

## ASX Announcement

Thursday, 19<sup>th</sup> November, 2015

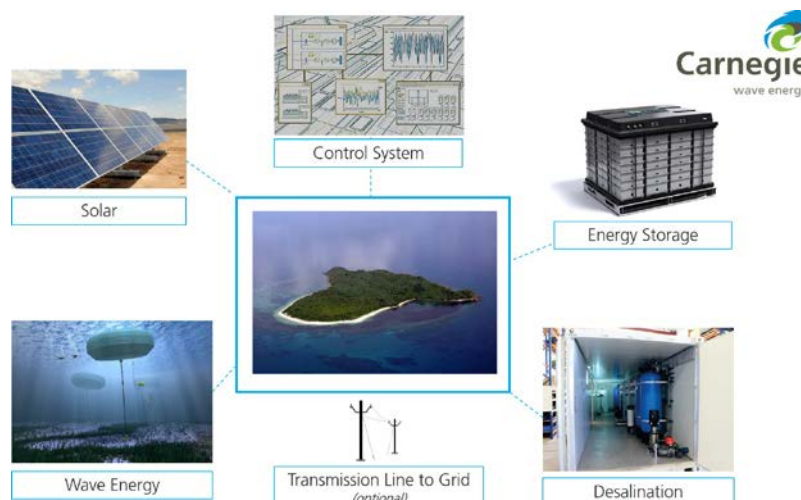
### **Carnegie and Commonwealth Bank complete Australia's first commercial bank-funded wave energy deal**

- Carnegie signs \$21m loan facility with Commonwealth Bank of Australia on commercial terms
- Funds final commercialisation of zero emission wave electricity
- Clean Energy Finance Corporation (CEFC) and Carnegie to continue to work on wave and island microgrid projects in the future

**Carnegie Wave Energy Limited (ASX: CWE) and Commonwealth Bank have completed Australia's first wave energy financing deal by a commercial bank.**

Commonwealth Bank of Australia (CBA) is providing a five-year \$20 million loan facility as part of the financing required for the next stage of CETO technology development and commercialisation, the CETO 6 Project. This will lead to the development of an export ready wave technology for global application. Additionally, Commonwealth Bank is also providing a further loan facility of a minimum of \$1 million that will provide part of the financing for the Garden Island Microgrid (GIMG) Project.

The GIMG Project will be the world's first wave-integrated microgrid project. It will be located on Garden Island, WA and will incorporate the CETO 6 Project currently underway with the existing operating desalination plant along with a new additional Solar Photovoltaic (PV) farm, energy storage and a sophisticated control system. Carnegie recently signed a Memorandum of Understanding with WA Government power utility Western Power to deliver the GIMG Project.



**Typical Carnegie Island Microgrid System, incorporating wave power, solar, energy storage, desalination and controls**

This financing deal will replace the existing \$20 million loan facility Carnegie has with the Australian's Government's Clean Energy Finance Corporation (CEFC). This is the Commonwealth Bank's first wave energy financing arrangement and builds on its commitments to assist in the transition to a low carbon economy by supporting businesses and technologies that reduce dependence on fossil fuels and mitigate the effects of climate change.

Carnegie's Chief Financial Officer Mr Aidan Flynn, said:

"This cost competitive capital from the CBA will help Carnegie take a significant step forward in our development and commercialisation of the CETO technology, including the integration of CETO into a microgrid with other renewable energy sources. This will put us in a strong position to compete in the global, developing wave energy market.

"Carnegie is enormously grateful to the CEFC for their invaluable support to date and in enabling this transition into the commercial banking sector. We look forward to a strong and ongoing relationship with both Commonwealth Bank and the CEFC with regards to future project and development opportunities both in Australia and overseas."

Mr Gary McGrath, General Manager, Corporate Financial Services WA, Commonwealth Bank, said:

"The wave energy sector is an industry of the future with great potential for Australia to be a world leader and exporter of renewable energy technology. We are delighted to be the first ever commercial bank in Australia to execute a wave energy finance deal. We're pleased to support Carnegie and the development of its CETO 6 Project and Microgrid Project and we are truly excited about the significant prospects for this new clean energy industry."

Mr Oliver Yates, CEO of the Clean Energy Finance Corporation, said:

"We are pleased that the CEFC's innovative R&D financing structure has been a model for private sector lenders to follow. CEFC's initial finance enabled the acceleration of Carnegie's innovative technology and has subsequently drawn in private sources of funding to enable continued progress. Securing finance from the commercial banking sector is another important milestone in Carnegie's growth and is a clear demonstration of Carnegie's business evolution. We look forward to continuing to work with Carnegie on future wave and island microgrid projects."

### **About Carnegie**

[Carnegie Wave Energy Limited](#) is an Australian, ASX-listed (ASX:CWE) wave energy technology developer. Carnegie is the 100% owner and developer of the CETO Wave Energy Technology intellectual property. Carnegie is focussed on commercial opportunities in key target markets including UK, Europe and remote islands.

### **About CETO**

The CETO system is different from other wave energy devices as it operates under water where it is safer from large storms and invisible from the shore.

CETO technology characteristics include:

- Converts ocean wave energy into zero-emission electricity and desalinated water.
- Environmentally friendly, has minimal visual impact and attracts marine life.
- Fully-submerged in deep water, away from breaking waves and beachgoers.

### **About the Garden Island Microgrid (GIMG) Project**

The GIMG Project will be the first wave-integrated renewable microgrid project in the world. It will also be the first to be connected to an electricity network. It will consist of the CETO 6 Project currently being delivered, the existing reverse osmosis desalination plant on Garden Island and will add an additional and approximate 2MW peak of solar photovoltaic (PV) power generation and sufficient energy storage to allow safe, stable and reliable interaction with the electricity grid.

The Project will be funded through a combination of equity, grant funding and debt financing, which will include at least \$1 million of debt financing from the Commonwealth Bank. The initial step is a detailed design phase with construction likely to occur in 2016 so that it occurs in advance of CETO 6 construction.

### **CETO 6 Project Fact File**

The CETO 6 unit has a targeted, nominal 1MW (1000kW) power capacity, some four times of the current CETO 5 generation being used in the Perth Project. It will have a superior efficiency, lower capital and maintenance costs than any CETO product generation developed to date. The CETO 6 Project is supported by \$11m funding from the Australian Renewable Energy Agency's Emerging Renewables Program and a five year \$20 million loan facility from Commonwealth Bank Australia. The clean, renewable energy generated by the Project will be sold to the Australian Department of Defence at Australia's largest naval base, HMAS Stirling, on Garden Island in Western Australia.

### **About ARENA**

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the amount of renewable energy used in Australia. ARENA invests in renewable energy projects, supports research and development activities, boosts job creation and industry development, and increases knowledge about renewable energy. ARENA is currently supporting more than 200 projects and is actively seeking new projects to support.

### **About Commonwealth Bank**

The Commonwealth Bank is Australia's leading provider of integrated financial services, including retail, premium, business and institutional banking, funds management, superannuation, insurance, investment and share-broking products and services.

### **About CEFC**

The Clean Energy Finance Corporation (CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies.

Since its inception, the CEFC has committed over \$1.4 billion in finance to investments in clean energy projects valued at over \$3.5 billion.

The CEFC invests for a positive financial return, with more than 55 direct investments and 34 projects co-financed under aggregation programs. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities.

The CEFC operates under the *Clean Energy Finance Corporation Act 2012*. More information is available on our website [www.cleanenergyfinancecorp.com.au](http://www.cleanenergyfinancecorp.com.au)

### **About Western Power**

Western Power is a State Government owned corporation that is committed to providing safe, reliable and affordable electricity to more than one million customers across a network area of 255,064 km<sup>2</sup>.

### **For more information:**

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