

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")

31 March 2006

Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
	\$A	\$A
Cash flows related to operating activities		
1.1 Receipts from customers	-	660
1.2 Payments for		
(a) staff costs	(37,312)	(123,694)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(49,032)	(215,565)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15,902	66,948
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Exploration	(25,102)	(25,102)
Net operating cash flows	(95,544)	(296,753)

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	Current quarter \$A	Year to date (9 months) \$A
1.8 Net operating cash flows (carried forward)	(95,544)	(296,753)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1,704)	(1,704)
(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	(1,626,694)	(1,626,694)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(1,626,694)	(1,626,694)
1.14 Total operating and investing cash flows	(1,722,237)	(1,923,447)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (capital raising costs)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,722,237)	(1,923,447)
1.21 Cash at beginning of quarter/year to date	2,101,456	2,302,666
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of month	379,219	379,219

+ See chapter 19 for defined terms.

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	26,075
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.
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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

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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

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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	379,219	2,101,456
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other	-	-
Total: cash at end of quarter (item 1.22)		379,219	2,101,456

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: *Phillip MacLeod*
Secretary

Date: 28 April 2006

Print name: Phillip MacLeod

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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

Woolner Dome and Alice Springs Uranium Option

Wasabi secured an option over two prospective tenements for Uranium and Gold in the Northern Territory covering in excess of 2,000 square kilometres.

The first is the Woolner Dome ELA 24939, one of three known Archaean granite domes in an area with significant uranium deposits to the south (Rum Jungle) and east (Jabiluka and Ranger). The Archaean granites are closely related to mineralization in the other two domes. The second is the Alice Springs ELA 24917 to the northeast of the Angela and Pamela uranium project areas.

The option was acquired for a total of \$50,000. The option is for a period of three months or until the tenements are granted (whichever is the later) by the payment of \$500,000 (plus GST) and an agreement to pay a royalty of \$1 per tonne of ore treated to the vendor. The vendor will also have the right to acquire \$250,000 of Wasabi shares at 2 cents per share.

The vendor's principal, Mr David Muller, is an exploration geologist with over 30 years experience and founded several ASX companies, including Samantha Exploration N.L., Samson Exploration N.L. and Julia Mines N.L. Mr Muller has been exploring privately in the N.T. for the last three years and has agreed to supervise the Company's exploration programme at Woolner and Alice Springs in the capacity of a consultant, once the tenements are granted.

Exergy Inc. Investment

Wasabi currently owns approximately 46% of the common stock and 100% of the preferential stock in Exergy Inc. ("Exergy"). Wasabi also holds outstanding promissory notes in Exergy of US\$682,924. Exergy is a California-based energy technology corporation that owns the Kalina Cycle technology, a patented process that significantly improves the efficiency of conversion of heat to power for generation of electricity from low temperature geothermal and waste heat.

Wasabi advanced US\$1.2 million to Amp Recurrent LLC on behalf of Exergy during the quarter. Amp Recurrent had advanced funds of US\$500,000 plus interest at the rate of 5% per annum to Exergy, together with additional funding to maintain Exergy's extensive worldwide patent portfolio. This advance became payable as a result of a definitive merger entered into between Amp Recurrent and Raser Technologies, a listed US based energy technology company. Wasabi has advanced the funds on behalf of Exergy pursuant to an existing revolving credit note agreement with Exergy. The balance of the advance accrues interest at the rate of 6% per annum. The revolving credit note is secured against certain patents held by Exergy.

Wasabi is continuing to work to realise a suitable return on the Exergy investment.

Lillyburt Coal Project

As reported in the last quarter, the joint venture involving Wasabi Energy Limited and Western Canadian Coal Corp. is directing an economic evaluation of the Lillyburt Coal Project.

This scoping study to determine the economic potential of the Lillyburt Coal Project in Canada involves a detailed review and reassessment of the geological database utilizing modern computer modelling in order to determine the resources and their classification.

The report is being finalised and details will be released to the market when available.

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