

1 August 2019

Dear Shareholder

NON-RENOUCEABLE PRO RATA ENTITLEMENT OFFER TO RAISE UP TO \$11,525,810 (BEFORE COSTS)

On 31 July 2019, Carnegie Clean Energy Limited (subject to Deed of Company Arrangement) (**Company**) announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise a minimum of \$5,500,000 (before costs) and a maximum of approximately \$11,525,810 (before costs) (**Entitlement Offer**), on the basis of four (4) fully paid ordinary shares in the capital of the Company (**New Share**) for every one (1) share held by eligible shareholders on the record date, at an issue price of \$0.001 per New Share.

If the Entitlement Offer is fully subscribed, a total of approximately 11,525,809,800 New Shares may be issued under the Entitlement Offer (subject to rounding), assuming no options are exercised and no convertible notes are converted before the record date.

Only shareholders with a registered address in Australia or New Zealand will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

The Entitlement Offer is made to Eligible Shareholders registered at 5:00pm WST on the record date of 6 August 2019 (**Record Date**).

The Entitlement Offer will be made pursuant to a prospectus lodged with ASIC and ASX on 31 July 2019 (**Prospectus**) and which will be available on the Company's website during the period of the Entitlement Offer at www.carnegiece.com and on the ASX website at www.asx.com.au.

Purpose of Entitlement Offer

The purpose of the Entitlement Offer is to raise a minimum of \$5,500,000 (before costs) and a maximum of approximately \$11,525,810 (before costs). The funds raised from the Entitlement Offer will be utilised for the development of the CETO technology, the development of the Garden Island Microgrid asset, corporate overheads, administration costs, costs associated with the Entitlement Offer and the recapitalisation proposal and working capital purposes.

Indicative Timetable

The timetable for the Entitlement Offer is as follows:

Event*	Date
Lodgement of Prospectus	31 July 2019
Company sends letters to Eligible Shareholders and Ineligible Shareholders	1 August 2019
"Ex" Date	5 August 2019
Record Date (at 5:00pm WST)	6 August 2019
Entitlement Offer Opening Date	9 August 2019

General Meeting	30 August 2019
Last day to extend the Offer Closing Date	30 August 2019
Entitlement Offer Closing Date (at 5:00pm WST)	4 September 2019
Securities quoted on a deferred settlement basis	5 September 2019
Notification of Shortfall	6 September 2019
Issue of New Securities	9 September 2019
Creditors Trust Established	
DOCA Effectuated	9 September 2019
Company ceases to be subject to DOCA	
Dispatch of holding statements for Shares	10 September 2019
Satisfaction of ASX conditions to reinstatement	11 September 2019
Expected date for Shares to recommence trading on ASX	12 September 2019

*The above timetable is indicative only and subject to change. Subject to the Listing Rules, the directors (in consultation with the deed administrators) reserve the right to vary these dates, including the closing dates, without prior notice. Any extension of the closing date will have a consequential effect on the anticipated date for issue of the New Shares. The directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment.

Shortfall

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. That part of their entitlement that is not taken up, and which is not subscribed for under a shortfall offer by other Eligible Shareholders, will form the shortfall and will be placed at the discretion of the directors within 3 months of the closing date of the Entitlement Offer

Prospectus

Details of the Entitlement Offer will be contained in the Prospectus. Eligible Shareholders should consider the Prospectus carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.

Yours sincerely



Grant Mooney
Non-Executive Director