



29 June 2006

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

Dear Sir

Bio Diesel Investment

Wasabi Energy Limited (“Wasabi” or the “Company”) has raised \$400,000 through the placement of approximately 13.3 million shares at a price of 3c per share with 13.3 million free attaching options. The options, with the same terms as existing listed options, are exercisable at 2 cents each and expire 31 December 2006.

Wasabi will use the funds to acquire a 50% stake in a new company formed to specialise in developing bio diesel production plants and in marketing the fuel. Wasabi will contribute \$400,000 to the new company initially.

The new company’s initial venture will be to advance \$325,000 to K.E. Engineering Pty Ltd (“KE”) to enable KE to complete construction of its bio diesel plant that is presently being built at Laverton, near Melbourne, Victoria. It is anticipated that the bio diesel plant will be producing high grade fuel by September of this year.

Wasabi will receive a fee for the initial contribution to the new company by a royalty from KE on the first 20 million litres of fuel, at a rate of approximately 4.5 cents per litre. The final amount that Wasabi should receive from KE is approximately \$900,000.

The Swann Capital Group Pty Ltd, a diversified investment and venture capital group that has previously provided funding for KE, will receive a 25 % stake in the new company in consideration for the assignment of its \$185,000 loan to KE. The remaining 25% of the new company will be issued to Cambrian Mining Plc for contributing its extensive research and know how on the bio diesel and ethanol producing industries.

The group has a well formulated plan to become a major player in the alternative fuel creation business. This first step represents a quick entrance to the market with a strategy to use the best the people in the business to secure a reliable supply of feedstock and know how to produce state of the art bio diesel plants cost effectively.

Wasabi is a diversified energy group with investments in uranium exploration, coal, power generation and renewable energy technology.

Cambrian is a London-based mining finance group with extensive investments in coal production in Canada, the US and the UK, in base and precious metal mines and projects in Australia and Spain and energy projects in Australia and Europe.

Swann is a private capital group that manages extensive investments in agricultural, seafood, fertilisers and other projects.

Yours faithfully

Tim Wise
Managing Director