

ASX Announcement

15 October 2019

ARENA CETO 6 Project Funding Agreement Update

Carnegie Clean Energy Limited (subject to deed of company arrangement) (ASX:CCE) (Carnegie or the Company) provides the following update with regards to the Australian Renewable Energy Agency (ARENA) CETO 6 Project Funding Agreement (Funding Agreement) which was supporting the Albany Wave Energy Project alongside the WA State Government. Having regard to the new digital development approach outlined in the prospectus dated 31 July 2019 (which differs from the milestones and outcomes previously agreed for the Albany Wave Energy Project) and on the basis that the Albany Wave Energy Project will not be proceeding as previously planned, Carnegie and ARENA have mutually agreed to terminate the existing CETO 6 Project Funding Agreement. As disclosed in the prospectus dated 31 July 2019, Carnegie had anticipated that the Funding Agreement would be terminated by mutual agreement and the Company would not be entitled to ongoing funding support.

In recognition of the work Carnegie completed on the CETO 6 Project and the knowledge being shared from the CETO 6 Project, ARENA has agreed to pay a partial milestone payment of \$865,493 (ex GST) to the Company. These funds will remain with Carnegie going forward, post effectuation of the deed of company arrangement, and the Company intends to utilise these funds to support the ongoing development of the CETO technology.

Carnegie would like to thank ARENA for their vision, leadership and support for Australia's renewable energy future. Particularly, Carnegie thanks ARENA for their ongoing support for the emerging ocean energy sector in Australia including supporting key research, collaboration and demonstration projects which will enable Australia to participate in and benefit from the global growth of the ocean energy sector.

For more information:

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