Resolution Results

	For	Against	Discretionary	Chairman	Abstain
Resolution	*Votes*	*Votes*	*Votes*	*Votes (In favour)*	*Votes*
Adoption of Remuneration Report	**22,798,309**	**1,510,518**	**1,479,750**	**244,487**	**13,638,716**
Re-election of Mr Bruce William McLeod as a Director	**37,372,593**	**284,000**	**1,509,750**	**244,487**	**260,950**
Re-election of Mr Ian Charles Fisher as a Director	**RESOLUTION WITHDRAWN**				

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ASX RELEASE

19 November 2009

ANNUAL GENERAL MEETING
19 NOVEMBER 2009
CHAIRMAN'S ADDRESS

2009 has been a dynamic year to say the least.

This time last year, we found ourselves in the depths of the global financial crisis, winding back work programs and reducing costs in order to preserve cash. After implementing a number of successful initiatives during the first half of the financial year, including a modest fundraising and a deal with Renewable Energy Holdings Plc to assume our ongoing funding commitments on CETO, we were able to push ahead with our technology development without large capital demands.

In early 2009, we announced the achievement of a number of milestones including:

1. Signing of an MoU with the Department of Defence to consider the feasibility of a CETO project on Garden Island;

2. Award of a South Australian Wave Energy License;

3. Receipt of a 12.5 million state government grant to assist with the construction of a wave energy project in WA.

Also during this time, the Federal Government announced the $435 million Renewable Energy Demonstration Program, an initiative to help fund renewable energy projects at a stage nearing commercial demonstration.

On the back of this announcement, Carnegie was able to showcase its CETO technology and, with the heightened exposure, completed a fundraising of $5.75 million in May of this year.

We also entered into an important Heads of Agreement with Investec Bank of Australia to provide match funding of up to $250 million to accompany a potential government grant. This was a key component of our Federal Government grant application.

Carnegie saw the Federal Grant as a terrific opportunity to potentially secure between $50-$100 million in funding for up to a 50 megawatt project in Australian waters as an alternative to looking to international markets where more attractive electricity prices and feed in tariffs exist.

A fortnight ago the results of the REDP Grant were delivered and as you are aware, we were unsuccessful. While it goes without saying that we were extremely disappointed with the result, we have not changed our course or focus for CETO- to demonstrate a commercial wave energy project in the next 18-24 months.

To achieve this, we have an ideal site at Garden Island from which to establish this project as well as a number of overseas project sites currently under consideration which may also be used to establish similar commercial demonstration sites and potentially roll out to full scale commercial projects.

At Reunion Island, our northern hemisphere partner, EDF EN has been awarded Euro 3 Million to undertake a feasibility study using French government funding in parallel and along a similar timetable to our Garden Island project.

And during all this time, our CETO technology has continued to evolve and improve, making it what we strongly believe will be the simplest, most effective and cost efficient means of extracting energy from the ocean's waves.

The last 12 months has seen the original CETO units undergo rigorous development and test studies both onshore and offshore at Fremantle with a number of significant design advances having been made to the pump and Buoyancy Actuator.

During the first half of 2010, we will be in a position to deploy a single commercial size unit offshore at Garden Island, in readiness for evaluation studies to test its application for commercial purposes.

This is the main game.

It is this stage of the CETO evolution which will give us the information in which to modify and tailor it to commercial applications.

Our transaction with Renewable Energy Holdings Plc is expected to be completed over the coming month, following which Carnegie will become the owner of the CETO Intellectual Property and secure the rights to develop the project in the northern hemisphere with EDF EN. Closing this loop adds incredible value to Carnegie, given that the most valuable markets for CETO exist in the Northern Hemisphere and owning the IP removes the risk of being simply a licensee of the technology.

I would like to take this opportunity to recognize the incredible contributions of two of our directors who have recently retired from office.

Firstly, our founder and former chairman Alan Burns who recently stepped down after some 16 years with the Company, provided us with much leadership and vision, culminating in the invention of the CETO technology of which the Company is now built around.

I would like to formally recognize his contribution and assure you that while he is no longer a board member of Carnegie, he continues as a board member of our soon to be major shareholder REH and remains accessible to us.

I would also like to acknowledge the valued contribution of Ian Fisher who has chosen not to seek re-election today due to his increasing other commitments. Ian's contribution to Carnegie has greatly assisted us in broadening our network of relationships around the world while he has also added significantly to our corporate governance processes by being a valued member of our various sub-committees. We look forward to a continued association with Ian going forward.

While I am on the subject of thanking people, I would like to thank Mike Ottaviano and the team for the incredible amount of work that they have done over the past 12 months.

Bringing a project like CETO to this point requires the work of many people. The commitment of our employees has been terrific and it shows how much belief they have in the CETO project and its ability to reach commercialization.

GRANT J. MOONEY
Chairman

Carnegie Wave Energy Limited

Annual General Meeting of Shareholders

19 November 2009

Michael Ottaviano
Chief Executive Officer
&
Greg Allen
Chief Operating Officer

Disclaimer

The following material contains certain forecasts and forward-looking information, regarding possible or assumed future performance, costs, production levels or rates, prices, or potential growth of Carnegie Wave Energy Limited, industry growth or other trend projections.

Such forecasts and information are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors, many of which are beyond the control of Carnegie Wave Energy Limited.

Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

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Carnegie – *who we are*

- Australian-listed (ASX: CWE) wave technology developer
- 20 staff
- $110m Market Cap
- 729m shares & 65 unlisted options (post close of CETO acquisition)
- Zero Debt
- $4,000,000 Cash
- $12,500,000 WA Govt Grant

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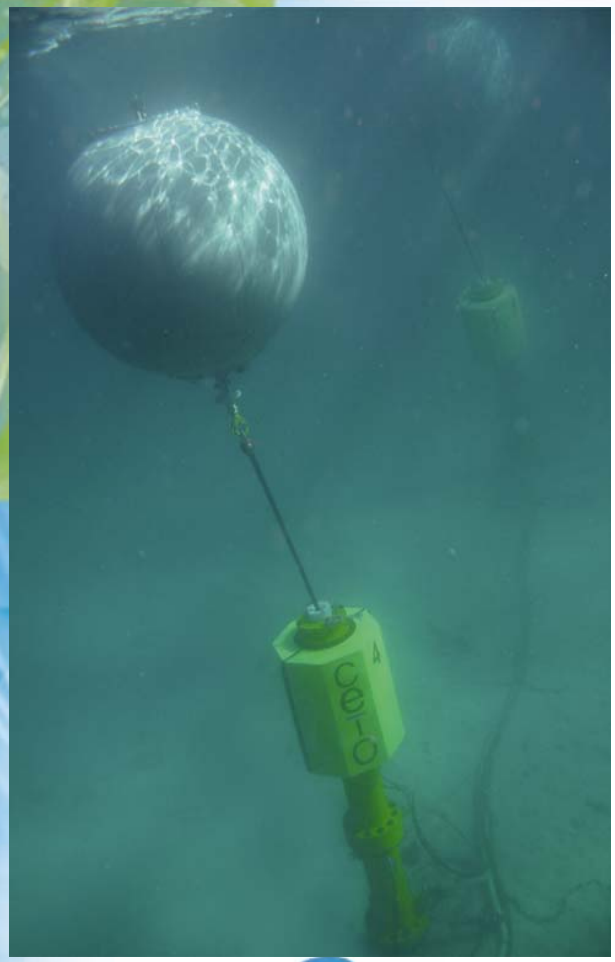
Recent Milestones



- ✓ Pilot Plant successfully completed
- ✓ Australian & international wave sites awarded
- ✓ $12.5 million WA Govt grant for 5MW project
- ✓ MoU & Site Study with Australian Dept of Defence
- ✓ MoU with WA's largest power retailer
- ✓ French & Canadian Govt grants ($7million)
- ✓ 100% purchase of the CETO IP

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Wave Energy – *macro drivers for clean energy*

1. Energy **growth** of 1-8% p.a.
2. Energy **security** e.g. reliance on Russian gas or Middle East oil
3. Energy **constraints** e.g. lack of coal or available wind resources
4. Government **policy** for climate change e.g. European RE targets, carbon price & wave energy feed tariffs and grants

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"Major Long Term Forces" – *Australian drivers*

1. Population Growth – 35 million by 2050
2. Climate Change – water & power issues
3. Information & Communication Technology
4. China & India – water & power demand

Shape of Things to Come – Speech by Ken Henry Secretary to the Treasury
November 2009

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Renewable Energy – *why aren't we 100% RE today?*

- Too **expensive** e.g. solar
- **Intermittent** e.g. solar and wind
- Not **predictable** e.g. wind
- Resources **distant** from demand e.g. solar
- Lack of **transmission** e.g. solar, geothermal
- Too much local **opposition** (NIMBY) e.g. wind
- No **water** e.g. solar thermal

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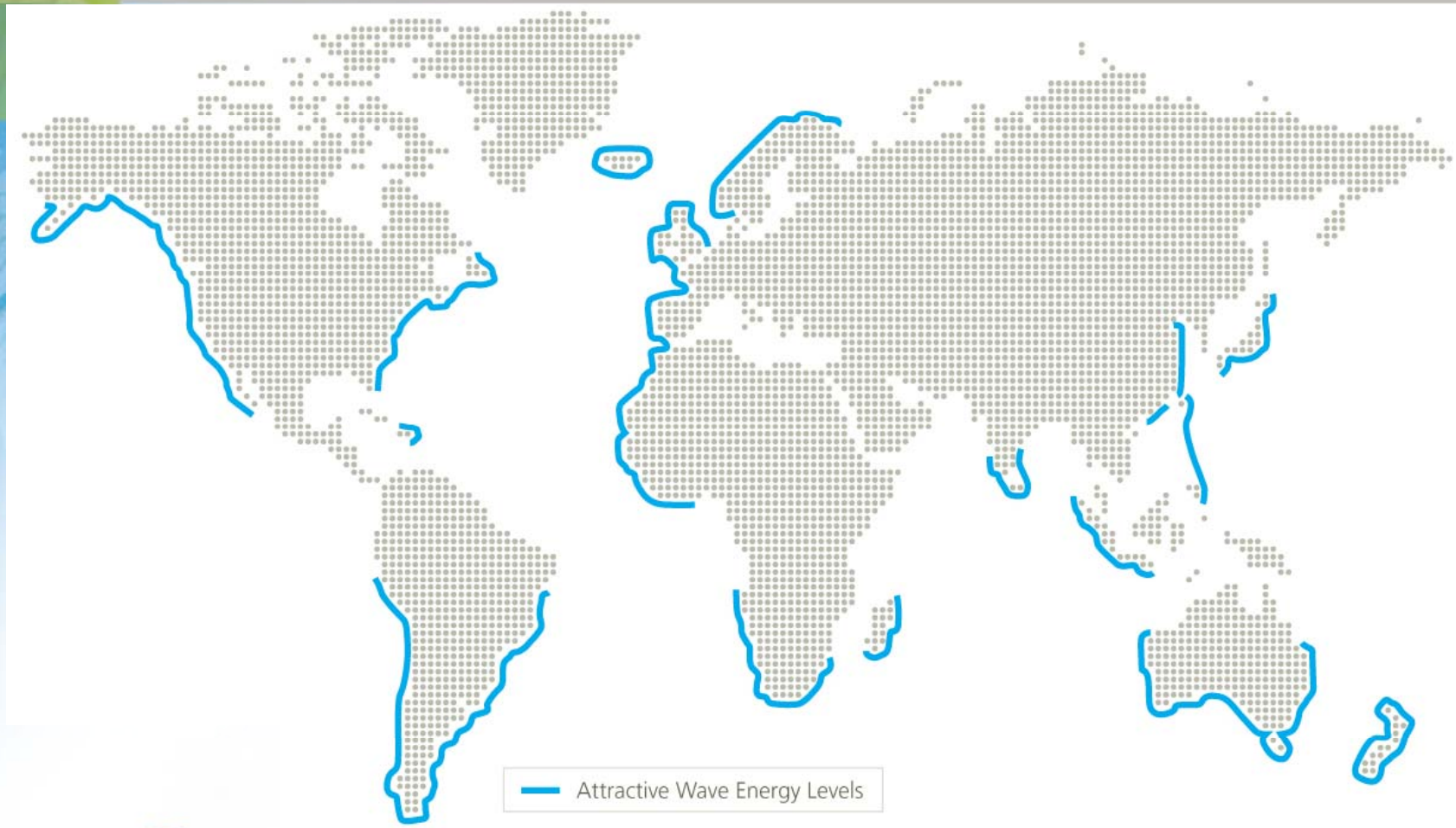
Wave Energy – *global & untapped*



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abundant, high capacity, predictable

~ twice the worlds current consumption available (World Energy Council)

Estimate of Wave Market Size – 2025

Total Energy Production in 2025	23 TW (23 million MW)	International Energy Agency *IEA Outlook 2004*
% supplied by Renewable Energy	5.5% or 1,300,000 MW	Energy Information Administration (EIA) *International Energy Annual 2005*
% supplied by Ocean energy	15% minimum or 190,000 MW	Frost & Sullivan, *An Assessment of Current Technologies in Ocean Energy*, 2008
% supplied by wave	75% or **140,000MW**	Internal estimate of wave versus tidal resource
Average annual production	140,000MWh x 8000hrs x 40% = 450,000,000 MWh	Assumes 40% capacity factor
Average annual revenue	280,000,000MWh x $200/MWh = **$91 billion p.a.**	Assumes $200/MWh pricing

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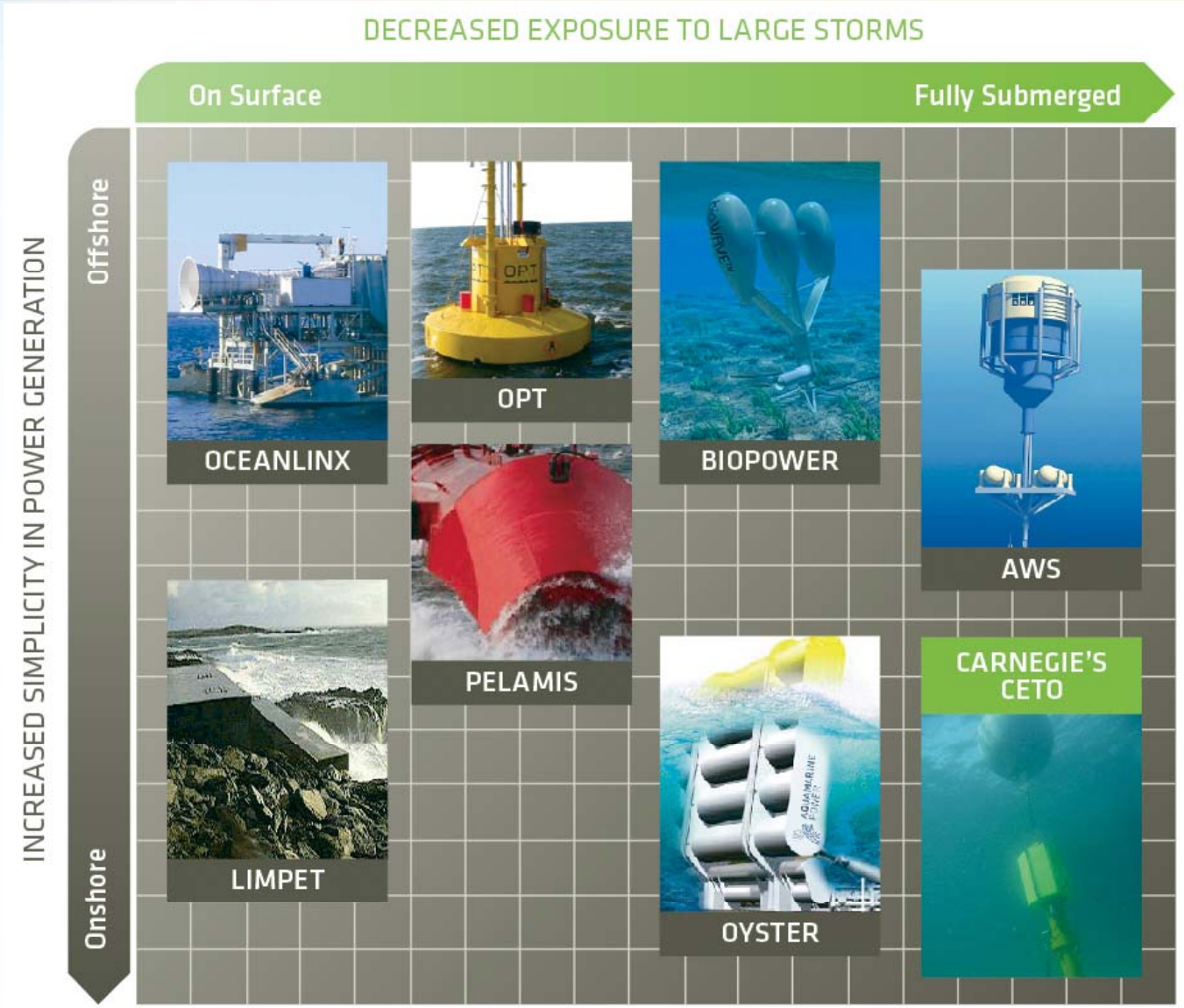
Scientific American (Nov 2009) forecasts **540,000MW** of wave generation by 2030

Wave Energy – *Example technologies*



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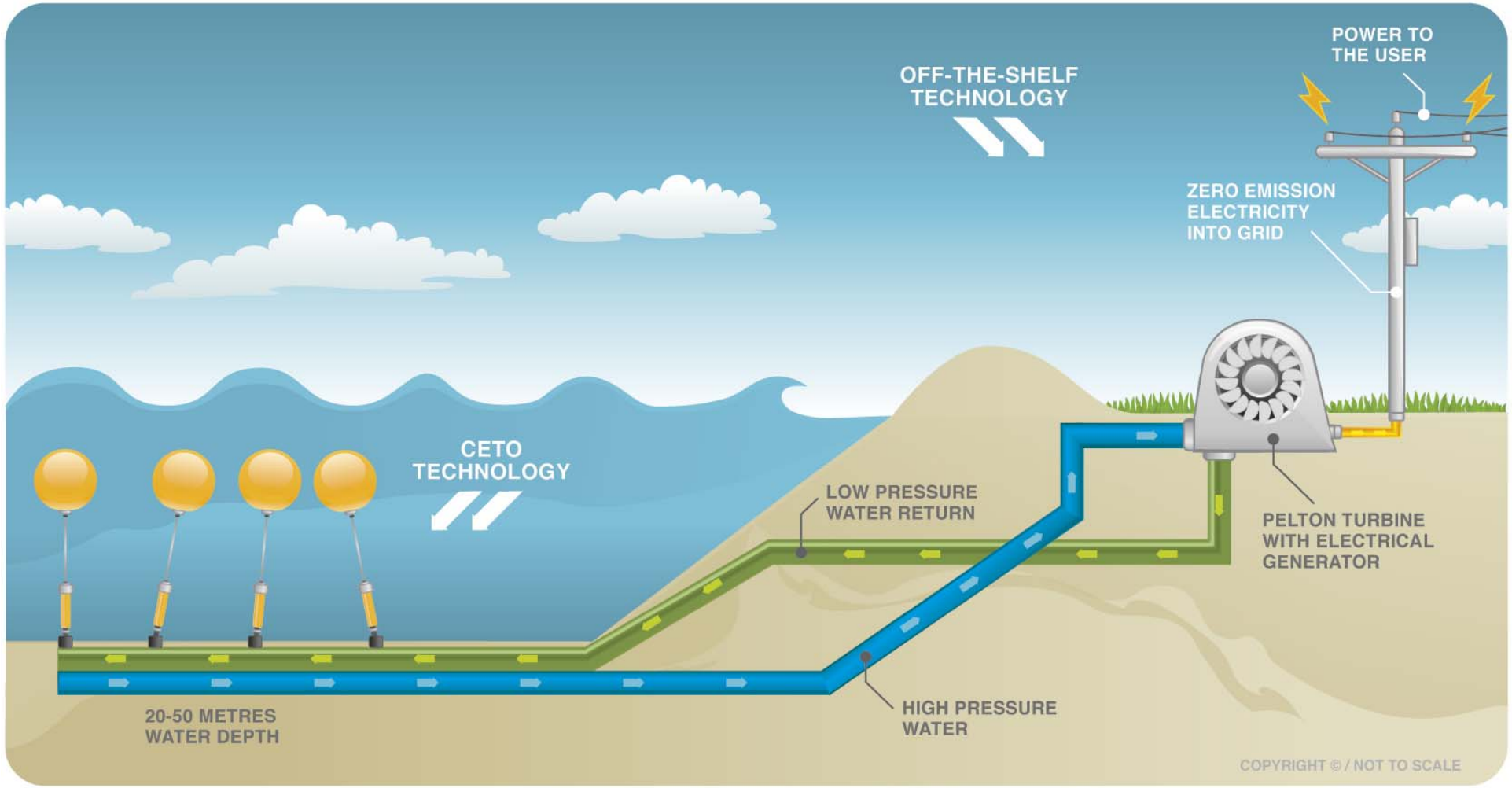
CETO – *technology overview*



CETO – *how it is different*

- **Simple** – no power generation equipment offshore
- **No visual impact** – fully submerged
- Enhanced **storm survivability** – fully submerged and storm relief
- Zero-emission **freshwater** co-production possible
- Minimal **environmental** impact

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CETO – *technology development timeline*

1999 - 2003

Concept Development

✓ Scale models & wave tank testing

2003 - 2006

Proof of Concept

✓ Prototype producing zero-emission power and desalinated water

2006 - 2008

Pilot Plant

✓ Multiple, commercial design units generating power

2008 - 2010

Commercial Demonstration

- Commercial scale demonstration

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CETO – *project development timeline*

2007 - 2009

Assess, Acquire, Pre-Develop Sites

- ✓ Australian project sites awarded
- ✓ International sites acquired

2009 - 2011

Small Scale Commercial Demo

- ✓ $12.5 million WA Govt grant
- ✓ MoU with Dept of Defence for Garden Island
- • Commercial Demonstration
- • 5MW at Garden Island, WA

2010 - 2012

Large Scale Commercial Project

- ✓ EDF EN JV & Licensee
- ✓ French Govt grant (€3m)
- ✓ Canadian Govt grant (C$2m)
- • 10-50MW project
- • Trigger for global rollout

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Global Potential – Best Wave Markets $2009

Country	Policy	Power Tariff ($A est.)
Australia	$500m Govt funding for new renewables, 20% RE target & proposed ETS	~$150/MWh for RE
Chile	Extreme power shortage, Kyoto CDM eligible, RE target	~$150/MWh for RE
US	$15 billion p.a. for cleantech, ETS likely	State dependant
UK	Govt has invested > $500m in wave energy. 2 x ROCs for wave and dedicated test site	~$250/MWh for wave
Ireland	Govt investing $50m in wave energy. Wave energy target (500MW by 2020), wave feed-in tariff and dedicated test site.	~$350/MWh for wave
Portugal	Wave feed-in tariff and dedicated test site	~$500/MWh for wave
Scotland	5 x ROCs for wave and dedicated test site	~$600/MWh for wave
Islands (Bahamas, Bermuda, Reunion, Mauritius…)	Typically displacing diesel generation, some Kyoto CDM eligible	~$500-600/MWh
Canada, Norway, New Zealand, Denmark, Japan, South Africa, Italy, France, South Korea, Phillipines		Various policy and pricing incentives for wave energy

EDF EN - *CETO licensee & JV partner*

- Northern Hemisphere licensee of CETO
- Pays Carnegie capex license fee/project
- Carnegie retains right to participate up to 49% in Northern Hemisphere projects
- EDF EN has over 2,200 MW of installed renewable capacity in operation and another 1,000 MW under construction
- generated A$130 million earnings on A$1.8 billion revenue in 2008
- 50% owned subsidiary of the EDF Group - one of the largest power generation companies in the world
- EDF has over 120,000 MW, 38 million customers and 160,000 staff & generated A$9 billion earnings on over A$120 billion revenue in 2008

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Key Relationships & Partners

- Northern Hemisphere licensee & JV partner (subsidiary of world's largest power company, EDF)
- MoU for Garden Island Naval Base project
- Feasibility study at Exmouth Communications base
- Grant of $12.5 million for Garden Island project
- MoU to negotiate power offtake from Garden Island

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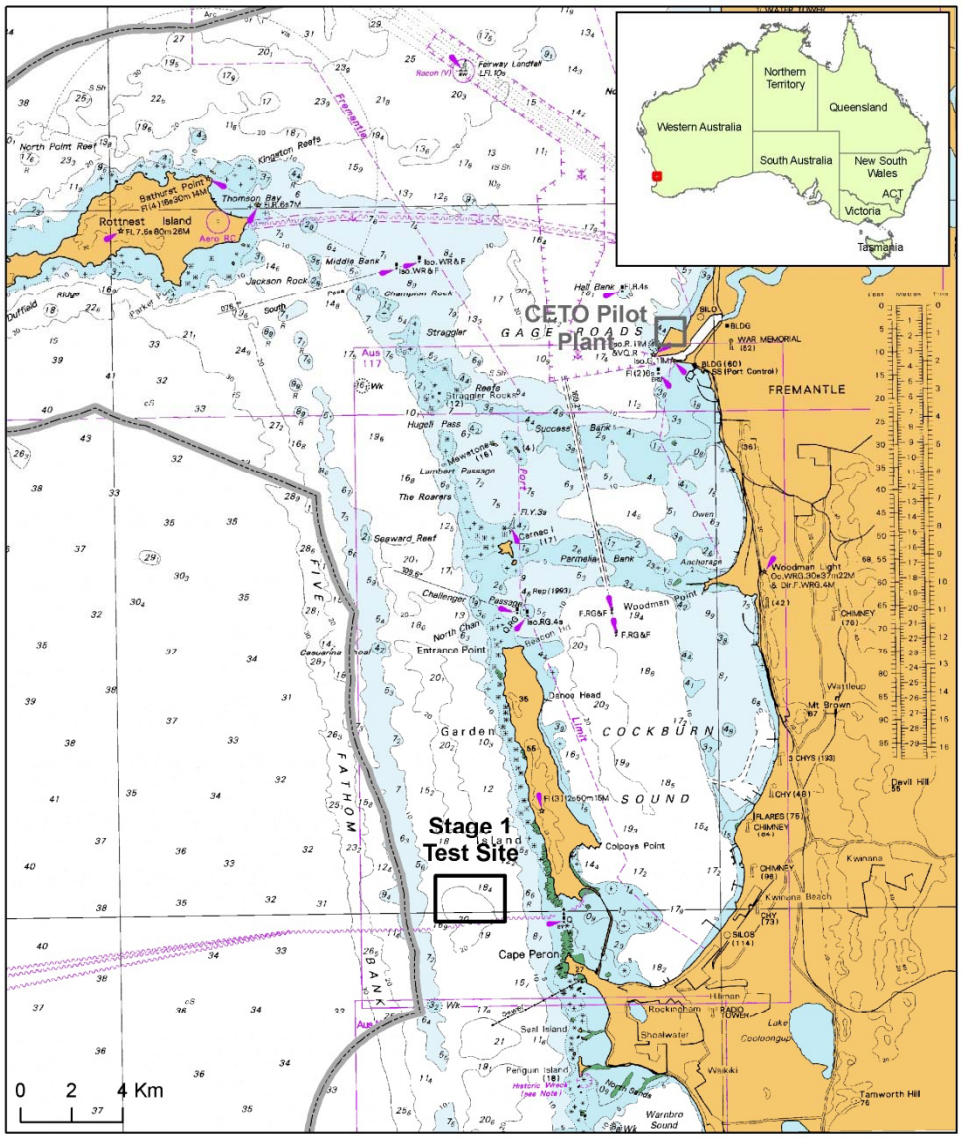
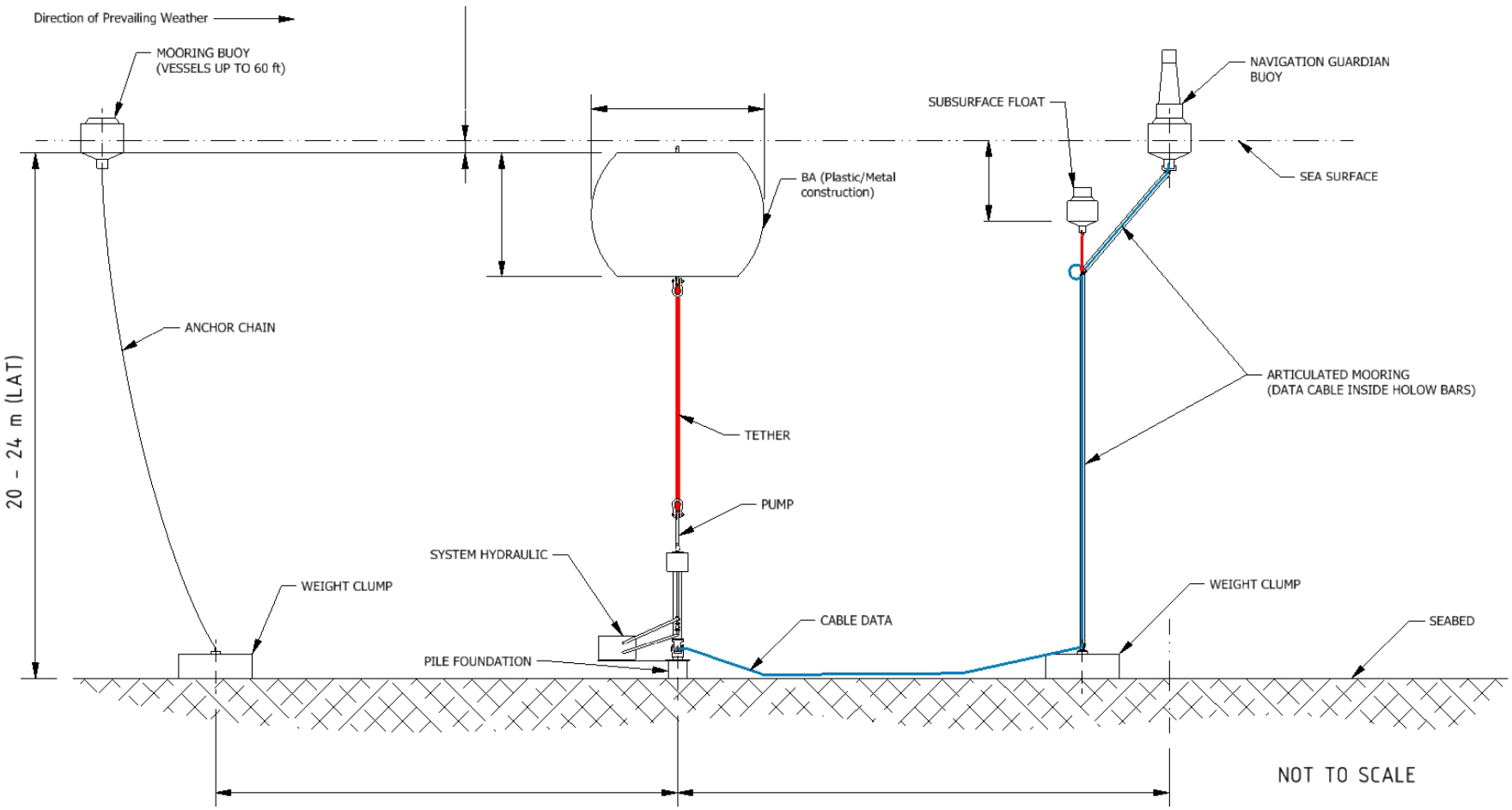
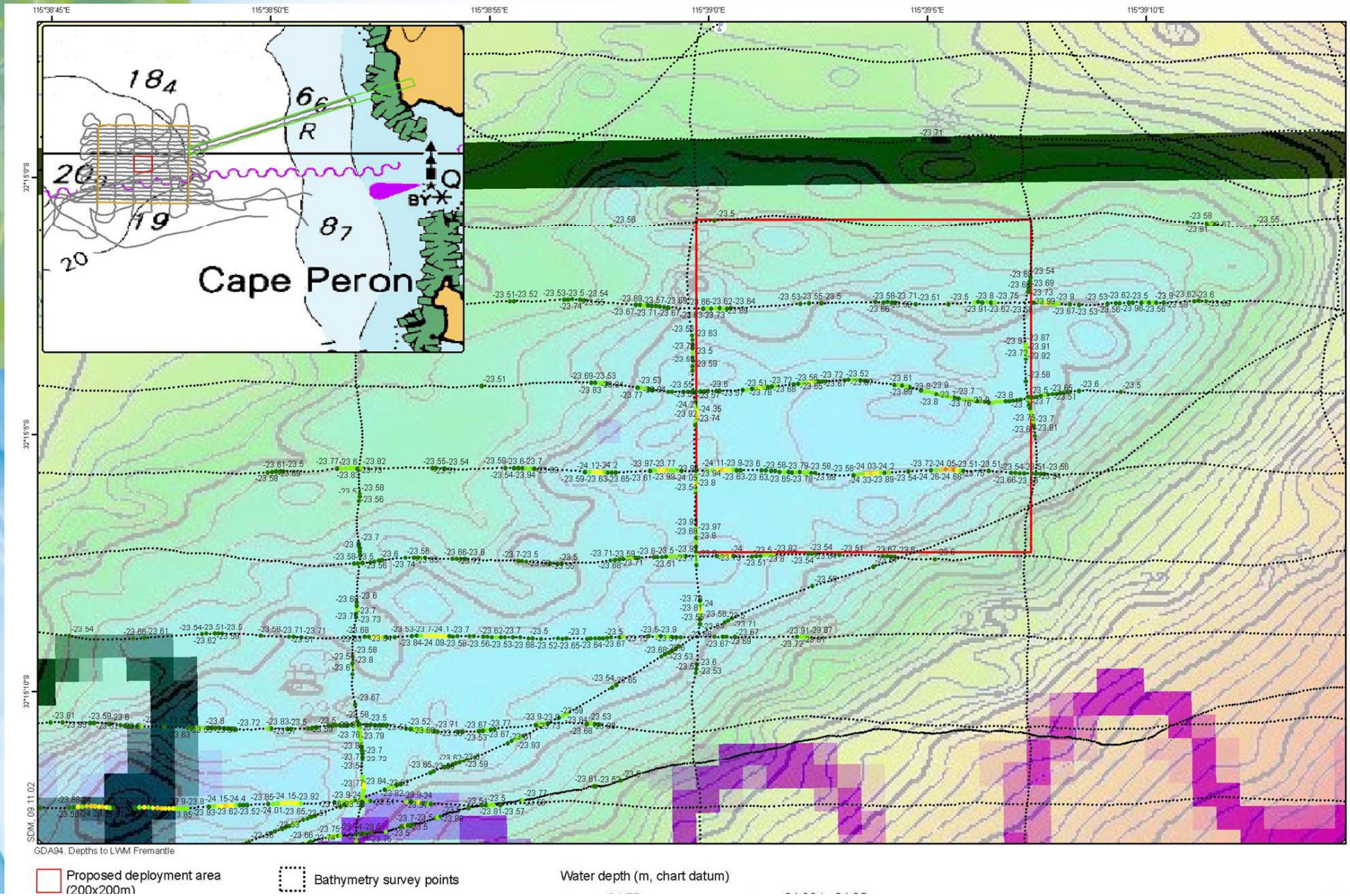
CETO 3 deployment site



CETO 3 deployment system



CETO 3 site surveys



CETO - Key Technical Milestones

- System proof at pilot scale
- Closed loop operation
- Simplification of pumping system
- Energy relief system proven at scale
- Mooring deployment due Q4 2009
- C3 unit deployment first half 2010

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CETO - *Intellectual Property is core business*

Carnegie invests significant resources in the maintenance of an intellectual property portfolio and views the creation and protection of IP as a core competency.

A recently completed Independent Expert's Report by Global IP Services described this investment as having…

"…created significant IP barriers to entry, and provides Carnegie…with a strong, global capacity to leverage its CETO IP and successfully commercialize this technology..."

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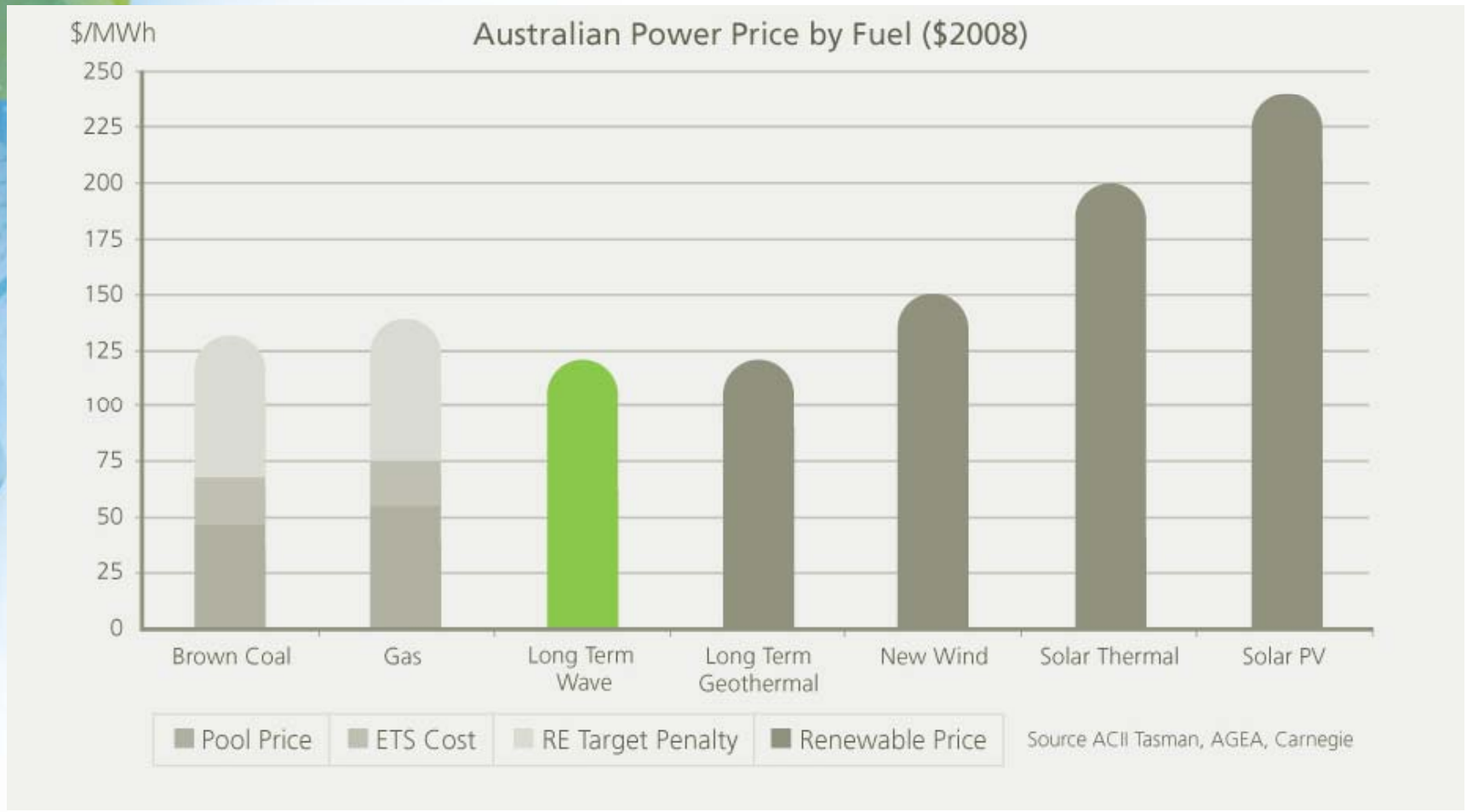
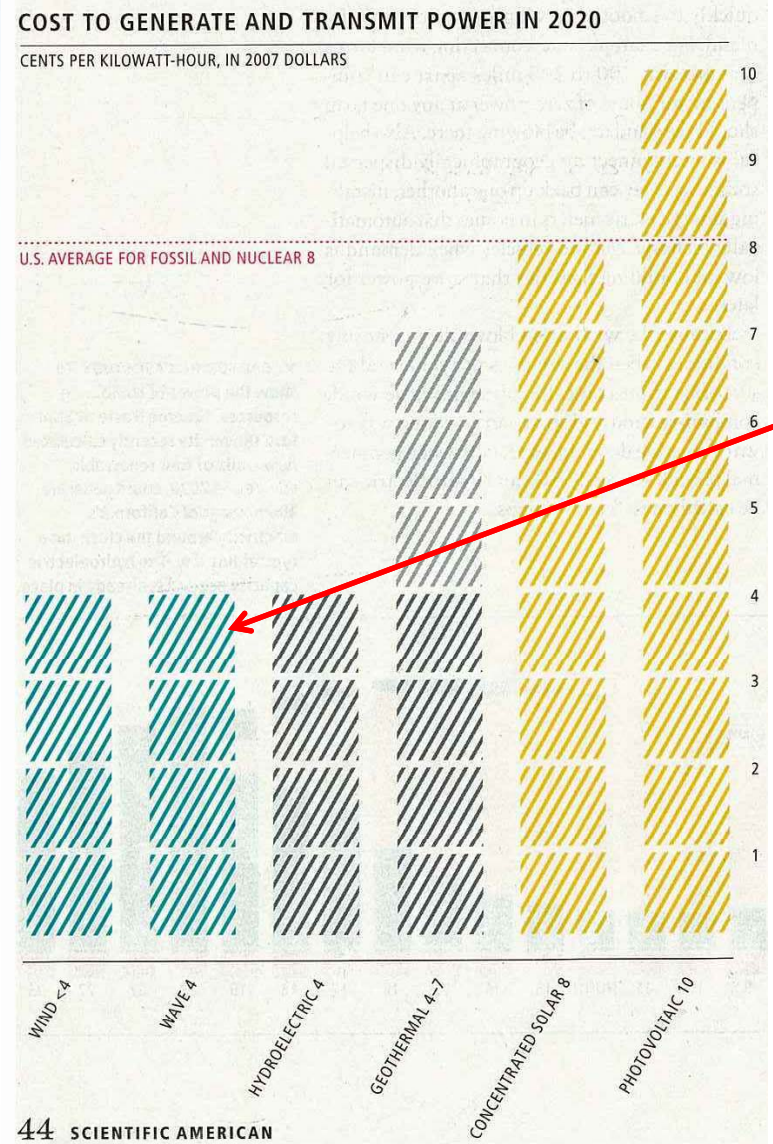
CETO – *forecast cheaper than wind and solar at scale*



NB: Capacity factor wave expected to be ca. 2 x wind or solar
Costs include Capex and Opex
RE Target price is now legislated and adds to a renewable energy generators price
ETS (CPRS) penalty likely and is paid by fossil fuel power generators

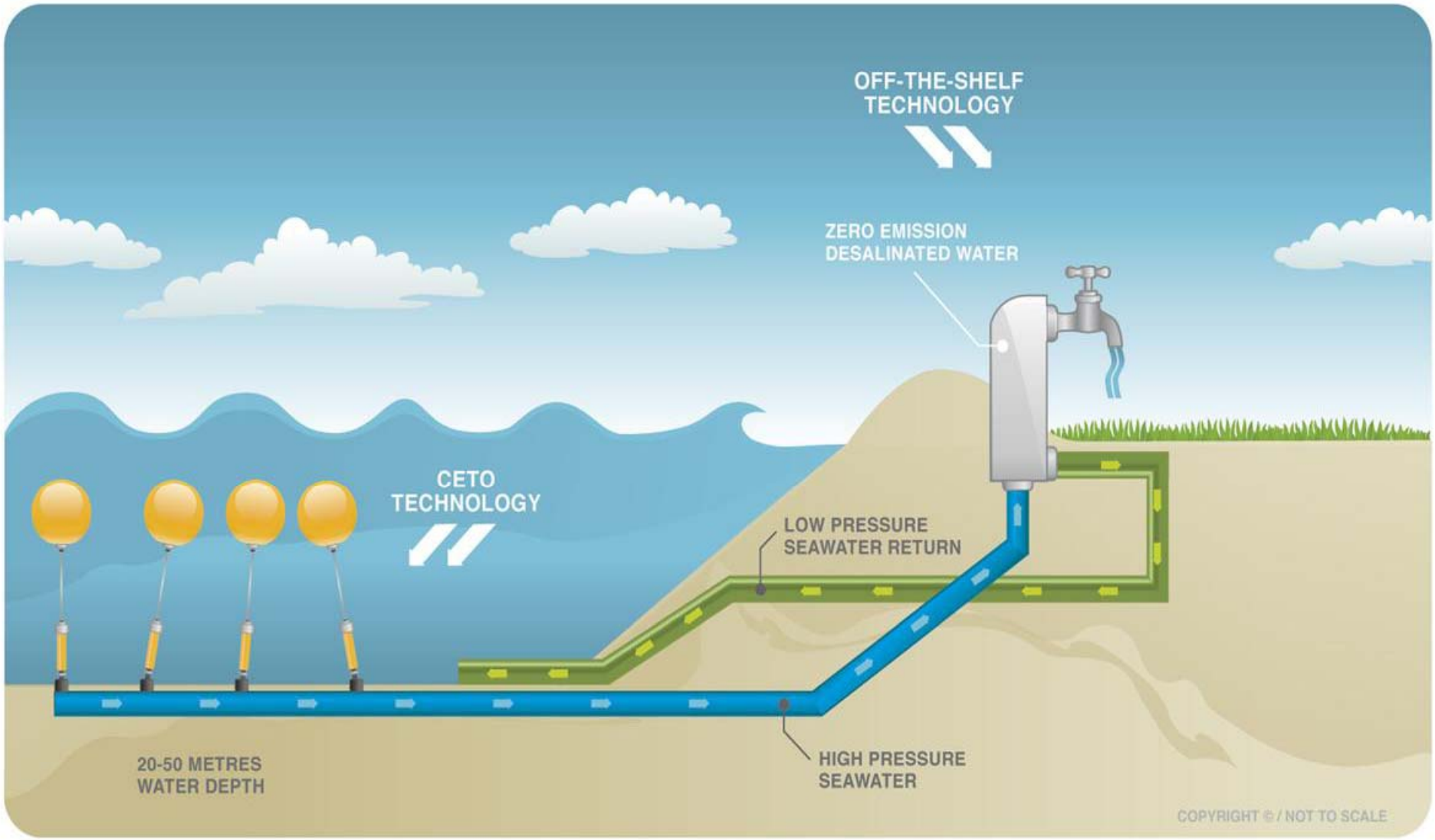
Long term energy price estimates



Long term wave estimate forecast to be cheapest renewable price

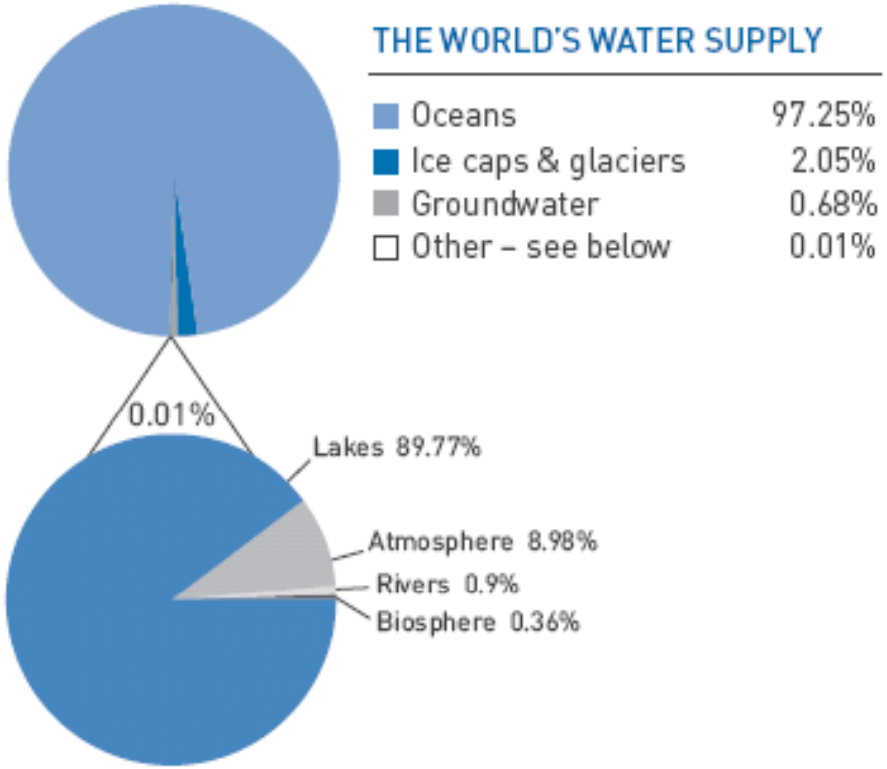
Scientific American, November 2009

Zero-emission desalinated freshwater



World's Available Water Supply

Only 0.01% of the world's water supply is accessible without seawater desalination.



Source: Pinet, P. (2003) 'Invitation to Oceanography'

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Zero-emission desalinated freshwater

Water was in short supply 10 years ago…

2.3 billion people (41% of the world) live in water stressed regions (1700 m3/yr)

This situation isn't going to improve anytime soon…

by 2025, more than 3.5 billion people (48%) will live in water stressed regions.

(UN reports)

Water is the oil of the 21st century

Fortune magazine

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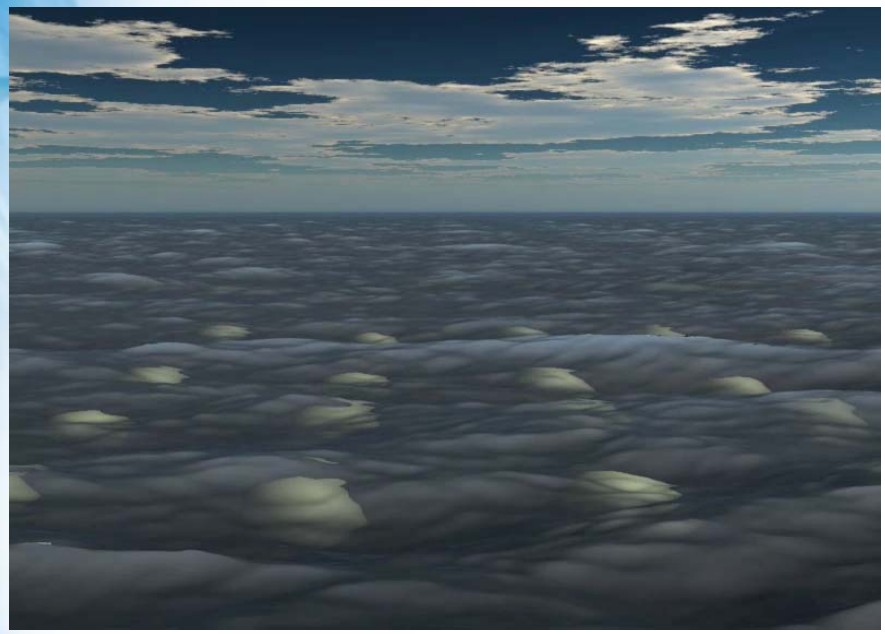
2009/2010: Upcoming Milestones

- operation of commercial scale CETO units
- sign first power offtake
- international sites and project developments
- commence 5MW demonstration project
- estimated capital requirements for 2010 ca. $8m



CWE & CETO Summary

- Advanced technology with significant competitive advantage
- Global market is not constrained (ca. 2,000,000MW)
- CETO cost competitive once deployed at scale
- CWE key relationships with French EDF EN, Australian Defence Dept, Western Australian Govt
- Large potential commercial project pipeline in Australia & Internationally

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