



19 November 2006

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

No. of pages: 3

Dear Sir

**WASABI ENERGY ANNOUNCES NEW ENERGY EFFICIENT TECHNOLOGY LICENCE**

Wasabi Energy Limited (ASX:WAS) has entered into a licensing agreement with the US based Kalex LLC (KALEX) that will significantly enhance Wasabi’s capability to develop zero and low greenhouse gas emission power generation projects. This opportunity is particularly exciting for the Company given the opportunities that are rapidly emerging with global recognition of climate change problems and the need to reduce greenhouse gases.

Under the terms of the agreement Wasabi Energy has acquired a global licence to develop power projects utilizing KALEX system technology.

Wasabi Energy is currently the major shareholder of Exergy Inc., the developer and owner of a suite of international patents for the Kalina Cycle technology which has been proven in a number of power projects in Japan, the United States and Iceland with further projects currently under construction in Germany.

The acquisition of the KALEX licence complements Wasabi’s existing technology investments and provides Wasabi Energy with access to a raft of other project development opportunities especially in the area of power production from waste heat.

## **Kalina Cycle**

Kalina Cycle technology has been developed since the 1980's with numerous patents now in force worldwide following a technology investment of over USD80 million. The Kalina Cycle represents the first major thermal power generation development since the Rankine cycle was developed over 150 years ago. It is a process for converting heat to electrical power more efficiently and effectively than previous processes, using an ammonia/water mixture instead of water (Rankine Cycle) or organic fluids (Organic Rankine Cycle). It can be implemented using standard electrical power generation and refrigeration equipment components as evidenced by the various Kalina power plants that have had operating experience to date.

The Kalina Cycle technology can offer significant operational efficiency advantages over competing technologies. Major applications include power generation projects involving waste heat (low, medium and high temperatures), geothermal, biomass, and diesel//biodiesel/gas engine bottoming cycles.

The acquisition of a licence for the KALEX technology provides Wasabi Energy with an additional alternative when selecting the appropriate technology to utilise in its power generation development activities. The KALEX systems have potential efficiency advantages over Exergy's Kalina Cycle technology in the area of medium temperature applications (i.e. applications with heat available in the range 200°C to 400°C such as in waste heat streams from cement plants and steel works) which will now be a major target market for Wasabi's power generation division.

Usually efficiency comes at a price premium but in both Exergy and KALEX system applications, the capital cost for projects has the potential to be significantly lower than that utilised by more conventional Rankine Cycle and Organic Rankine Cycle technologies due to the inherent advantages of higher energy conversion efficiencies.

## **Exergy Inc.**

Exergy Inc is the owner of many Kalina Cycle patents and the licensor of the proven Kalina Cycle technology. Wasabi owns 46% of Exergy common stock, all of Exergy's preference shares and has provided a debt facility of AUD2.6 million.

Wasabi is currently holding discussions with a number of parties, including Exergy and its licensees, to expand its power division further, in order to create a larger, more profitable stand-alone entity. The entity will focus on developing, operating and owning low emission and renewable energy generation projects involving Kalina systems and more conventional technology applications. The business's decision to focus in these areas was a simple one given that the technology solutions available to Wasabi Energy inherently serve to reduce power generation greenhouse gas emissions while at the same time offering economically better solutions than conventional power generation technologies. The twofold benefits of a positive contribution to resolving ever increasing global climate change concerns and a very attractive commercial development platform auger well for future business expansion plans.

## **About Wasabi Energy Ltd (ASX code – WAS)**

Wasabi is a diversified investor in renewable energy and low greenhouse emission technologies, with interests in geothermal/waste heat, uranium exploration in Australia's Northern Territory and biodiesel investments in Victoria.

Yours faithfully

Tim Wise  
Director