

ASX/Media Announcement

6 November 2009

Government Grant Update

Wave Energy Developer Carnegie Wave Energy Limited (ASX: CWE) has been informed today that it has been unsuccessful with its application for funding under the Federal Government's Renewable Energy Deployment Program.

Carnegie's Managing Director, Dr Michael Ottaviano said:

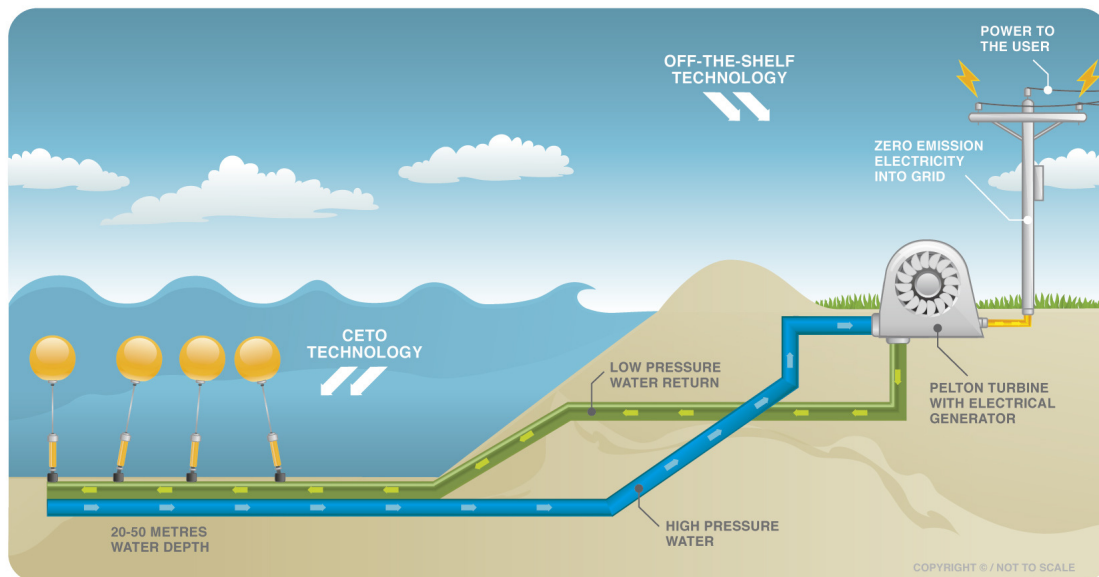
"We are disappointed with the outcome however it changes nothing for us in the short-term. We will continue to develop our Garden Island project with the support of the Western Australian Government's \$12.5 million grant and then look to develop at our international sites where there is significant support for wave energy and where our projects have already received funding commitments from the French and Canadian Governments."

Carnegie can also advise that it has finalized the design of its mooring for the first CETO unit deployment at Garden Island and has now awarded the foundation installation contract.

About CETO

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 water that is delivered ashore via a pipeline.

High-pressure water is used to drive hydroelectric turbines, generating zero-emission electricity. The high-pressure water can also be used to supply a reverse osmosis desalination plant, replacing greenhouse gas emitting electrically driven pumps usually required for such plants.



CETO Technology characteristics include:

- CETO converts wave energy into zero-emission electricity and desalinated water
- 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.

About Carnegie

Carnegie Wave Energy Limited is an Australian, ASX-listed (CWE) wave energy and clean technology developer. Carnegie is the owner and developer of the CETO Wave Energy Technology intellectual property.

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