

## **ASX Announcement**

14<sup>th</sup> April 2009

### **Carnegie and Investec sign Wave Project Financing Heads of Agreement**

Wave Energy Developer Carnegie Corporation Limited (ASX: CNM) and Investec Bank (Australia) Limited (“Investec”), the Australian subsidiary of the international specialist banking group, are pleased to announce they are entering into a Heads of Agreement (“HoA”), which sets out their mutual intention to work together to develop Carnegie’s Commercial Demonstration Wave Power Project (“Project”).

Subject to certain milestones and conditions being met, Investec intends to provide or procure funds of up to \$250 million for the Project. It is intended that the Project be developed in a Special Purpose Company jointly owned by Carnegie, Investec and other investors, making the financing non-dilutionary for Carnegie Corporation Limited shareholders.

Carnegie Corporation’s Managing Director, Dr Michael Ottaviano, said:

“We are very pleased to be working with a specialist bank that has the track record of Investec. This is another positive step forward in the development of CETO and in the realisation of Carnegie’s Commercial Demonstration Wave Power project.”

Investec’s Peter Mansfield said: “Investec looks forward to working with Carnegie to develop the Project, which is complementary to Investec’s expertise in delivering innovation and value for money in renewable power. Carnegie is a market leader in the field of wave energy, having made considerable progress over recent years. Investec believes that Carnegie is well placed to deliver Australia’s first wave energy project in the near future.”

The Commercial Demonstration Project is the subject of a Federal Government funding application and, as such, details of the Project are commercial-in-confidence. The HoA is also conditional upon the successful outcome of this funding application. Carnegie continues to carry out feasibility studies at its portfolio of potential project sites across southern Australia and expects to be able to announce the site of the Commercial Demonstration Project in mid-2009.

Upon execution of formal contracts, Investec will secure the first right of refusal for three years to finance Carnegie’s CETO projects that connect into the Australian National Electricity Market and in New Zealand. Carnegie will also immediately issue Investec 1,000,000 unlisted options over Carnegie Corporation shares with an exercise price of \$0.31 per share. The HoA will remain “non-binding” until formal agreements are executed.

### **About Investec**

Investec Bank (Australia) Limited is the Australian subsidiary of the Investec group, an international specialist banking group with a market capitalisation of \$A4.4 billion (3 April 2009), listed on the London and Johannesburg Stock Exchanges. Investec has a full banking licence in Australia and, through its Project & Infrastructure Finance division, provides project finance solutions to energy, water, and waste projects in Australia, New Zealand and elsewhere. Investec has a strong track record in renewables, with significant financial experience spanning pure advisory roles to providing a wide range of debt and equity products. Most recently, Investec acted as developer of its own wholly-owned wind farm projects, two of which were recently sold to an Australian utility. Investec is rated Baa1 by Moody's Investors Service.

### **Investec Enquiries:**

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### **About the CETO Wave Energy Technology**

The CETO system distinguishes itself from other wave energy devices by operating out of sight and being anchored to the ocean floor. An array of submerged buoys is tethered to seabed pump units. The buoys move in harmony with the motion of the passing waves, driving the pumps which in turn pressurise seawater that is delivered ashore via a pipeline. The high-pressure seawater is used to drive hydro turbines, generating baseload, zero-emission electricity. The high-pressure seawater can also be used to supply a reverse osmosis desalination plant, replacing greenhouse gas emitting pumps usually required for such plants.

CETO Technology characteristics include:

- CETO converts wave energy into baseload, zero-emission electricity
- CETO is environmentally friendly, has no visual impact and attracts marine life
- CETO is fully submerged in deep water away from popular surf breaks and safe from storms.

### **Wave Energy as a renewable energy source:**

- Wave Energy is renewable energy which can power the world twice over
- Australia has the largest and best wave energy resource of any country
- 60% of the world lives within 60km of a coast, minimising transmission issues.

### **About Carnegie Corporation Ltd & CETO**

Carnegie Corporation Ltd is an Australian, ASX-listed (CNM) wave energy and clean technology developer. Carnegie is 98% owned by Australian investors. The CETO technology IP is owned by AIM-listed Renewable Energy Holdings (REH) who has a joint venture license relationship with EDF EN in the Northern Hemisphere to own and operate CETO Wave Power Projects and in the Southern Hemisphere with Carnegie Corporation to develop the CETO Wave Energy technology. Carnegie also has the exclusive rights to own and operate all commercial CETO wave farms in the Southern Hemisphere (excluding Reunion Island).

### **Carnegie information:**

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