIM: WAS) is pleased to announce the signing of a term sheet to jointly develop, own and operate the Taufkirchen Geothermal Power Plant in Southern Germany. Wasabi Energy joins an experienced consortium consisting of Swiss utility Axpo, German geothermal developer Geysir Europe GmbH and its wholly owned subsidiary Exorka GmbH, a Kalina Cycle®[1] licensee, to develop the Taufkirchen project.

The next stage in the development of the Taufkirchen project is scheduled to commence with the drilling of two wells targeting the Malm reservoir within the Molasse Basin, later this month. The Malm reservoir is a proven geothermal system and is the same geological sequence which has been successfully tapped by the Unterhaching Kalina Cycle® Geothermal Power Plant which has been operating since April 2009 (*figure s 4a & 5b*) located approximately 2 km North of Taufkirchen.

In addition to the two Kalina Cycle® power plants already installed in Germany, the decision by the project consortium to develop the Taufkirchen geothermal project as a Kalina Cycle® power plant ensures the technology is well positioned to become the preferred technical solution for the geothermal sector in Germany. Wasabi Energy will earn a direct equity interest in the Taufkirchen project through the provision of specialised Kalina Cycle® related services through its subsidiaries[2].

Geothermal Drilling Rig[3] - *Daldrup & Söhne AG, Germany*

Fig. 1

Additional details regarding the Taufkirchen Geothermal Power Project have been provided in the following sections:

[1] - Kalina Cycle® is a registered trademark of Global Geothermal Limited. The Kalina Cycle® is a patented power cycle technology owned by Global Geothermal Limited.

[2] - Global Geothermal Limited (U.K.) and Recurrent Engineering LLC (U.S.) are wholly owned subsidiaries of Australian Securities Exchange (ASX: WAS) and Alternative Investment Market (AIM: WAS) listed, Wasabi Energy Limited.

[3] - Daldrup & Söhne AG drilling Rig in Bavaria, Germany, drilling a geothermal project. Source Richard Bartz.

Taufkirchen Geothermal Project

Project Overview - *upstream development*

The development of the Taufkirchen geothermal resource has commenced with the preparation of a suitable drilling pad at the Taufkirchen project site. The two well deep drilling campaign to depths of up to 4,100 metres will be conducted by Daldrup & Söhne AG and is scheduled to commence during June and be completed in August 2011.

Project Overview - *downstream development*

The Taufkirchen project will be developed as a combined heat & power (CHP) geothermal plant which involves the utilisation of the recovered geothermal fluids being utilised for both district heating and approximately 4,500 kWe of power generation. The proposed integrated Kalina Cycle® CHP development of the Taufkirchen geothermal resource is similar to the 2,000 kWe Husavik power plant owned by Wasabi Energy in Iceland and has also been proven at the nearby 3,400 kWe Unterhaching geothermal power plant (*figure 3a*).

Project Equity - *Wasabi Energy earn-in*

Wasabi Energy will earn a direct equity interest of up to 15% in the Taufkirchen geothermal project through the provision of the Kalina Cycle® power plant and related services, once the first geothermal production well has been drilled and its viability of the resource confirmed. Once the power plant is installed, Wasabi Energy will receive a licensing fee, engineering fees as well as a share of ongoing project earnings according to its relevant ownership interest in the project.

Project Partners

The development of the Taufkirchen Geothermal Kalina Cycle® project is led by a consortium of partners with extensive experience across the entire geothermal value chain. In addition to Wasabi Energy, consortium partners for the Taufkirchen Geothermal Kalina Cycle® project include:

- Geysir Europe GmbH
- Axpo
- Exorka GmbH
- Daldrup & Söhne AG

GEYSIR EUROPE

Geysir Europe GmbH

Geysir Europe GmbH is a German geothermal exploration and development company with experience in geological activities, drilling and Kalina Cycle® power plant development.

Additional Information:
geysireurope.de

axpo

Axpo

Axpo is the leading Swiss power utility and is also the largest producer of electricity from renewable sources including biomass and hydroelectric generation in Switzerland.

Additional Information:
axpo.ch

exorka

Exorka GmbH

Exorka GmbH is an experienced European geothermal exploration and development company which is also the major Kalina Cycle® technology licensee in Europe.

Additional Information:
exorka.com

Daldrup & Söhne AG
Bohrtechnik

Daldrup & Söhne AG

Daldrup & Söhne AG is Germany's leading drilling company with specific expertise in upstream geothermal development and is also Geysir Europe GmbH's majority shareholder.

Additional Information:
daldrup.eu

German Geothermal Sector Overview

Major Geothermal Regions in Germany[4]

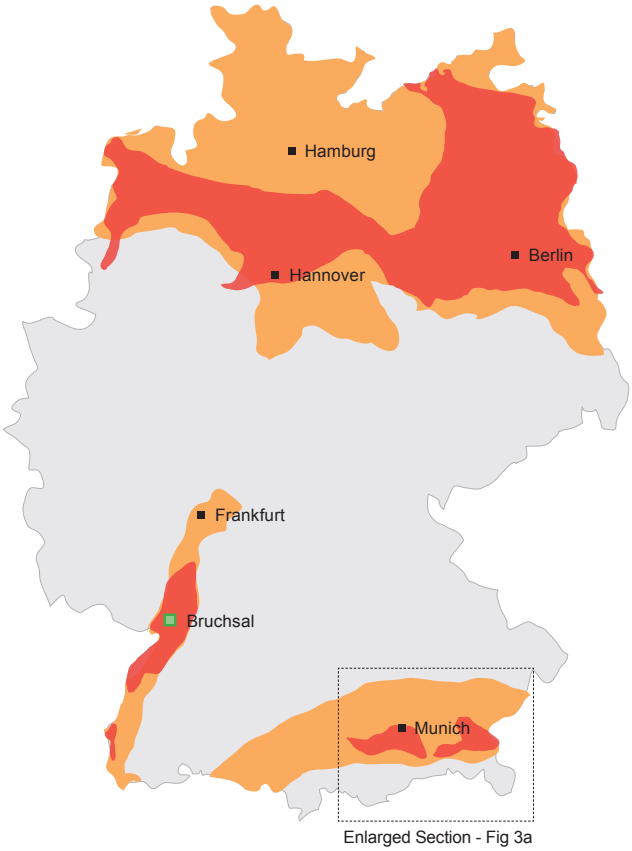


Fig.2

Operating & Regulatory Environment

Germany is considered a highly attractive location to develop small to medium scale geothermal projects due to substantial government support for the emerging sector. In 2008 Germany increased the feed-in tariff[5] for geothermal derived power generation to €160 - 270 (currently €250) per megawatt-hour (MWh), effectively the highest geothermal feed-in tariff in the world. The increased geothermal tariff has spurred the rapid development of the geothermal sector in Germany by providing a powerful incentive for industry to accelerate geothermal exploration and development. In 2010 only 27 GWh of geothermal power was produced in Germany, a fraction of total power consumption, however recent reports[6] suggest Germany is forecast to produce 377 GWh by 2015 and 1,654 GWh by 2020, highlighting the expected exponential growth profile of the geothermal sector in Germany.

Geological Setting

The major geothermal basins in Germany host a network of aquifers containing geothermal fluids at temperatures of up to 140°C at depths of less than 5,000m. At this relatively low temperature range, the superior thermodynamic efficiencies of the Kalina Cycle® result in increased power generation of up to 40% over competing technologies.

Kalina Cycle® Reference Plants in Germany[7]

In 2009, SiemensAG commissioned the:

- 580 kW Bruchsal Kalina Cycle® Geothermal Power Plant
- 3,400 kW Unterhaching Kalina Cycle® CHP Power Plant

Geothermal Prospectivity of the Molasse Basin[4]

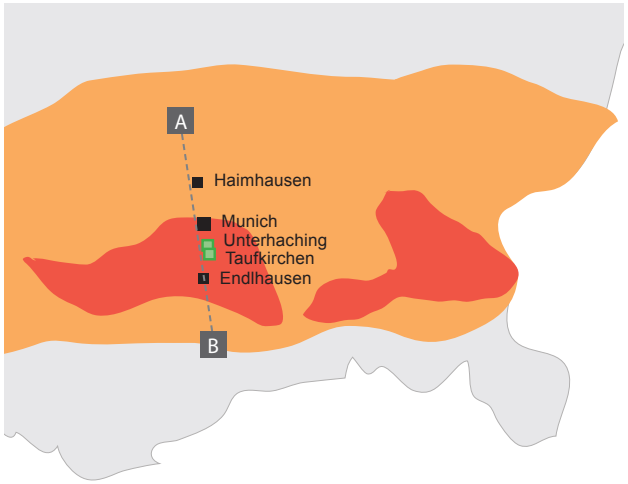


Fig. 3a

Geological Cross-Section of the Molasse Basin[8]

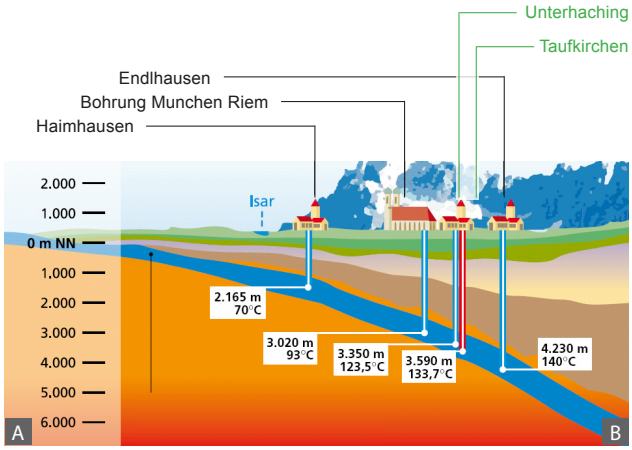


Fig. 3b

[4] - Geothermal distribution and prospectivity maps for Germany developed and adapted by Activated Logic from a range of public sources including a geothermal publication by Rodle & Partner.
[5] - The specific applicable feed-in tariff rate is determined by a range of factors including the year a power plant is commissioned, its output capacity (MWe) and whether it is operating in a CHP configuration.
[6] - ECN & EEA Report published in February 2011 titled, Renewable Energy Projections as Published in the National Renewable Energy Action Plans of the European Member States - Covering all 27 EU Member States.
[7] - Images of the two Kalina Cycle® geothermal power plants are provided in Figures 4a, 4b & 4c. The location of these two power plants in Germany is provided in Figures 2 & 3a.
[8] - Molasse Basin schematic is a simplified representation and interpretation of the geology developed and adapted by Activated Logic from a range of public sources including a geothermal publication by Rodle & Partner.

Comment from the Chairman

Executive Chairman of Wasabi Energy and Director of Global Geothermal Limited, Mr. John Byrne commented:

"The Taufkirchen geothermal project being developed by our consortium partners Geysir Europe and AXPO provides Wasabi Energy with an excellent opportunity to further consolidate the Kalina Cycle® technology as the power plant technology of choice in the low temperature geothermal market. As the third Kalina Cycle® geothermal power plant project in Germany, the Taufkirchen project confirms project developers in this market segment, like many other parts of the world are increasingly recognising the efficiency and operating advantages of the Kalina Cycle®."

"We are delighted to be collaborating with Geysir Europe, the parent company of our Kalina Cycle® licensee, Exorka, to jointly develop the Taufkirchen geothermal project. This is the first time we have combined our build, own, operate (BOO) strategy and capabilities with one of our Kalina Cycle® licensees. We foresee many similar opportunities with our other Kalina Cycle® licensees in the future and expect to capture the best of these opportunities moving forward."

"Our business strategy to gain maximum deployment of Kalina Cycle® technology consists of both a licensing stream and a power plant operator as an Independent Power Producer (IPP) by building and owning Kalina Cycle® power plants. These two business streams are not mutually exclusive. We are closely reviewing a number of interesting opportunities to build, own and operate Kalina Cycle® power plants in a number of different industry sectors."

Yours Sincerely,

Mr. John Byrne
Executive Chairman

Unterhaching Geothermal Power Plant[7] - *Internal View*

Fig. 4a

Unterhaching Geothermal Power Plant[7] - *External View*

Fig. 4b

Bruchsal Geothermal Power Plant[7] - *Internal View*

Fig. 4c

For further information contact

Australian Media Enquiries
Mr. John Byrne
Wasabi Energy Limited
Ph: +61 (0)3 9663 7132

Australian Investor Enquiries
Ms. Diane Bettess
Wasabi Energy Limited
Ph: +61 (0)3 9663 7132

U.K. Media Enquiries
Mr. Josh Royston / Ms. Hilary Millar
Threadneedle Communications
Ph: +44 (0) 207 653 9850

U.K. Investor Enquiries
Ms. Ivonne Cantu / Ms. Beth McKiernan
Cenkos Securities plc
Ph: +44 (0)207 397 8900 / +44 (0) 131 220 9778

Overview of the Kalina Cycle® Technology

Global Geothermal's Kalina Cycle®, the proven and most thermodynamically efficient power cycle technology in the world, is now on the verge of large-scale adoption in:

- *Enhanced Energy Efficiency* (EEE), and
- *Renewable Energy Generation* (REG);

applications, across the globe.

Building on the initial Kalina Cycle® Technology breakthroughs in the mid 1980's, the innovative technology has undergone intensive development, optimisation and large-scale demonstration with some of the most significant power generation and industrial companies in the world. A comprehensive suite of second generation Kalina Cycle® innovations including the patented RIP-Cycle and Multiple Heat-Source applications have recently been pioneered by Global Geothermal Limited; however the superior and unparalleled thermodynamic efficiencies remain firmly at the core of the Kalina Cycle®.

The superior efficiency of the Kalina Cycle® provides an environmentally sustainable alternative for power generation, whilst offering significant savings in the construction of new power generation capacity and ongoing operational costs.

The thermodynamic power cycles which collectively constitute the Kalina Cycle® have been reviewed and verified by the U.S. Department of Energy (DOE), numerous leading universities and a variety of independent researchers and consulting engineers over a 20 year period, including, most recently, Shaw Group's Stone & Webster.

The Kalina Cycle® is the greatest innovation in power generation technology in over a century.

The adoption of the Kalina Cycle® is underpinned by a series of operational and economic advantages over alternative power generation technologies.

Operational Advantages

- **Use of existing and proven power plant components**
- **Underlying principles are simple and understood**
- **Ammonia has no ozone depleting potential**
- **Less sensitivity to decreases in heat source temperature**
- **Safe power plant configuration**
- **Improved design performance on both hot & cold days**

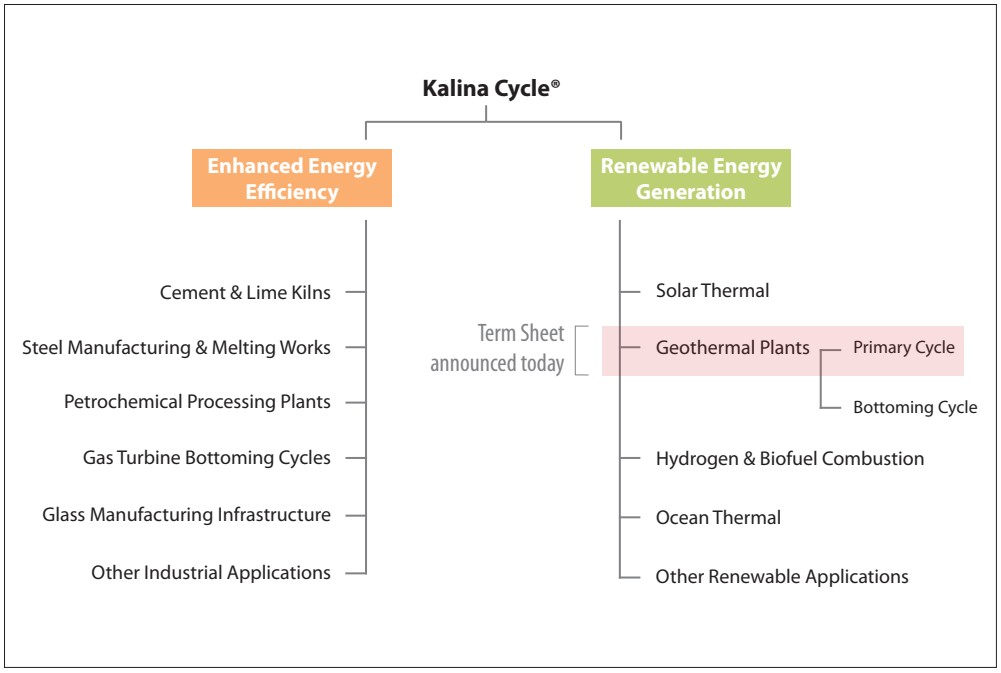
Economic Advantages

- **10% to 50% more power with the same heat input**
- **Lower power plant auxiliary loads**
- **Ammonia is a relatively inexpensive working fluid**
- **Very high capacity factor with minimal downtime**
- **Reduced capital cost for fixed output rating**
- **Optimise plant efficiency with ammonia-water variation**

Global Geothermal's Kalina Cycle®.

The next-generation, power cycle technology.

Segmented Applications for Kalina Cycle® Technology



Recent Activity

The signing of a term sheet to earn an interest in the Taufkirchen Kalina Cycle® Geothermal Power Plant project is another important step in building Wasabi Energy's build-own-operate (BOO) portfolio.

Wasabi Energy is reviewing similar opportunities in both the geothermal as well as the waste heat to power sectors.

Corporate Information

General corporate information regarding Wasabi Energy and the companies Wasabi Energy holds a strategic investment in can be found in this section. Announcements regarding Wasabi Energy corporate developments are made to the Australian Securities Exchange (ASX) and the London Stock Exchange's, Alternative Investment Market (AIM), are also available on the Wasabi Energy website. Additional information regarding the investee companies can be found at their respective web sites, details below.

Global Geothermal
Advanced Waste Heat Engineering
A Wasabi Energy Company

About Global Geothermal Limited

Global Geothermal Limited (GGL) holds an extensive Kalina Cycle® intellectual property portfolio and is focused on licensing the innovative technology into two core business streams, Enhanced Energy Efficiency (EEE) and Renewable Energy Generation (REG).

In 2007, Global Geothermal Limited, a private company incorporated in the United Kingdom, was established to consolidate the global Kalina Cycle® intellectual property interests, which involved the acquisition of U.S. based engineering firm, Recurrent Engineering LLC, now a wholly owned subsidiary. The initiation of new Kalina Cycle® projects generally requires Global Geothermal Limited issuing a Kalina Cycle® technology license to the project developer, and for Recurrent Engineering LLC to provide the power cycle engineering necessary for the design of the Kalina Cycle® power plant.

Wasabi Energy Limited has been progressively increasing its ownership interest in the Kalina Cycle® technology for over 5 years, through the acquisition of a range of commercial interests and substantial intellectual property portfolios. As of January 2011, Global Geothermal Limited is a wholly owned subsidiary of Wasabi Energy Limited.

wasabi
energy

About Wasabi Energy

Wasabi Energy Limited is listed on both the Australian Securities Exchange (ASX: WAS) and the AIM market in London (AIM: WAS). Wasabi Energy has major investments in three key strategic assets. It owns 100% of the Kalina Cycle® power generation technology which utilises low grade, waste heat from industrial facilities or geothermal sources to produce electricity. In a typical industrial application of the Kalina Cycle® technology can increase energy efficiency in an industrial plant by up to 20%. Wasabi Energy owns a 50% interest in Aqua Guardian Group, the developer of the AquaArmourTM water saving product. It also owns a 17% interest in Australian Renewable Fuels, a separately ASX listed company (ASX: ARW) which produces liquid biofuels from a variety of non-food grade feedstocks.

Additional information:
www.wasabienergy.com

Global Geothermal
Advanced Waste Heat Engineering
A Wasabi Energy Company

Wasabi Energy Ownership: 100%

Renewable power

globalgeothermal.com

AQUA
GUARDIAN GROUP

Wasabi Energy Ownership: 50%

Sustainable water

aquaguardiangroup.com

arfuels
AUSTRALIAN RENEWABLE FUELS LIMITED

Wasabi Energy Ownership: 17%

Renewable biofuels

arfuels.com.au