



13 July 2006

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

Dear Sir,

EXERCISE OF OPTION OVER NORTHERN TERRITORY URANIUM TENEMENTS

Wasabi Energy Limited (“Wasabi”) has exercised the option to purchase Exploration Licenses 24917 (Alice Springs) and 24939 (Woolner Dome) from vendors Finching Pty Ltd (“Finching”) and Mundena Holdings Pty Ltd (“Mundena”). The exercise of the option was made following the unconditional granting of the two licenses by the Northern Territory Government for a period of six years.

Finching and Mundena will receive a total \$500,000 as purchase price and will transfer the granted tenements to Wasabi, but shall retain a \$1.00 per tonne royalty. Finching and Mundena have also committed to employ 50% of the purchase price in exercising an option to purchase 12,500,000 fully paid ordinary shares in Wasabi at \$0.02 per share as a placement from Wasabi.

During the three month option period Wasabi has conducted due diligence on the Woolner Dome tenement, including reprocessing geophysical images obtained from data acquired after the most recent uranium exploration carried out in a joint venture between E.Z./Peko and CRA in the late 1970’s. The images presented by Wasabi’s consulting geophysicists suggest a hitherto unrecognized structural complexity around the Woolner Dome in addition to radiometric anomalies existing within the Woolner tenement.

It is planned to fly more detailed low level aero magnetics around the Dome during August and to follow up ground inspection of radiometric anomalies. Reconnaissance wildcat drilling is planned to test these features in September/October.

Reprocessing of all available Alice Springs data is also planned for this period.

Yours faithfully
Tim Wise
Managing Director