

ASX Announcement

2nd June 2016

Final CETO 5 Grant Milestone Payment Received

Wave energy developer Carnegie Wave Energy Limited (ASX: CWE) is pleased to announce that it has received \$935,080 from the Australian Government, representing the final grant payment for the CETO 5 Perth Wave Energy Project from the Australian Renewable Energy Agency (ARENA).

Carnegie received the final milestone payment of \$935,080 from ARENA for the successful completion of the Project including 12 months of operation. This final milestone marks the end of the ARENA Perth Project funding agreement and brings the total ARENA funds received for the Project to \$13.1m. Carnegie has previously announced the receipt of all Western Australian Government grant funding for the CETO 5 project.

After achieving over 14,000 hours of deployment across all 4 seasons over its 12 months of operation, collecting a wealth of key engineering and environmental data, validating its computational models, and having met all requirements of the funding agreements, Carnegie completed the operational phase of the Perth Project at the end of 2015. All three CETO 5 units were safely retrieved and brought back to shore for inspection, analysis and decommissioning ahead of the CETO 6 Project activities.



The Perth Wave Energy Project operating (left) and all three CETO Units being inspected following the completion of operations (right)

As part of Carnegie's internal analysis of the Perth Project, Carnegie conducted a performance assessment of the Project which was based upon respected industry standards for performance assessment of wave energy converters. The performance assessment found excellent correlation between the modelled performance and the measured performance. Subsequently, an external review of the project has been carried out by ARENA's independent technical engineering firm which confirmed that the Project met all its objectives.

Carnegie's Managing Director and Chief Executive Officer, Dr Michael Ottaviano said,

"Carnegie would like to thank both ARENA and the Western Australia Government for their support of the Perth Project. The Government grant support for the Project has enabled Carnegie to deliver Carnegie's first CETO wave energy array here in Western Australia. The Project achieved a number of world firsts and paves the way for the delivery of Carnegie's commercial product platform, the CETO 6 generation. We'd expect to begin to place first component orders with suppliers for our Garden Island CETO 6 project from next quarter."

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. Carnegie also owns 35% of leading Australian battery/solar microgrid EPC Energy Made Clean with whom Carnegie has a Strategic Alliance agreement focused on delivering mixed renewable microgrid projects to islands and remote and fringe of grid communities.

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.

Perth Wave Energy Project ('PWEF') Fact File

- PWEF was the world's only operating commercial-scale CETO grid and desalinated water connected wave energy project in 2014-2015.
- The Perth Wave Energy Project was supported by \$13.1m funding from the Australian Renewable Energy Agency.
- PWEF was supported by \$7.3 million from the Government of Western Australia's Low Emissions Energy Development (LEED) Fund. This is part of a larger \$10 million LEED grant, awarded to Carnegie by the Western Australian Government, to support the development of the CETO technology from concept through to completion of PWEF.
- The Desalination Pilot was supported by a \$1.27m AusIndustry grant from the Clean Technology Innovation Program.
- Provided clean, renewable energy and potable desalinated water to 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 supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA always looks for at least matched funding from the projects it supports and to date has committed \$1.1 billion in funding to more than 250 projects. For more information, visit arena.gov.au.

For more information:

Dr Michael Ottaviano
CEO & Managing Director
Carnegie Wave Energy Limited
+61 8 9335 3993
enquiries@carnegiwave.com
Website: www.carnegiwave.com