

Annual General Meeting 7th November 2014

Dr Michael Ottaviano
Chief Executive Officer



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2014 – Achievements to Date

- 1MW CETO 6 design unveiled (March)
- \$20m CETO 6 CEFC debt facility for CETO 6 (March)
- \$9.5m CETO 6 capital raise (April)
- \$11m CETO 6 grant (June)
- CETO 5 Perth Wave Energy Project
 - Offshore foundations installed
 - Pipeline installed
 - CETO unit components delivered and assembled
 - Onshore power and desalination plants constructed
 - Unit & pod deployment phase now commenced



CETO 5 buoyant actuators at Henderson in Western Australia

Carnegie Overview

- Owner and developer of “CETO” wave energy technology
- 40 engineering, commercial, administration staff
- ASX listed, based in Fremantle, Western Australia
- Subsidiaries in UK, Ireland and Chile
- 120 Patents or patents pending globally
- \$100m spent to date on CETO
- EDF (Electricite de France) is a CETO power licensee



Carnegie Trading Snapshot

- Financials(30/9/14)
 - \$9.5m cash
 - \$18m undrawn grants
 - \$20m undrawn five year loan facility
 - \$1m p.a. royalty



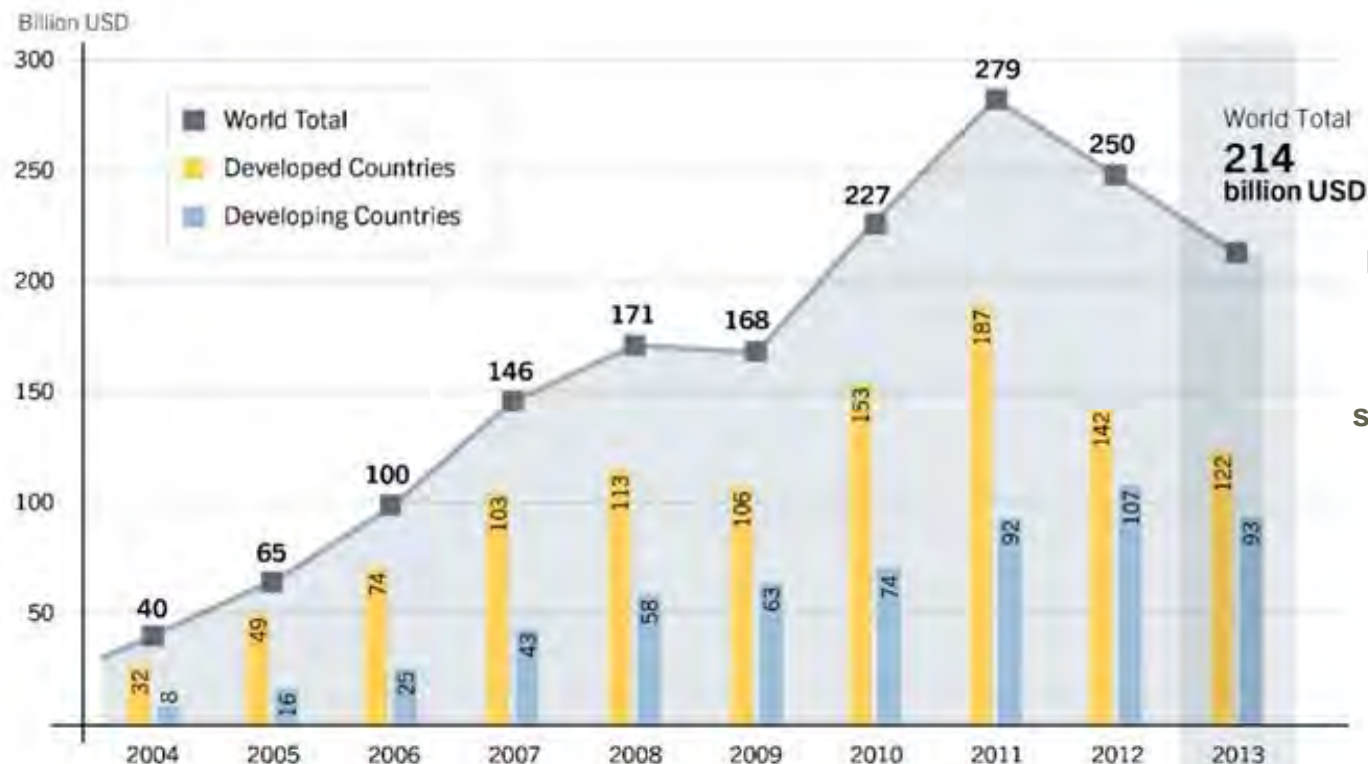
Carnegie Board of Directors



L-R: Kieran O'Brien (ex ESB), Mike Fitzpatrick (ex Hastings), John Leggate (ex BP), Jeffrey Harding (ex Pacific Hydro), Michael Ottaviano (MD & CEO), Grant Mooney (Chairman)

Global Renewables Market Still High

Global New Investment in Renewable Power and Fuels, Developed and Developing Countries, 2004–2013



Note: a record amount of PV capacity (39GW) was constructed in 2013 for less money than the smaller 2012 total of 31GW

Data Source: UNEP FS / BNEF Global Trends in Renewable Energy Investment 2014

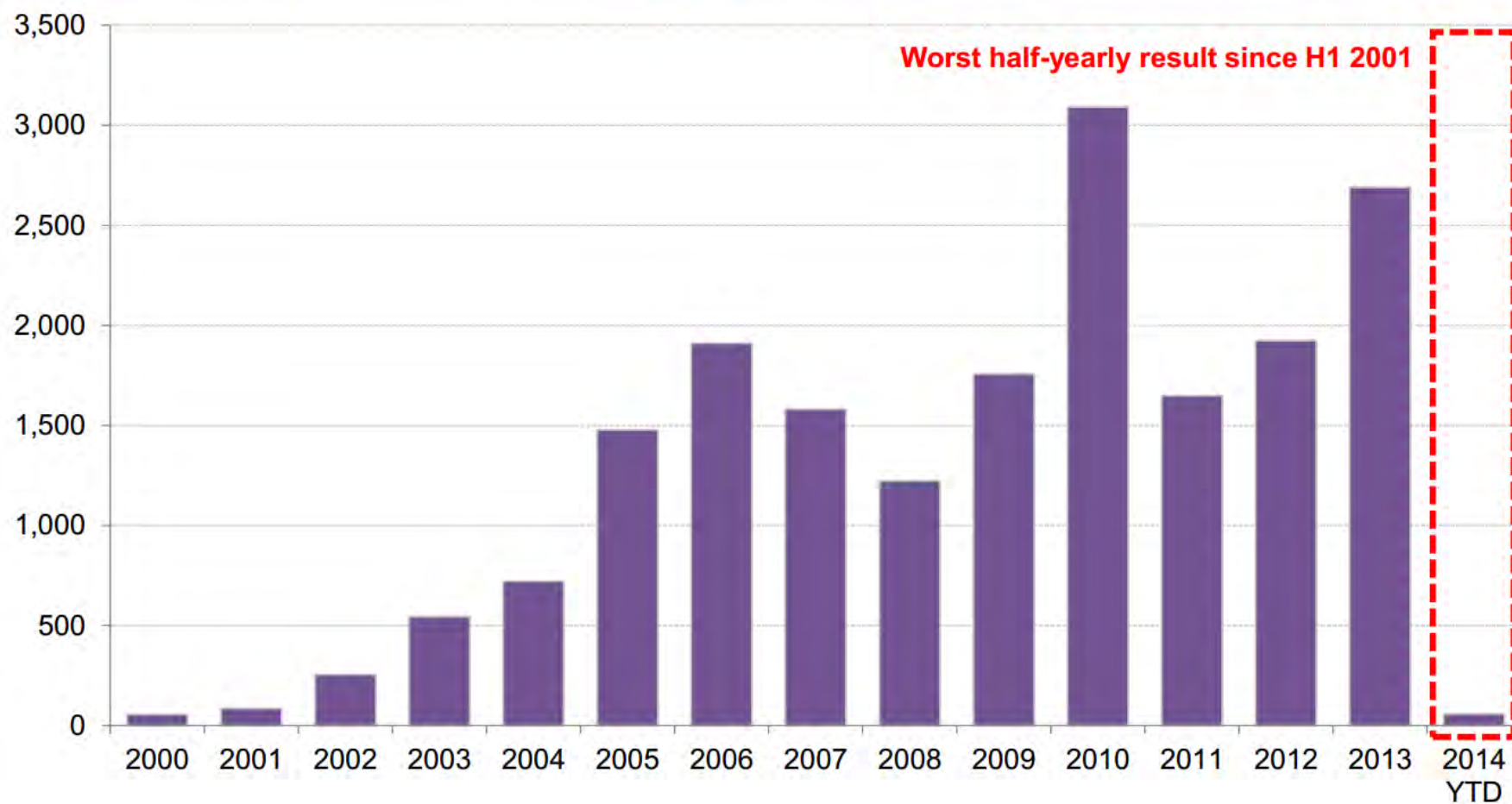
REN21. 2014. *Renewables 2014 Global Status Report* (Paris: REN21 Secretariat).



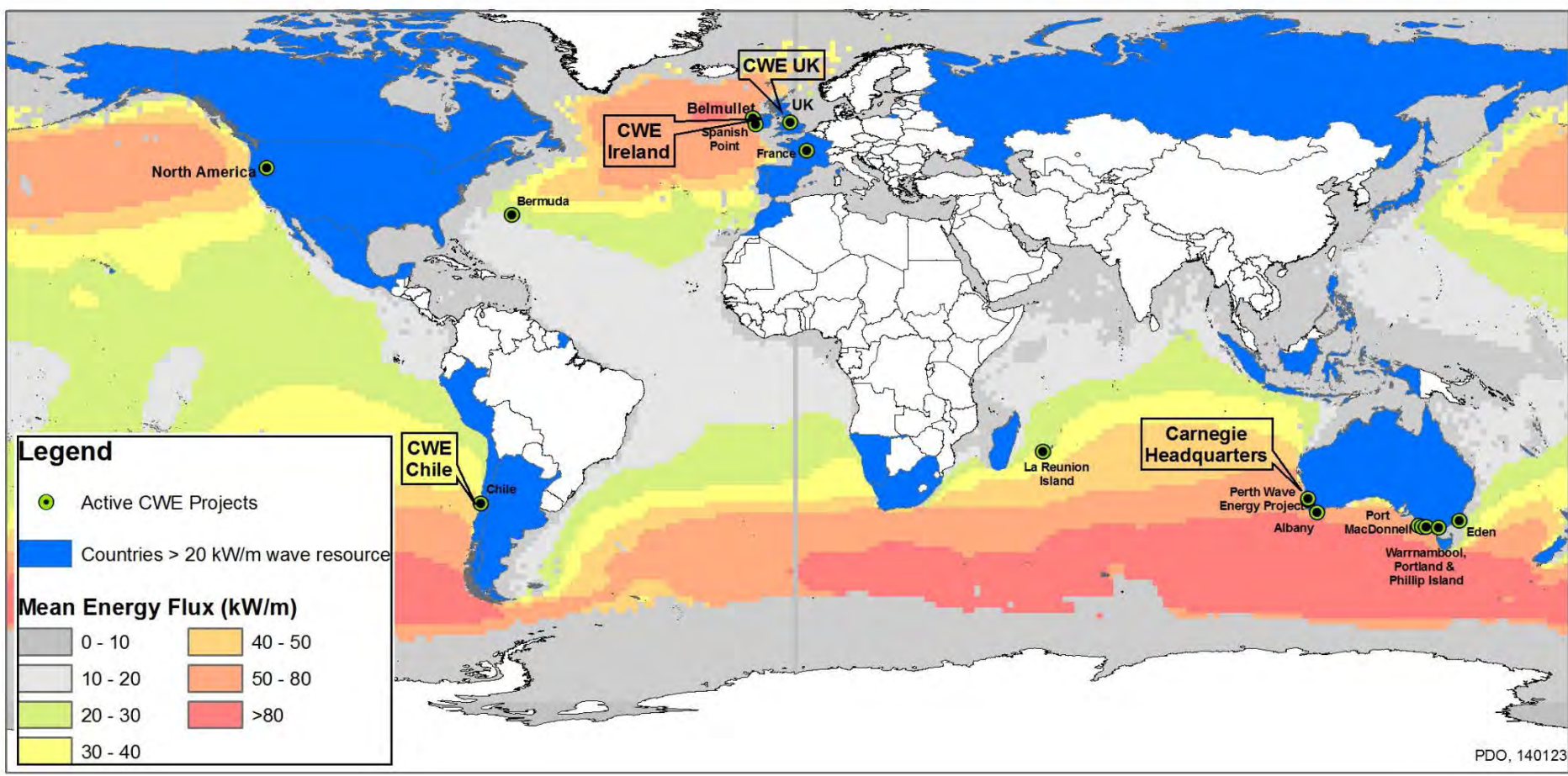
- International Energy Agency (IEA) forecast \$10 trillion of new energy generation investment over the next 20 years, 60% to come from renewables

While Australia's Halts

Large-scale investment in clean energy, 2000-14 (AUD bn)



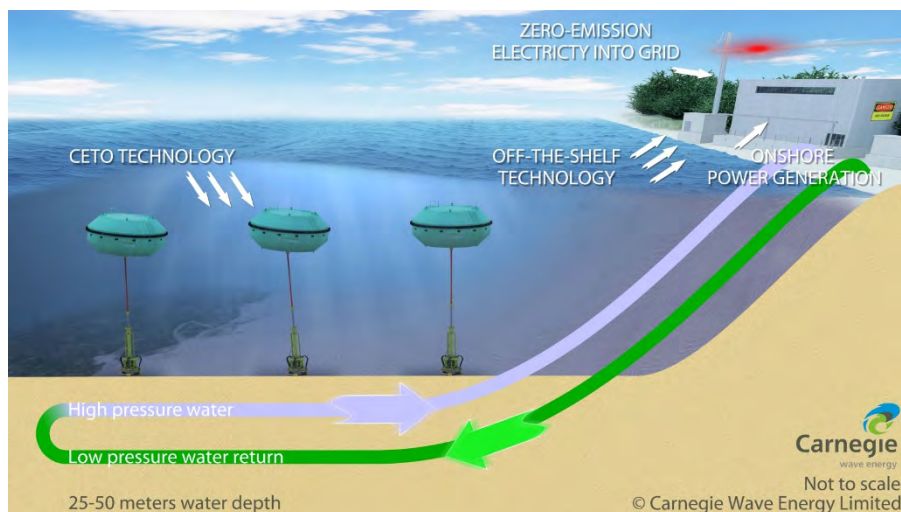
Global Wave Resource > Current Global Power Use



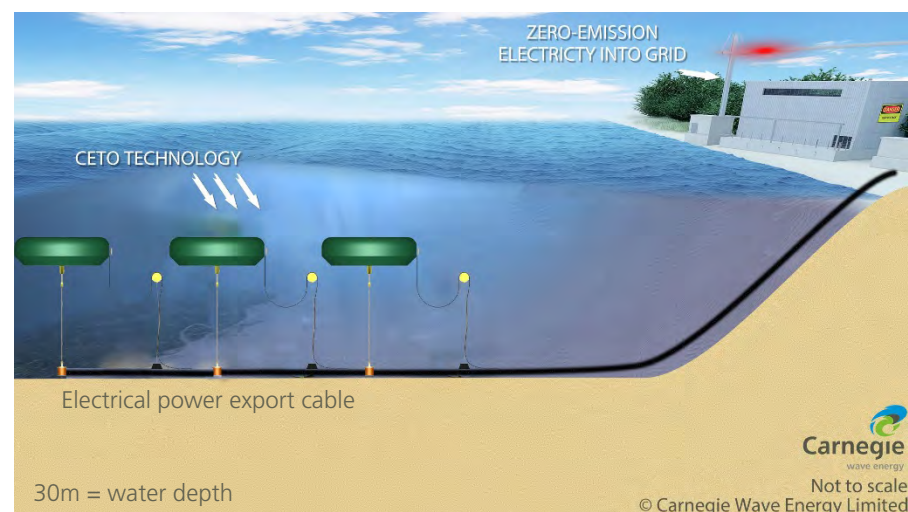
- Market is global, large and co-located with demand centres
- Resource is more predictable, consistent and available than wind or solar
- Total resource potential = >200TW (200 million MW)

CETO Technology

- Fully submerged, point absorber
- Near-shore location or deepwater location
- Onshore or offshore power generation
- Power & water production with onshore production
- Modular design largely using proven subsea components

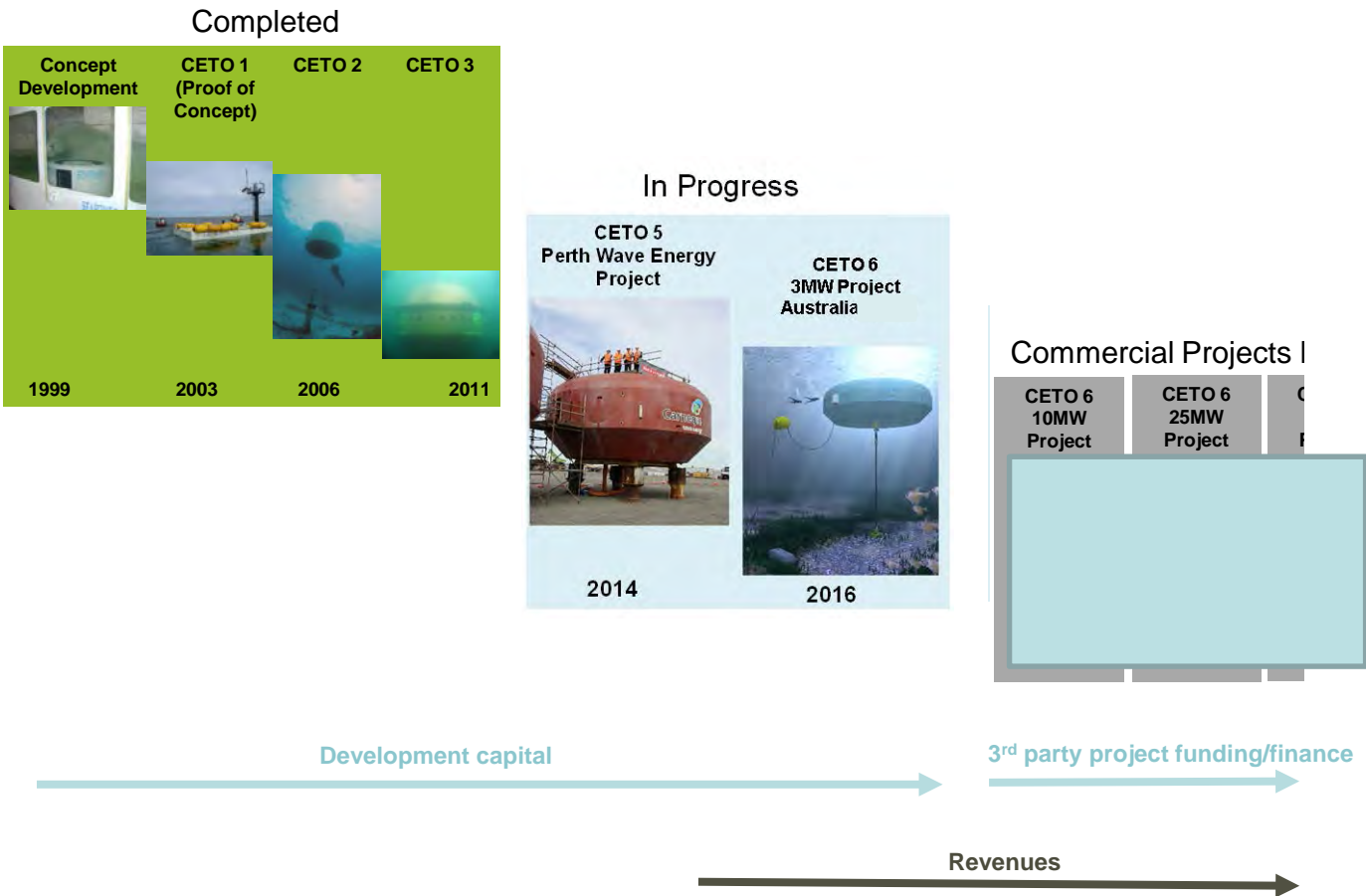


**Near-shore location & onshore power & water
(CETO 5 configuration)**

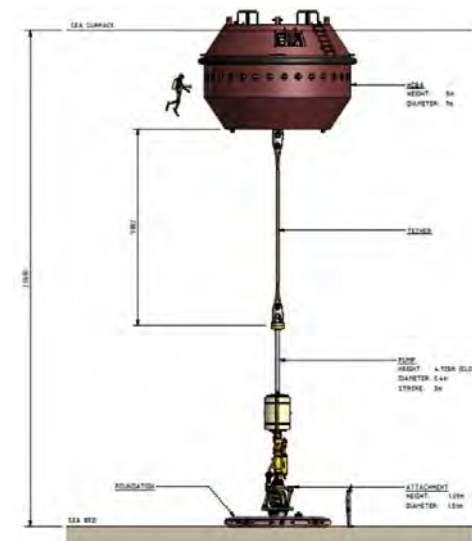


**Deepwater location & offshore power production
(CETO 6 configuration)**

Development Pathway



Track Record of Ocean Testing – e.g. 80kW CETO 3



Perth Wave Energy Project

- 3 x 240kW CETO 5 units
- 100NB, 3000psi flexible pipeline 3.2km ashore
- Onshore power plant and grid connection
- Onshore reverse osmosis desalination pilot plant
- \$22m in Government grant funding. \$18m in CWE funding
- Power & Water Offtake to Australian Department of Defence (HMAS Stirling)
- Location: Onshore & 3km offshore from Garden Island, Western Australia



Australian Industry Minister, Hon Ian Macfarlane



Perth Wave Energy Project - desalination

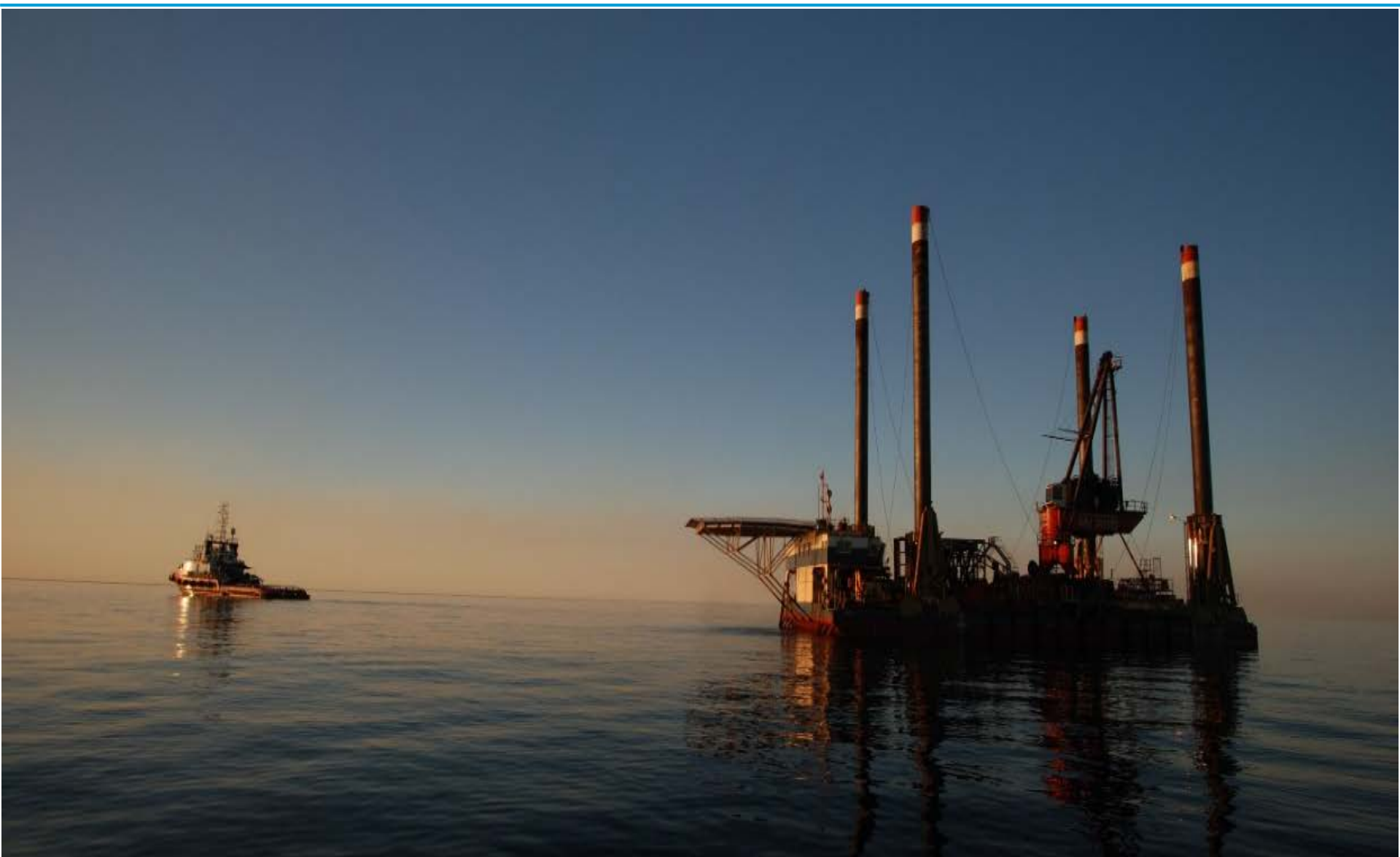
- Integrates off-the-shelf reverse osmosis desalination technology with the CETO infrastructure.
- The Perth Project will be the first wave project to produce clean power and fresh water anywhere in the world.
- Cooperation agreement with Western Australian Government owned Water Corporation
- Water supply agreement with the Department of Defence
- Desalination plant capable of 50m³/day potable water production off CETO project or off grid

“Carnegie’s wave powered seawater desalination technology offers a novel and promising approach to achieving desalinated freshwater with zero greenhouse gas emissions”

Sue Murphy, CEO, Water Corporation



Perth Wave Energy Project – offshore foundations



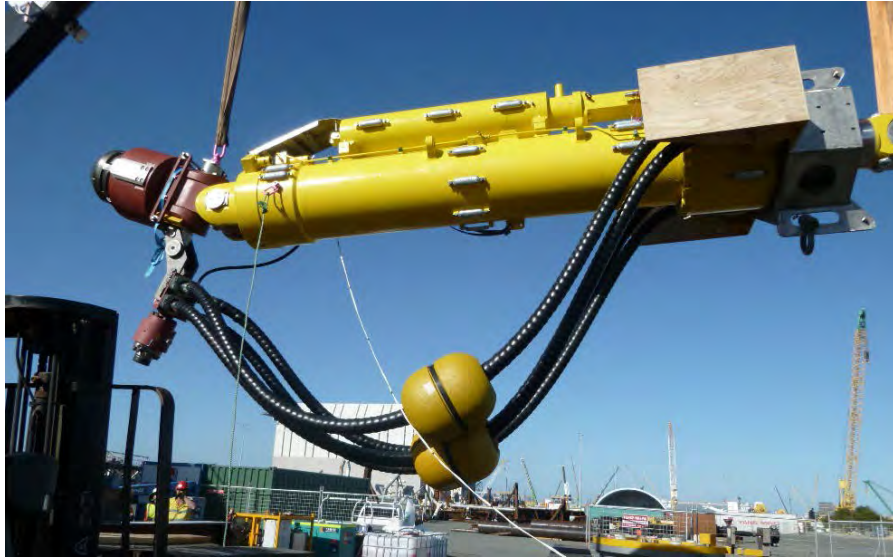
Perth Wave Energy Project – pipeline installation



Perth Wave Energy Project – power, desalination, grid connection



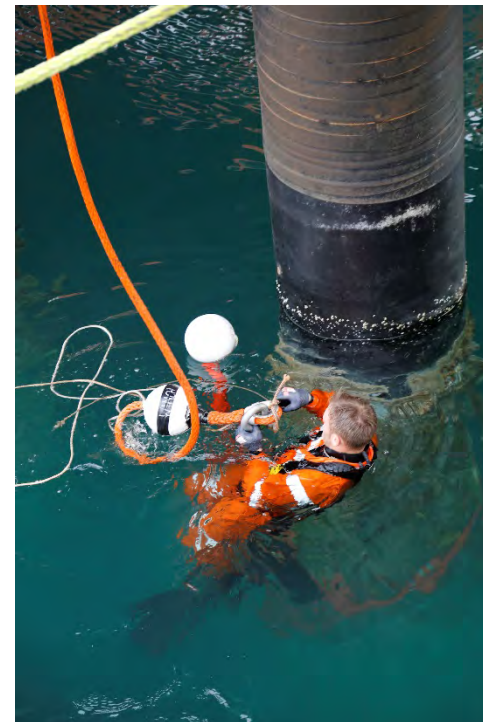
Perth Wave Energy Project – pumps, pods, tethers, attachments



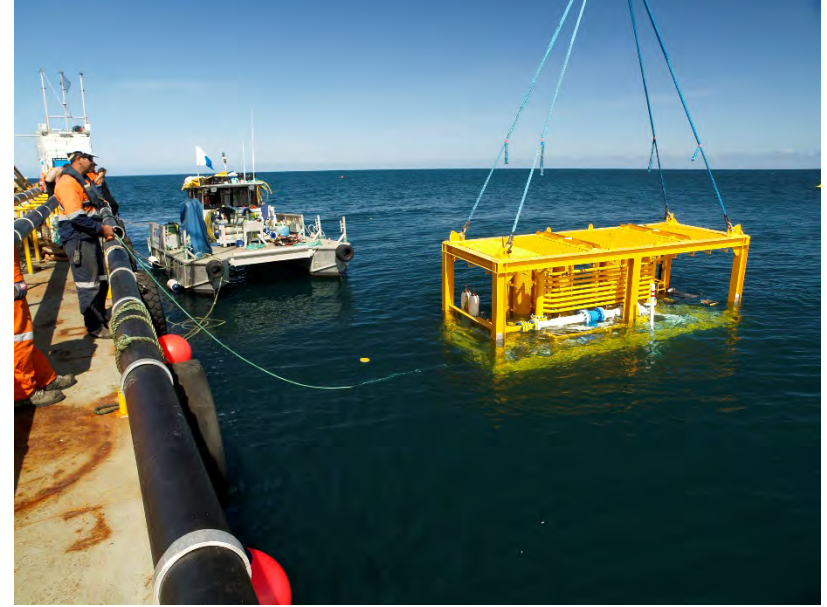
Perth Wave Energy Project – buoyant actuators



Perth Wave Energy Project – onshore assembly & test



Perth Wave Energy Project – offshore POD #1 installation



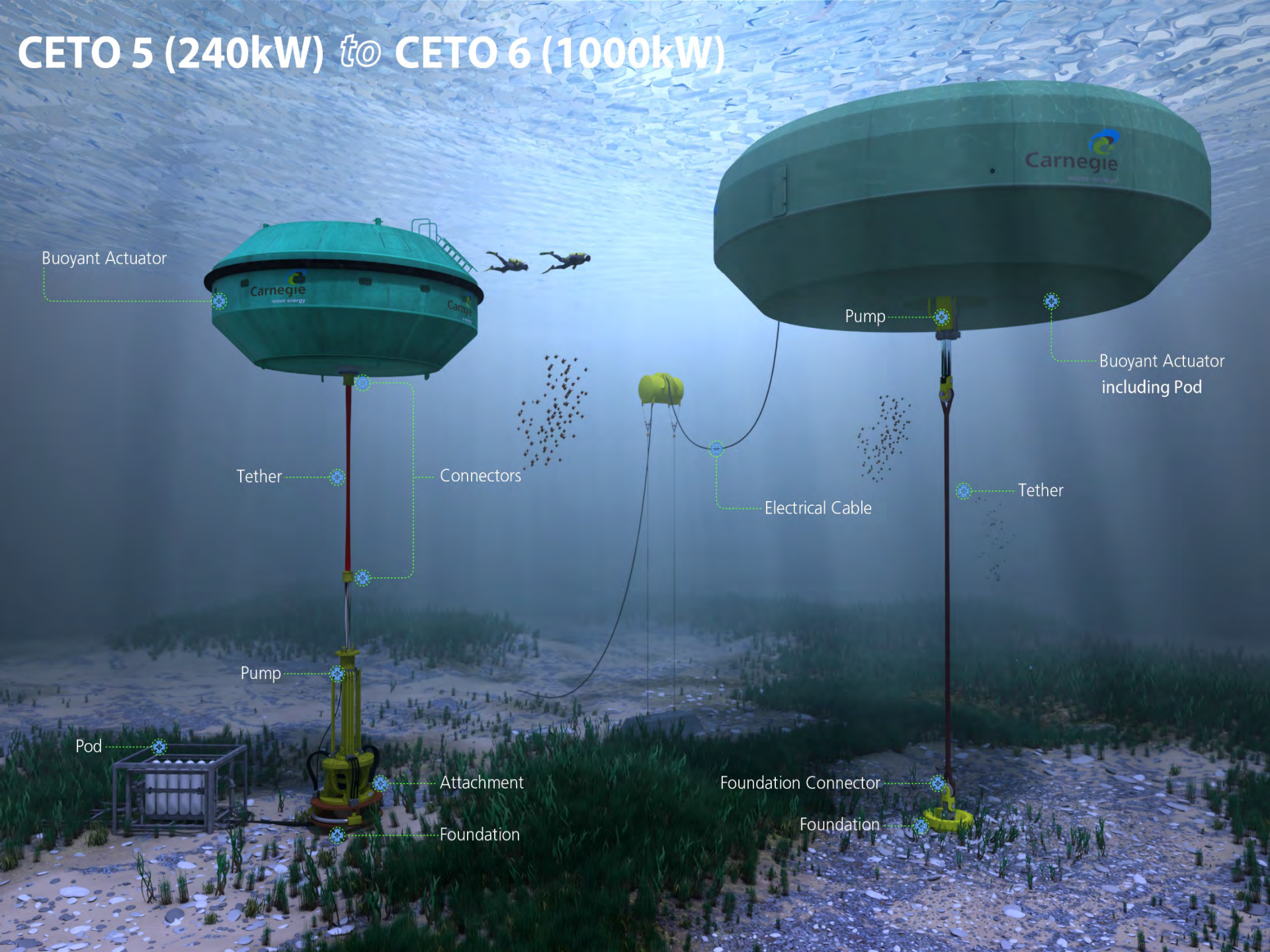
Perth Wave Energy Project – CETO Unit #1



Perth Wave Energy Project – CETO Unit #1 tow test



CETO 5 (240kW) to CETO 6 (1000kW)



Buoyant Actuator

Carnegie
wave energy

Connectors

Tether

Pump

Pod

Attachment

Foundation

Carnegie
wave energy

Pump

Buoyant Actuator
including Pod

Tether

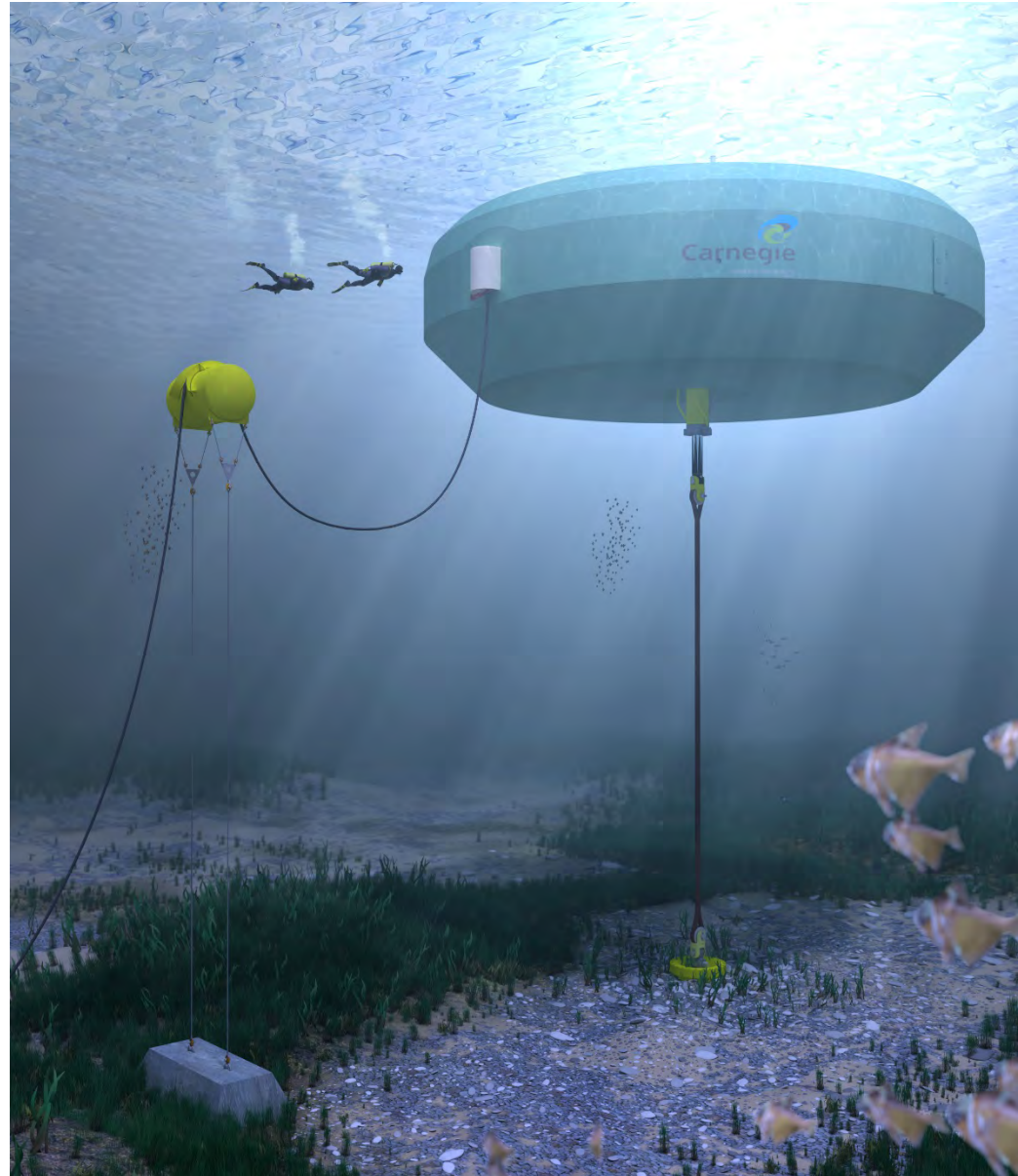
Electrical Cable

Foundation Connector

Foundation

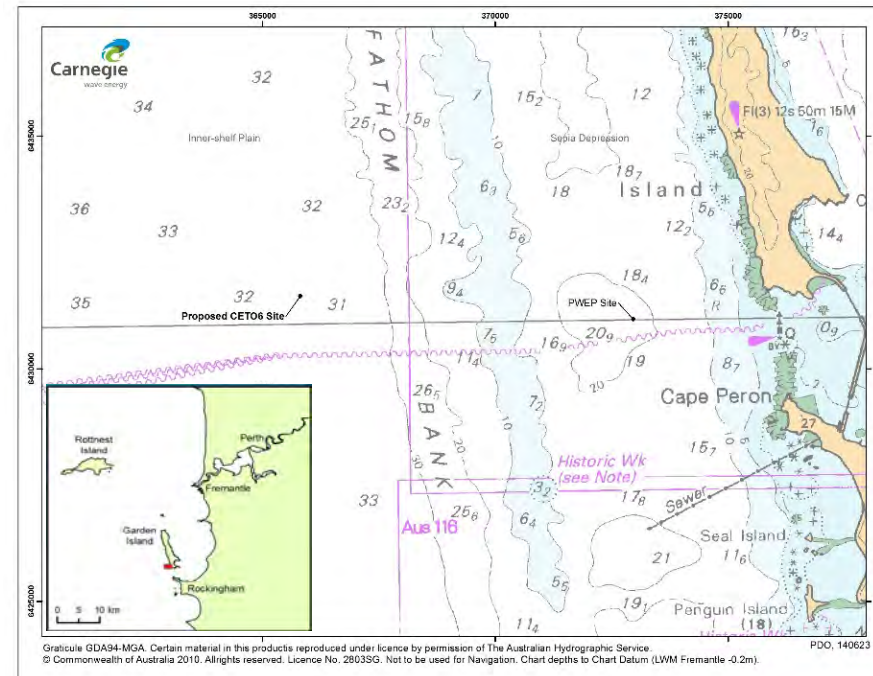
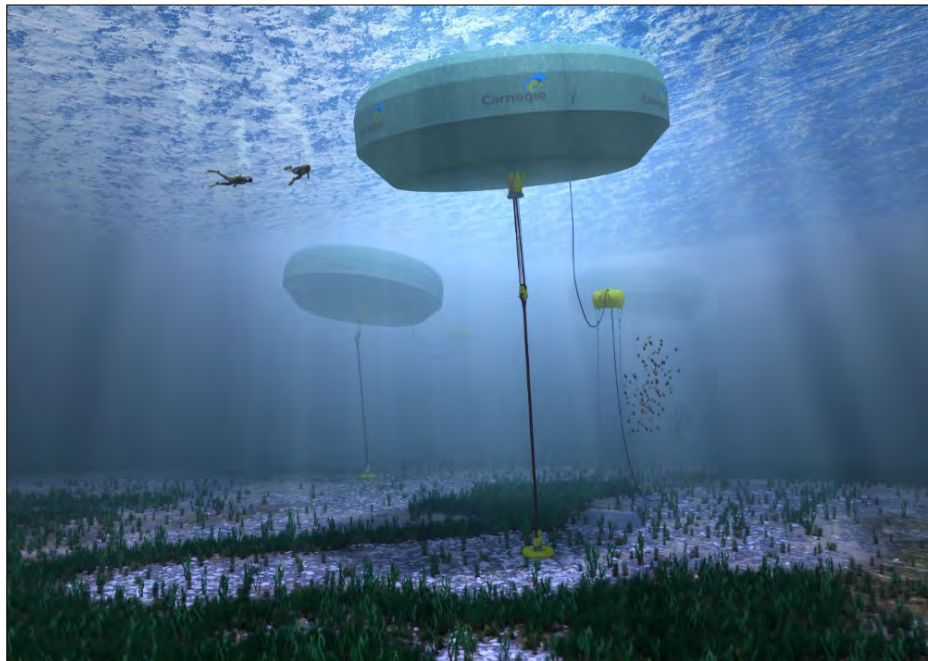
CETO 6 – Next Generation Design

- 1MW capacity target
- 4 x increase in rated capacity vs CETO 5 => ~50% increase in diameter
- On board power generation
 - Removes heavy lifts (pods on seafloor)
 - Further simplifies install and O&M
 - Enhances ability to tune/control system
 - Allows deeper water and further distance from shore
 - Replaces hydraulic transmission (piping) with electrical transmission (cable)
- First commercial production design

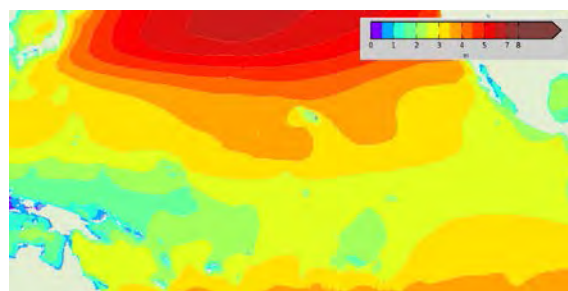
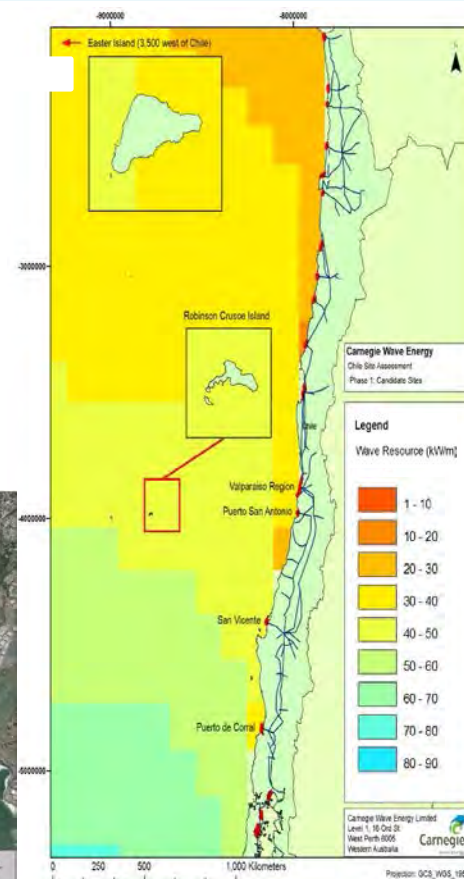
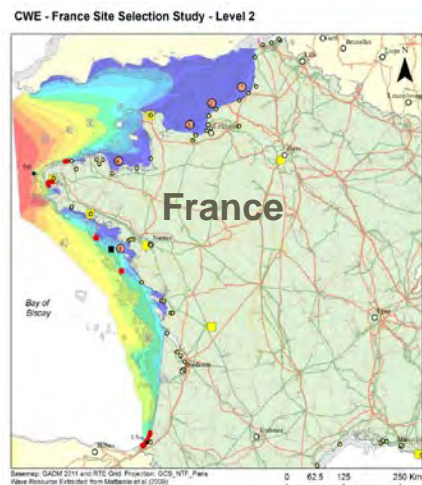


CETO 6 Demonstration Project

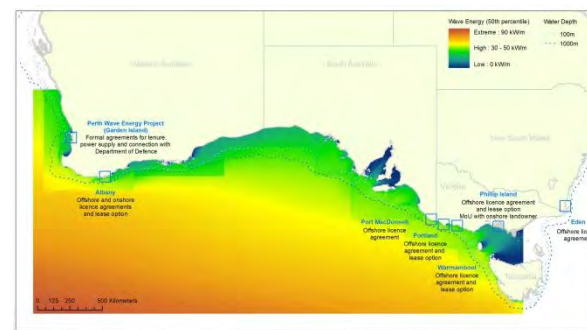
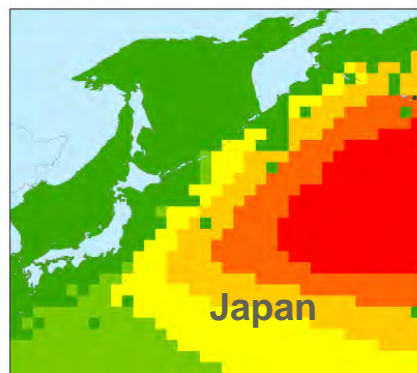
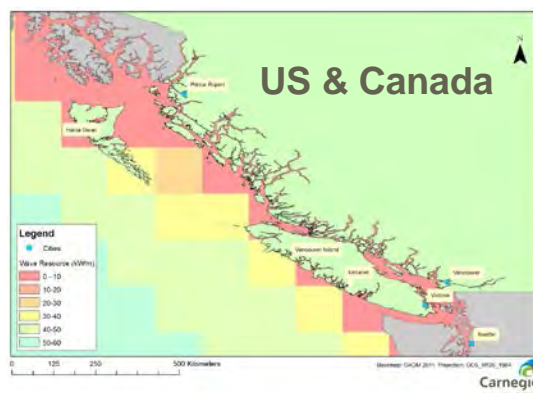
- 3MW CETO 6 project: 3 x 1MW CETO 6 units
- Design start: 2013. Project commissioning: 2016
- Location: Garden Island, Western Australia. Further offshore (deeper water, higher energy waves) than CETO 5 Perth Project
- Offtaker: Australian Department of Defence (HMAS Stirling)
- ca. \$46m total budget
- Funded by CWE, CEFC loan & Government grant.



Commercial Priority Markets – Snapshot



Remote Islands



Milestones



- 2011-13:
 - ✓ Single unit test (CETO 3) at project site
 - ✓ Power offtake with Dept of Defence
 - ✓ \$22m in Government grants secured
 - ✓ Design & approvals of Perth Project
- 2014:
 - ✓ Start construction of Perth Project
 - ✓ CETO 6 project design and location
 - ✓ \$40m in CETO 6 project funding secured
 - Power and water production from Perth project
- 2016:
 - CETO 6 project (Garden Island, WA)
- 2017:
 - CETO 6 project (Wave Hub, UK)