

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES
ABN 24 000 090 997
APPENDIX 4E
PRELIMINARY FINAL REPORT
FINANCIAL YEAR ENDED 30 JUNE 2009**

Results For Announcement To The Market

Results	AUD\$		
Revenues from ordinary activities	down	52%	to 2,080,849
Loss from ordinary activities after tax attributable to members	up	290%	to (1,486,986)
Net loss for the period attributable to members	up	2,685%	to (13,221,404)

Dividends	Amount per security	Franked amount per security
Final dividend – no dividend is proposed	n/a	n/a
Previous corresponding period – no dividend declared	n/a	n/a

⁺Record date for determining entitlements to the dividend,
(in the case of a trust, distribution) (*see item 15.2*)

n/a

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**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

COMMENTARY ON RESULTS

The net loss after income tax attributable to members of the Group for the year ended 30 June 2009 was \$13,221,404 (2008: profit after income tax of \$511,426). This equates to a basic loss per share of 1.62 cents (2008: basic earnings per share of 0.06 cents).

Revenue decreased because in the prior year, the Group made a significant gain on dilution of an investment. No such gain was made during the reporting period. The increase in loss during the year was due primarily to a significant decrease in the market value of the Company's listed equity investments which occurred during the 2008 global financial crisis.

Corporate

Subsequent to year end Wasabi raised \$4.6 million from the non-renounceable entitlement issue of convertible preference shares. The preference shares convert into one ordinary share and one option to subscribe for an ordinary share for each preference share. The issue is expected to provide funding for the company over the next year while some of its projects progress to fruition.

During the year the Company received \$3.225 million through the issue of Convertible Notes with a term of 12 months and an interest rate of 10% per annum. There was a partial redemption of Convertible Notes of \$1.15 million in exchange for the transfer to Note holders of 35 million shares in Xtract Energy Plc. Subsequent to year end the outstanding Convertible Notes were repaid following completion of the non-renounceable entitlement issue of convertible preference shares.

Wasabi has had an eventful year. We have expanded our portfolio of interests considerably with support from new and existing shareholders and we are now well placed to focus on the commercialization of our long-standing investment in the Kalina power cycle.

Reflecting our expanded portfolio we have continued our emphasis on investments in energy, with innovative energy solutions providing the focus of investment decisions. We also diversified our investment focus by purchasing a large holding in a novel water technology company.

Wasabi's aim is to provide support to develop the major projects each of the companies in the portfolio are developing with a view to increasing asset value for shareholders as the projects approach fruition.

Investments

Global Geothermal Limited

Strategically, the most important move has been to increase Wasabi's stake in Global Geothermal Limited which rose to 94.4% subsequent to the reporting period. Global Geothermal holds the intellectual property rights associated with the Kalina power cycle which has been under development for a number of years.

The Kalina cycle is now gaining acceptance globally as the most efficient process to convert low grade heat into electricity. The Kalina Cycle can deliver up to a 50% improvement in power generating efficiency over the traditional or Organic Rankine cycle. This makes the Kalina Cycle ideal for utilising heat generated from industrial processes, such as steel or cement making, to produce electricity to supplement the otherwise purchased power requirements of the manufacturing facilities.

An important aspect of the Kalina Cycle, because of its efficiency in producing electricity from low temperature heat sources, is that it is ideally suited for bottoming cycles, i.e. extra electricity generation from exhaust gases, flash geothermal plants etc.

Global Geothermal's licensing agreement with leading European power company, Siemens AG, has resulted in the construction of two power stations so far. The Unterhagen plant in Germany has a generating capacity of 3.4MW and powers the town as well as provides fluid for the districts heating system. The Husavikur plant in Iceland utilises geothermal heat to produce 2,000 kW of electricity for the local township.

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

COMMENTARY ON RESULTS (continued)

Global Geothermal Limited (continued)

Sumitomo Metal Industries has been utilizing the Kalina Cycle at its steel works since 1999 to produce 3.5Mw of electricity. A second plant operates at Fuji Oils Tokyo Bay refinery.

In the past year, agreement was reached with Shanghai Shenge New Energy Resources Science and Technology (SSNE) of China to issue them with a licence to use the Kalina Cycle. This is viewed as a major step forward for Wasabi, one that could lead to multiple applications of the Kalina Cycle and further its global acceptance as the preferred process in utilizing industrial waste heat to generate electricity.

SSNE, along with Global Geothermal and its wholly-owned subsidiary Recurrent Engineering, have already designed and built a 50Kw demonstration plant to be installed in south western Tibet utilizing geothermal power in an area where there is no other source of power.

SSNE paid an initial US\$1million of a licensing fee of \$2 million and will pay a continuing royalty per KWh of installed capacity of new plants utilizing the Kalina Cycle.

Global Geothermal's intellectual property rights to the Kalina Cycle are supported by a strong, experienced engineering division, Recurrent Engineering LLC (Recurrent). Recurrent are based in Houston and San Francisco in the US and comprises highly-qualified engineers and technologists who have assisted in the development of the Kalina Cycle. The project team designs the optimum plant and process configuration dependent upon the heat of the energy source and local temperatures.

Aqua Guardian Group

Wasabi has invested \$1.85 million in Aqua Guardian in anticipation that the company will make an initial public offering of shares to fund the development of its water technology business. Funding of the company has continued even though market conditions have delayed the IPO. Aqua Guardian's first product is designed to minimize the effect of sun and wind evaporation losses on large water storages servicing cities, towns, agri-business and mining projects.

It has developed a module made of thin, light weight, food grade plastic that, when placed on water surfaces, semi-submerges by taking in a ballast of water from the reservoirs. This provides sufficient weight for the modules to resist wind and wave action whilst, at the same time, minimizing water evaporation.

The product, called Aqua Armour, has attracted considerable interest from water authorities and mining companies. It appears superior to other anti-evaporation products on the market and the only one that can be used in large scale applications. It has particular application in Australia where, in some cases, water evaporation can exceed actual water consumption but also has application in other countries.

In light of the delay in the IPO process, AquaGuardian has initiated negotiations with major Asian and US plastics manufacturers and distributors about licensing and manufacturing agreements.

Lilyburt Coal

Wasabi continues its joint venture with Western Canadian Coal Corp to explore the Lilyburt coal property south east of Vancouver, Canada. The property is sandwiched between two existing high ash, coking coal mines. Exploration and development of the deposit depend upon an upturn in the coal market.

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

COMMENTARY ON RESULTS (continued)

Aviva Corporation Limited

Wasabi own 10.1 million shares representing 8.5% of Aviva's capital.

Aviva has steaming coal deposits in the Geraldton area of WA and is advanced on plans to establish a base load power station to what is potentially a high growth region of WA, the Mid West, where a number of iron projects are envisaged. The projects involve both hematite and magnetite iron ore and have attracted large investments from China. While the high-grade hematite is direct shipping ore, the magnetite will require upgrading or pelletising in processes that will require large amounts of energy.

The Mid West region of WA, centred on Geraldton, is at the point where transmission losses from the southern power stations' transmissions become inefficient in the delivery of electricity. There are few sources of power, other than Aviva's coal deposits, to support plans for the development of the Mid West.

Aviva has entered a joint development agreement with a global power company, AES Corp of the US to build a power station and with the local oil and gas company, AWE, and the technology company, C2O CRC, to sequester the carbon emissions in depleted gas reservoirs.

As well as its WA assets and strategic alliances, Aviva controls large coal deposits in Botswana, close to the South African power grid. South Africa has been forced in recent years to curtail industrial production because of a shortage of power generating capability.

Rum Jungle Uranium Limited

Wasabi holds 44 million shares in Rum Jungle representing 35% of the capital. The Wasabi directors view uranium as a clean source of energy in view of the general concern about carbon emissions and their effect on world climate.

The investment in Rum Jungle is a speculative one but should be viewed against the company's strategic lease holdings in the Northern Territory and the expertise and experience of its management.

Rum Jungle's lease holdings are situated on the Woolner Dome, the third Archean aged granite structure in the Territory with geology similar to those that host the Ranger and Rum Jungle uranium deposits, in the Pine Creek area where recent exploration by other companies has led to the discovery of high grade uranium mineralization and in the Alice Springs area near known uranium deposits.

The company has advanced exploration on the leases and will be involved in an active program for the remainder of 2009.

Greenearth Energy Limited

Wasabi holds 7.85 million shares representing 11.76% of the capital of Greenearth Energy, a company that has secured leases over geothermal energy prospects covering an area of about 19,000 square kilometers in the Bass and Otway Basins of Victoria, many in close proximity to Victoria's existing power generating and transmission facilities.

The most advanced of Greenearth's prospects is in the industrialized Geelong area of Victoria. The company has identified a major geothermal hot water basin and has used independent experts, Sinclair Knight Merz (SKM), to estimate the basin's energy generation potential.

SKM has estimated the potential of the basin to contain enough hot water to power a base load electricity station with a potential resource of 17,000PJ of energy. Drilling is planned to commence by mid 2010 of one production well and one injection well. Wasabi's support of Greenearth, and its ownership of the Kalina Cycle, should enable it to figure in any future development of the basin.

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

COMMENTARY ON RESULTS (continued)

Australian Renewable Fuels

Wasabi participated in the recent refinancing of Australian Renewable Fuels (ARF) and now owns 130 million shares representing approximately 23% of the company's share capital.

ARF has two biodiesel plants, one at Picton, Western Australia, near Perth and other at Largs Bay, South Australia, near Adelaide. Each of the plants has a capacity to produce 44.5 million litres of biodiesel from tallow or oilseed annually. The plants have involved a significant investment and are currently underutilised.

The plants are capable of producing biodiesel fuel either from tallow or vegetable oils and utilize the Austrian-developed Energea process over which ARF has exclusive rights in Australia. ARF is funding research into the development of a suitable oilseed crop as a source of feedstock for the plants to supplement existing tallow supply arrangements.

With increasing emphasis by the Australian government on renewable energy supplies, the company expects that demand for biofuel will increase to the level needed to justify a biodiesel industry. In the meantime, ARF is assessing various options to build a market to enable the two plants to operate at optimum capacity.

Other marketable investments

Wasabi retains an interest in AIM listed Xtract Energy Plc (XTR) and in Lysander Minerals Corporation (LYM) which is listed on the Venture Exchange of the Toronto Stock Exchange.

The following table details the current market value of Wasabi's investments in marketable securities shown in Australian dollars as at 28 August 2009:

Company	Number of shares	Number of listed options	Market value (i) AUD\$
Australia			
Aviva Corporation Limited	10,100,000	-	1,262,500
Rum Jungle Uranium Limited (ii)	44,000,000	-	3,740,000
Greenearth Energy Limited (iii)	7,853,335	-	1,099,467
Australian Renewable Fuels Limited	47,193,065	-	660,703
United Kingdom			
Xtract Energy Plc	1,500,000	-	126,334
Canada			
Lysander Minerals Corporation	1,500,000	-	408,916
Total			7,297,920

(i) based on closing prices on 28 August 2009

(ii) escrowed until 14 November 2009

(iii) 4,166,667 shares are escrowed until 4 February 2010

Dividends

There have been no dividends paid or declared since the end of the previous financial year.

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Consolidated	
		2009	2008
		\$	\$
Other income	2	2,080,489	4,346,102
Cost of sales		(448,738)	-
Depreciation	4	(1,387)	(5,212)
Employee and directors costs		(1,433,053)	(1,407,755)
Legal & professional fees		(556,321)	(397,834)
Research and development		-	(342,816)
Other expenses		(1,127,976)	(1,269,599)
Impairment of loans and notes	4	-	(140,000)
Profit/(loss) from operating activities		<u>(1,486,986)</u>	<u>782,886</u>
Fair value gain/(loss) on options		(537,000)	581,000
Profit/(loss) on sale of available-for-sale assets		(1,013,575)	837,951
Financial income		16,447	58,209
Financial expenses		(308,618)	(19,021)
Foreign exchange gain/(loss)		(246,670)	(12,022)
Impairment of investments		(11,020,741)	(1,636,533)
Net financing income/(expense)	3	<u>(13,110,158)</u>	<u>(190,416)</u>
Share of loss from equity accounted investees		(468,410)	(272,201)
Profit/(loss) before income tax		(15,065,554)	320,269
Income tax credit/(expense)		1,576,296	(872,136)
Loss for the period		<u>(13,489,257)</u>	<u>(551,867)</u>
Profit/(loss) for the period attributable to equity holders of the Company		(13,221,404)	511,426
Minority interest		(267,853)	(1,063,293)
Loss for the period		<u>(13,489,257)</u>	<u>(551,867)</u>
Earnings/(loss) per share attributable to the equity holders of the Company			
Basic earnings/(loss) per share	5	(1.62) cents	0.06 cents

As the Company incurred a loss for the year ended 30 June 2009 the options on issue have an anti-dilutive effect therefore the diluted loss per share is equal to the basic loss per share

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	Consolidated	
		2009	2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		891,685	783,339
Trade and other receivables	6	121,130	65,816
Other assets		275,947	7,200
TOTAL CURRENT ASSETS		<u>1,288,762</u>	<u>856,355</u>
NON-CURRENT ASSETS			
Assets classified as available-for-sale	7	2,705,377	13,259,910
Other investments	8	44,000	1,231,000
Investments in equity accounted investees	9	6,595,588	6,591,754
Plant and equipment	10	4,549	2,763
TOTAL NON-CURRENT ASSETS		<u>9,349,514</u>	<u>21,085,427</u>
TOTAL ASSETS		<u>10,638,276</u>	<u>21,941,782</u>
CURRENT LIABILITIES			
Trade and other payables	11	552,547	309,506
Loans	12	2,365,602	750,000
TOTAL CURRENT LIABILITIES		<u>2,918,149</u>	<u>1,059,506</u>
NON-CURRENT LIABILITIES			
Deferred tax liability		-	1,576,296
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>1,576,296</u>
TOTAL LIABILITIES		<u>2,918,149</u>	<u>2,635,802</u>
NET ASSETS		<u>7,720,127</u>	<u>19,305,980</u>
EQUITY			
Share capital	13	29,204,220	28,081,038
Reserves	14	4,032,589	3,523,232
Accumulated losses	15	(25,656,251)	(12,434,847)
Total equity attributable to equity holders of the Company		<u>7,580,558</u>	<u>19,169,423</u>
Minority interest		139,569	136,557
TOTAL EQUITY		<u>7,720,127</u>	<u>19,305,980</u>

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2009**

	Consolidated	
	2009	2008
	\$	\$
Foreign currency translation differences for foreign operations	186,849	36,701
Associate investment transactions through equity	-	988,605
Net change in fair value of available for sale financial assets	342,746	1,595,041
Total income recognised directly in equity	<u>529,595</u>	<u>2,620,347</u>
Loss for the period	<u>(14,018,852)</u>	<u>(3,172,214)</u>
Total recognised income and expense for the period	<u>(13,489,257)</u>	<u>(551,867)</u>
Attributable to:		
Equity holders of the Company	(13,221,404)	511,426
Minority interest	(267,853)	(1,063,293)
Total recognised income and expense for the period	<u>(13,489,257)</u>	<u>(551,867)</u>

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Consolidated	
		2009	2008
		\$	\$
Cash flows from operating activities			
Cash receipts from customers		2,077,894	15,417
Cash paid to suppliers and employees		(3,478,659)	(2,682,873)
Interest received		16,447	62,647
Interest paid		(13,016)	(11,521)
		<u> </u>	<u> </u>
Net cash used in operating activities		<u>(1,397,334)</u>	<u>(2,616,330)</u>
Cash flows from investing activities			
Acquisition of plant and equipment		(3,173)	-
Acquisition of available-for-sale assets		(2,187,866)	(3,720,466)
Proceeds from sale of available-for-sale assets		728,611	3,344,710
Acquisition of investment		(1,200,000)	(650,000)
Research and development		-	(342,816)
Cash movement on deconsolidation of subsidiary		-	(1,419,855)
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(2,662,428)</u>	<u>(2,788,427)</u>
Cash flows from financing activities			
Loan to another entity		(100,000)	-
Proceeds from repayment of loan		-	200,000
Proceeds from borrowings		2,475,000	2,000,005
Repayment of borrowings		-	(1,250,005)
Proceeds from exercise of options		375,000	1,125,000
Proceeds from issue of shares in controlled entity		735,867	504,609
Proceeds from issue of shares		750,000	822,515
Payment of capital raising costs		(1,818)	(14,609)
		<u> </u>	<u> </u>
Net cash from financing activities		<u>4,234,049</u>	<u>3,387,515</u>
Net increase/(decrease) in cash and cash equivalents		174,287	(2,017,242)
Cash and cash equivalents at 1 July		783,339	2,912,600
Effect of exchange rate fluctuations on cash held		(65,941)	(112,019)
		<u> </u>	<u> </u>
Cash and cash equivalents at 30 June		<u>891,685</u>	<u>783,339</u>

Notes to the consolidated statement of cash flows

Reconciliation of cash

Cash at bank	<u>891,685</u>	<u>783,339</u>
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**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

1. BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the interim financial report at 31 December 2008.

	Consolidated	
	2009	2008
	\$	\$
2.. REVENUE		
Gain on dilution of investment (i)	-	4,289,018
Office and equipment rental	22,644	16,892
Engineering sales	1,932,341	-
Royalties	125,430	-
Other income	74	40,192
	<u>2,080,489</u>	<u>4,346,102</u>
3. NET FINANCING INCOME/(EXPENSES)		
Fair value gain/(loss) on options	(537,000)	581,000
Profit/(loss) on sale of available-for-sale assets	(1,013,575)	837,951
Interest income	16,447	58,209
Interest expense	(308,618)	(19,021)
Foreign exchange loss	(246,670)	(12,022)
Impairment of investment (ii)	(11,020,741)	(1,636,533)
	<u>(13,110,158)</u>	<u>(190,416)</u>
4. EXPENSES		
Depreciation of plant and equipment	1,387	5,212
Impairment of value of convertible notes (iii)	<u>-</u>	<u>140,000</u>

(i). During the prior year the Group realised a gain on dilution of ownership Rum Jungle Uranium Limited of \$4,289,018 (2007: \$929,565) resulting from share issues by Rum Jungle subsequent to 30 April 2007 in which the Company did not participate.

(ii). On the acquisition of GGL the carrying value of the assets transferred from Wasabi to GGL was nil. GGL's primary asset is the technology rights to the Kalina process. The directors of the Company are unable to reliably measure the value of the patents or goodwill or whether future benefits will arise and therefore has written down the value of the investment to an amount of \$544,975 (2008: \$409,672) equal to the net tangible assets of GGL as at 30 June 2009.

As a result of the significant decline in the investment portfolio of the Company the assets classified as available-for-sale are investments in listed securities and have been written down to market value as at 30 June 2009.

(iii). During the prior year the Company acquired a convertible note issued by Exergy Inc. for \$140,000. Consistent with the accounting policy adopted in previous years the directors have fully provided for impairment of the note.

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

	Consolidated	
	2009	2008
5. EARNINGS/(LOSS) PER SHARE		
The calculation of basic loss per share at 30 June 2009 was based on the loss attributable to ordinary share holders of \$13,221,404 (2008: profit of \$511,426)		
Weighted average number of ordinary shares outstanding during the financial year	818,147,304	758,669,134
Basic earnings/(loss) per share	(1.62)	0.06 cents

Potential ordinary shares on issue are not considered dilutive and accordingly, diluted loss per share is the same as basic loss per share.

	Consolidated	
	2009	2008
	\$	\$
6. TRADE & OTHER RECEIVABLES		
Current		
Trade receivables	9,683	28,975
Other receivables	111,447	36,841
Convertible note – Exergy Inc.	140,000	140,000
Impairment of convertible note	(140,000)	(140,000)
	121,130	65,816

Included in other receivables is a short term loan of \$100,000 made to another company. The loan attracted an interest rate of 10% per annum and was repaid in full on 10 August 2009.

On 25 March 2008 the Company acquired a convertible note issued by Exergy Inc for a consideration of \$140,000. The Company has provided in full for impairment of the note consistent with accounting policy in prior years.

	Consolidated	
	2009	2008
	\$	\$
7. ASSETS CLASSIFIED AS AVAILABLE FOR SALE		
Non-current		
Listed equity investments at fair value		
Australian Renewable Fuels Limited	566,317	934,304
Equatorial Coals Limited	-	1,642,500
Aviva Corporation Limited	808,000	9,191,000
Greenearth Energy Limited	972,400	750,000
Lysander Corporation, Canada	266,261	742,106
Xtract Energy Plc, UK.	92,399	-
	2,705,377	13,259,910

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

		Consolidated	
		2009	2008
		\$	\$
8.	OTHER INVESTMENTS		
	Non current		
	Investment at cost	-	650,000
	Investment in options	44,000	581,000
		<u>44,000</u>	<u>1,231,000</u>
9.	EQUITY ACCOUNTED INVESTEEES		
	Non current		
	Investment in Aqua Guardian Group	472,242	-
	Loss for equity accounted investee	(279,988)	-
		<u>192,254</u>	<u>-</u>
	Investment in Rum Jungle Uranium Limited	6,855,482	6,855,482
	Loss for equity accounted investee	(464,483)	(276,063)
		<u>6,390,999</u>	<u>6,579,419</u>
	Investment in Evolution Energy Pty Ltd	400,000	400,000
	Loss for equity accounted investee	(387,665)	(387,665)
		<u>12,335</u>	<u>12,335</u>
		<u>6,595,588</u>	<u>6,591,754</u>

The Group's share of loss in its equity accounted investees for the year was \$468,410 (2008: loss of \$272,201). On 30 April 2007 the Company executed an agreement to transfer its exploration assets to Rum Jungle Uranium Limited for consideration of 44 million shares and 10 million unlisted options (conditional upon an initial public offering) of the company at 30 June 2008. The Company's investment Rum Jungle was diluted from 100% to 80% of the share capital effective, 30 June 2007 through additional shares being issued by Rum Jungle, which resulted in a \$929,565 gain to the consolidated entity for the year ended 30 June, 2007. In November, 2007, additional shares were issued by Rum Jungle resulting in the Company's interest decreasing to 36.3% of the issued capital of Rum Jungle, resulting in a gain on dilution of \$4,289,018 for the year ended 30 June 2008.

		Consolidated	
		2009	2008
		\$	\$
10.	PLANT AND EQUIPMENT		
	Plant and equipment – at recoverable amount	29,761	26,588
	Less: accumulated depreciation	(25,212)	(23,825)
		<u>4,549</u>	<u>2,763</u>
	Reconciliations		
	Carrying amounts:		
	<i>Plant and equipment</i>		
	Carrying value at beginning of year	2,763	87,600
	Additions	3,173	4,349
	Disposals	-	(83,974)
	Depreciation for the year	(1,387)	(5,212)
	Carrying value at end of year	<u>4,549</u>	<u>2,763</u>
11.	TRADE AND OTHER PAYABLES		
	Current		
	Trade payables and other payables	552,546	309,506

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

	Consolidated	
	2009	2008
	\$	\$
12. LOANS		
Current		
Convertible Notes	2,365,602	-
Loan	-	750,000
	<u>2,365,602</u>	<u>750,000</u>

At the Annual General Meeting held on 28 November 2008 Wasabi shareholders approved the issue of convertible notes raising an amount of \$3,000,000. The notes were issued with a term of either conversion or repayment within 12 months of the advancement of the funds. These funds were received by the Company in the way of advances between May 2008 and November 2008 and at an interest rate of 10%. An additional \$225,000 investment in convertible notes with the same terms and conditions was received during the year. Also during the year the notes were partially repaid by an amount of \$1,155,000 through the transfer of 35 million Xtract Energy shares held by the Company to the note holders. Subsequent to the reporting period the convertible notes were repaid in full.

	Consolidated	
	2009	2008
	No.	No.
13. SHARE CAPITAL		
Reconciliation of movement in capital attributable to equity holders of the parent		
Movement in share capital represented by:		
Balance at 1 July	806,640,445	568,140,445
Exercise of options at 3.50cents each	-	15,000,000
Exercise of options at 3 cents each	-	25,000,000
Exercise of options at 1 cent each	37,500,000	-
Placement of shares at 1 cent each	75,000,000	-
Placement of shares at 3.50 cents each	-	23,500,000
Shares issued to acquire investment (i)	-	175,000,000
Balance at 30 June	<u>919,140,445</u>	<u>806,640,445</u>

(i). In consideration for the acquisition of 12.3 million shares in Aviva Corporation Limited the Company issued 175 million shares and 25 million options during the reporting period to Xtract Energy Limited. The fair value of the shares acquired at the date of acquisition was \$10.209 million

	Consolidated	
	2009	2008
	No.	No.
OPTIONS		
Reconciliation of movement in options under issue over ordinary shares		
Balance at 1 July	63,600,000	35,000,000
Expiry of Options	(23,500,000)	-
Issue of director options	-	20,000,000
Issue of attaching options	37,500,000	23,500,000
Issue of options	-	25,000,000
Exercise of options	(37,500,000)	(40,000,000)
Issue of options by Global Geothermal Ltd	-	100,000
Balance at 30 June	<u>40,100,000</u>	<u>63,600,000</u>

Options under issue at 30 June 2009 have a weighted average exercise price of 3.25 cents (2008: 3.52 cents) and a weighted average period to expiry of 5 months (2008: 15 months). All of the options are unlisted.

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**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

	Consolidated	
	2009	2008
	\$	\$
14. RESERVES		
<i>Fair value reserve</i>		
Opening balance	2,631,646	48,000
Associate investment transaction through equity	-	988,605
Movement in fair value of available-for-sale financial assets	342,746	1,595,041
Closing balance	<u>2,974,392</u>	<u>2,631,646</u>
<i>Translation reserve</i>		
Opening balance	27,526	--
Foreign currency translation differences for foreign operations	186,849	27,526
Closing balance	<u>214,375</u>	<u>27,526</u>
<i>Share option reserve</i>		
Opening balance	864,060	379,561
Foreign currency translation differences for foreign operations	(20,238)	-
Issue of options as consideration for purchase of asset	-	438,688
Exercise of options	-	(438,688)
Issue of options to directors of Wasabi	-	442,820
Issue of options to directors of GGL	-	41,679
Closing balance	<u>843,822</u>	<u>864,060</u>
	<u>4,032,589</u>	<u>3,523,232</u>

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised and the Company's share of transactions recognised directly through equity of associate investments.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary

Share option reserve

The share option reserve comprises the cost of options issued during the year less options converted during the year.

	Consolidated	
	2009	2008
	\$	\$
15. RECONCILIATION OF MOVEMENT IN ACCUMULATED LOSSES		
Balance at 1 July	(12,434,847)	(12,946,273)
Total recognised income and expense	(13,221,404)	511,246
Balance at 30 June	<u>(25,656,251)</u>	<u>(12,434,847)</u>

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

16. SEGMENT REPORTING

The Company and Group operate predominately in one business segment being energy and resources, and energy technology investments. The Company and Group are now operating in five geographical segments being Australia, UK, Canada, Netherlands and the USA.

	Australia \$	UK \$	Netherlands \$	Canada \$	USA \$	Total \$
30 June 2009						
Segment income	22,763	889,549	-	-	1,168,177	2,080,489
Segment result after eliminations	(12,608,398)	64,898	-	-	(945,757)	(13,489,257)
Segment assets after eliminations	9,361,798	770,458	-	266,261	239,759	10,638,276
Segment liabilities after eliminations	2,764,912	41,874	-	-	111,363	2,918,149
Non cash expenses:						
Depreciation	(705)	-	-	-	(682)	(1,387)
Unrealised foreign exchange loss	(15,309)	(231,361)	-	-	-	(246,670)
Capital expenditure	-	-	-	-	3,173	3,173
30 June 2008						
Segment income	5,143,861	-	-	-	40,192	5,184,053
Segment result after eliminations	2,447,630	(606,852)	(342,817)	-	(2,049,828)	(551,867)
Segment assets after eliminations	20,543,571	553,456	-	742,104	102,651	21,941,782
Segment liabilities after eliminations	2,525,924	62,325	-	-	47,553	2,635,802
Non cash expenses:						
Depreciation	(863)	-	-	-	(4,349)	(5,212)
Impairment of investments	(890,000)	-	-	-	-	(890,000)
Impairment of investment in controlled entity	-	-	-	-	(886,533)	(886,533)
Non-cash income:						
Unrealised foreign exchange gain	2,437	-	-	-	-	2,437

17. SUBSEQUENT EVENTS

Subsequent to 30 June 2009 the Company executed an agreement to acquire 394,999 ordinary shares in Global Geothermal Limited to increase its stake in the company to 94% at a cost of US\$2,000,000. The transaction comprises payment of a deposit of US\$100,000 paid during the year followed by a payment of US\$900,000 payable within 90 days of 18 May 2009 and a \$1,000,000 5% Loan Note payable on 1 January 2014 secured on the shares being acquired and held in escrow until such time as the Note is repaid.

The Company completed a non-renounceable entitlement issue of convertible preference shares raising an amount of \$4.6 million before issue costs. The issue comprised one preference share for every two ordinary shares at an issue price of 1 cent per preference share and convertible into one ordinary share together with one free attaching option on the basis of one option for every preference share converted.

18. NET TANGIBLE ASSETS

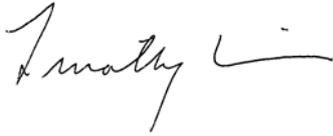
	Consolidated	
	2009	2008
Net tangible asset backing per ordinary security	0.26 cents	0.69 cents

**WASABI ENERGY LIMITED
AND ITS CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINAL REPORT

19. COMPLIANCE STATEMENT

This report is based on accounts that are in the process of being audited.



TIM WISE
DIRECTOR
31 August 2009

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