Wasabi Energy Provides Update on Significant Kalina Cycle® Related Activities & Developments from Asia.

- Chinese licensee SSNE commences establishment of Kalina Cycle® Laboratory and Testing Facility
- Successful demonstration of Kalina Cycle® geothermal power plant by Taiwan’s Bureau of Energy
- Major design innovations and production efficiencies achieved for Eco-Gen Kalina Cycle® Units
- Wasabi Energy on track to implement Kalina Cycle® build-own-operate strategy in key markets

Wasabi Energy (ASX: WAS, AIM: WAS) is pleased to provide an update on significant Kalina Cycle® related activities and developments across a number of key markets in Asia.

In major news from China, SSNE has commenced the construction of a dedicated Kalina Cycle® Laboratory and Testing Facility in Shanghai to assist in the testing of major components as well as the assembled power generation system. The Kalina Cycle® facility is scheduled to commence operations in the second half of 2011 and is expected to play a pivotal role in the efficient implementation of Kalina Cycle® technology in China.

In other news from SSNE, a Kalina Cycle® geothermal power plant in Qingshui, Taiwan (figure 1), was successfully tested by the Industrial Technology Institute of Taiwan’s Bureau of Energy.

Wasabi Energy also announced additional improvements in the design and production of the Eco-Gen Kalina Cycle® units and also provides an update on major projects in Asia, including more details on the group’s build-own-operate aspirations.

The activities announced today have been achieved by Wasabi Energy’s subsidiaries through successful collaboration with strategic partners and are important milestones in the continued development and adoption of the Kalina Cycle®.

Successful Test - Kalina Cycle® Power Plant in Taiwan

Additional details regarding the significant Kalina Cycle® activities and developments from across key markets in Asia have been provided in the following sections:

- Demonstration in Taiwan page 2.
- Eco-Gen Kalina Cycle® Update page 3.
- General Activity Update - Asia page 3.

1 - Kalina Cycle® is a registered trademark of Global Geothermal Limited. The Kalina Cycle® is a patented power cycle technology owned by Global Geothermal Limited.
2 - Shanghai Shenghe New Energy Resources Science & Technology Co. Ltd (SSNE) is the exclusive licensee for the Kalina Cycle® technology in China and is the developer of waste heat, geothermal and solar thermal power plants.
3 - Global Geothermal Limited (U.K.) and Recurrent Engineering LLC (U.S.) are wholly owned subsidiaries of Australian Securities Exchange (ASX: WAS) and Alternative Investment Market (AIM: WAS) listed, Wasabi Energy Limited.
Activity Update - SSNE (Exclusive Kalina Cycle® Licensee for China)

Kalina Cycle® Laboratory & Testing Facility

Shanghai Shenghe New Energy Resources Science & Technology Co. Ltd (SSNE) has commenced the construction of a state-of-the-art Kalina Cycle® Laboratory and Testing Facility in Shanghai. The dedicated facility has been designed to assist in the testing of major components including 1:1 scale heat exchangers and turbine assembly as well as a full factory testing capability for the Kalina Cycle® system with rated power outputs of up to 5,200 kW. The Laboratory and Testing Facility will also incorporate a Kalina Cycle® power plant simulator that will assist in identifying process refinements and providing operator training.

The Kalina Cycle® facility is scheduled to commence operations in the second half of 2011 and is expected to play a pivotal role in the efficient implementation of Kalina Cycle® technology across major market segments in China.

Kalina Cycle® Demonstration in Taiwan

During January 2011 the Industrial Technology Institute of Taiwan’s Bureau of Energy conducted a field evaluation of two different power generation technologies, including the Kalina Cycle®. The field evaluation involved detailed performance tests for each of the technologies and utilised the heat from a low temperature geothermal resource in the Qingshui region Yilan County Taiwan which consisted of both geothermal liquids and steam.

The Kalina Cycle® power plant (figure 2) designed and assembled by SSNE was operated continuously for 373 hours in a side-by-side comparison with the alternative organic rankine cycle technology. The field evaluation demonstrated that the Kalina Cycle® was not only an efficient technology but also a reliable power generation solution - particularly when compared to the competing organic rankine cycle, which experienced significant commissioning issues during the Power Plant Testing ceremony held on the 21st of January (figure 3).

The key findings of the successful Kalina Cycle® demonstration in Taiwan as well as the specific implications on the global geothermal sector, were published in the International Geothermal Association’s March 2011 Quarterly Newsletter (Quarterly 83).

Following the Kalina Cycle® demonstration in Taiwan, SSNE have received enquiries from a number of parties who are interested in the utilisation of the Kalina Cycle® technology. Near term opportunities include a much larger 5,000 kW Kalina Cycle® power plant for Taiwan’s Bureau of Energy as well as a geothermal power plant with a similar capacity in Tibet.

About SSNE

Shanghai Shenghe New Energy Resources Science & Technology Co. Ltd (SSNE) is a developer of waste heat, geothermal and solar thermal power plants, specifically focused on delivering thermal power plant efficiency improvements. SSNE is experienced in a diverse range of energy intensive industries in China, and has assembled a team capable of delivering Kalina Cycle® projects.

SSNE has access to research and development funds through Chinese government agencies and is building a project ownership capacity (BOO) by leveraging funds from its parent companies. SSNE largest shareholders include Shanghai Shengtai Investment Management Co., Ltd and Shanghai Guo Sheng (Group) Co., Ltd., with registered capital in excess of US$1.5 billion.

Additional Information: shanghaishenghe.com
Activity Update - Asian Operations (Update from China, Taiwan, Japan & Pakistan)

Eco-Gen Kalina Cycle® Units

The Eco-Gen Kalina Cycle® Units are micro-sized packaged power generation systems (figure 4) that have been developed by Wasabi Energy's subsidiary, Global Geothermal Limited4 specifically for low temperature applications including the Japanese hot spring market and other low enthalpy geothermal markets.

Since Wasabi Energy announced4 it had secured an order for the second Eco-Gen Kalina Cycle® from Gerd5, it has awarded the contract to SSNE. The assembly of the unit is progressing well and has now incorporated a number of significant improvements in the design and production of the units. The second generation Eco-Gen Kalina Cycle® Units incorporate a series of important innovations including advanced vapor turbine generator design, magnetic bearing technology which allow the turbine generator to operate at very high speeds (65,000 rpm) resulting in unprecedented operating efficiencies.

The production assembly period for the second generation Eco-Gen Kalina Cycle® Units has also been shortened dramatically from the first generation units.

Both the Eco-Gen Kalina Cycle® Units ordered by Gerd will be installed as power plant demonstration projects in Japan. Power generation issues following the recent earthquake in Japan highlight the importance of decentralised power generation. Based on estimates by Gerd and Global Geothermal Limited, the existing Japanese hot spring market could potentially sustain more than 14,000 Eco-Gen Kalina Cycle® Units6.

50 kW Eco-Gen Kalina Cycle® Unit Schematic

General Update

In parallel to the testing and demonstration projects listed above, the design and construction of the 8,600 kW Kalina Cycle® power plant for the Khairpur Cement Plant operated by D.G. Khan in Pakistan, is progressing well. Engineers from Global Geothermal Limited's subsidiary, Recurrent Engineering LLC1 recently conducted an advanced engineering review with the FLSmidth design team to finalise process optimisations for the project.

All major components required for the project including the turbine unit have been procured, with the outstanding balance of plant which includes the ammonia-water systems for the Kalina Cycle® are scheduled to be delivered in the second half of 2011.

Implementation of Build-Own-Operate Strategy

Following the recent announcements7,8 that Wasabi Energy has acquired its first power plant and has secured a 100% interest in the Kalina Cycle® through the acquisition of Global Geothermal Limited, Wasabi Energy has commenced the implementation of its build-own-operate (BOO) strategy. The acquisition of the Húsavík geothermal power plant is the first project in a series of potential Kalina Cycle® power plant opportunities that Wasabi Energy intends to develop, build and operate as an independent power producer (IPP).

In addition to the above mentioned acquisitions, Wasabi Energy is exploring a diverse range of Kalina Cycle® opportunities with potential partners and is in the process of establishing a number of specialised subsidiaries to focus on these strategic opportunities. The projects being evaluated cover the full spectrum of Kalina Cycle® commercial opportunities including licensing arrangements as well as BOO opportunities in both the energy efficiency sectors (waste heat to power) and the renewable energy sector.

Each of the subsidiaries being established by Wasabi Energy will focus on either a key geographical or market sector. Wasabi Energy will provide additional information on the progress of its subsidiaries, as appropriate.
Recent global events including the March 11 earthquake in Japan demonstrate the power generation, transmission and energy security challenges even developed economies are experiencing and reinforces the importance of decentralised power generation. The two Kalina Cycle® power plants currently operating in Japan, the first at the Kashima Steel Works operated by Sumitomo Metals and the second at the Tokyo Bay Oil Refinery operated by Fuji Oil, provide a practical demonstration of how our technology, the Kalina Cycle® can provide independent power while reducing the energy intensity of heavy industry. In addition to the waste heat to power applications, the two Eco-Gen Kalina Cycle® units soon to be installed at two separate hot-spring sites in Japan, provide a template for how reliable power generation can be achieved independently from the established national power networks.

In China, we continue to be impressed with the progress our partners SSNE are making in terms of building a capability to rapidly evaluate, design and deliver our Kalina Cycle® technology to the Chinese market. We are particularly excited about the new Kalina Cycle® Laboratory and Testing Facility being established in Shanghai. This new facility will not only assist SSNE in delivering quality Kalina Cycle® power plants to the market in China, but will also assist Wasabi Energy in the manufacturing, assembly and factory testing of Kalina Cycle® systems for our global business.

In collaboration with Taiwan’s Bureau of Energy, SSNE recently conducted a successful Kalina Cycle® power plant field demonstration in Taiwan which was very well received by industry groups and is expected to result in a number of commercial scale opportunities.

The existing performance advantages of the Kalina Cycle® are well known. We are excited that our partners and engineering team in the United States continue to develop and incorporate additional innovations ensuring that subsequent generations of our technology such as the Eco-Gen Kalina Cycle® units continue to provide reliable and class leading performance.

In terms of building our Kalina Cycle® business, we continue to develop multiple projects with recurring revenue streams by directly owning interests in power plants through our build-operate (BOO) model. We took our first steps in the BOO strategy with the acquisition of the Husavik Geothermal Power Plant earlier this year and are in the process of evaluating a number of other significant project opportunities. Our business development activities have identified a large number of Kalina Cycle® BOO opportunities, in both the industrial waste heat to power sector as well as the geothermal sector. We are prioritising these opportunities and our activities in both these sectors are well advanced.

As our global business development activities build momentum, we expect orders for our Kalina Cycle® power plants will continue to increase substantially. In order to meet these increased demands, we are embarking on a recruitment program across the Kalina Cycle® divisions of our business.

Yours Sincerely,

Mr. John Byrne
Executive Chairman

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Corporate Information

General corporate information regarding Wasabi Energy and the companies Wasabi Energy holds a strategic investment in can be found in this section. Announcements regarding Wasabi Energy corporate developments are made to the Australian Securities Exchange (ASX) and the London Stock Exchange’s, Alternative Investment Market (AIM), are also available on the Wasabi Energy website. Additional information regarding the investee companies can be found at their respective web sites, details below.

About Global Geothermal Limited

Global Geothermal Limited (GGL) holds an extensive Kalina Cycle® intellectual property portfolio and is focused on licensing the innovative technology into two core business streams, Enhanced Energy Efficiency (EEE) and Renewable Energy Generation (REG).

In 2007, Global Geothermal Limited, a private company incorporated in the United Kingdom, was established to consolidate the global Kalina Cycle® intellectual property interests, which involved the acquisition of U.S. based engineering firm, Recurrent Engineering LLC, now a wholly owned subsidiary. The initiation of new Kalina Cycle® projects generally requires Global Geothermal Limited issuing a Kalina Cycle® technology license to the project developer, and for Recurrent Engineering LLC to provide the power cycle engineering necessary for the design of the Kalina Cycle® power plant.

Wasabi Energy Limited has been progressively increasing its ownership interest in the Kalina Cycle® technology for over 5 years, through the acquisition of a range of commercial interests and substantial intellectual property portfolios. As of January 2011, Global Geothermal Limited is a wholly owned subsidiary of Wasabi Energy Limited.

About Wasabi Energy

Wasabi Energy Limited is an Australian Securities Exchange listed public company (ASX: WAS) with a secondary listing on the AIM market of the London Stock Exchange (AIM: WAS) that holds strategic investments in companies and projects it believes can provide solutions to the world’s energy and environmental challenges. Wasabi Energy is actively involved in the management of the respective investee companies and assists in the achievement of critical business milestones, financing growth and ultimately the delivery of results that matter.

Wasabi Energy has recently focused its portfolio of investments into three core business streams, renewable power, sustainable water and renewable biofuels. Each of these core business streams is represented by a strategic corporate investment by Wasabi Energy (Global Geothermal Limited, Aqua Guardian Group and Australian Renewable Fuels, respectively) and has been strategically selected to provide solutions for the key sustainability challenges facing the world.

Additional information:
www.wasabienergy.com