

## ASX Announcement

12 March 2019

### WA State Government terminates Albany Funding Agreement

Carnegie has now been advised that the State Government of Western Australia has elected to terminate Carnegie's Financial Assistance Agreement for the Albany Wave Energy Project.

The Company is disappointed with this decision as the State Government were provided with a revised Project Funding Plan in February which outlined Carnegie's plans to deliver the Albany Project over an extended timeline and with a reduced budget. The changes presented in the Funding Plan would:

- Enable Carnegie to optimise the Project spend profile in order to reduce the amount of Research and Development (R&D) Tax Incentive cash rebates that would be lost under the proposed changes to the R & D Tax Incentive
- Provide additional time to incorporate a number of design innovations into the CETO unit to be deployed in Albany. These innovations would reduce the capital cost of the Project and the long term levelised cost of energy of the CETO technology, a key driver of Carnegie's technology development pathway

Carnegie appreciates the continued commitment and support from the Albany community throughout the project. Albany remains one of the most attractive worldwide sites to demonstrate and ultimately exploit the potential of wave energy.

This significant new development must now be incorporated into the strategic review currently underway and Carnegie will update the market in due course.

#### For more information:

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