

ASX Announcement

26 November 2009

\$12.5m WA Government Grant Agreement Signed

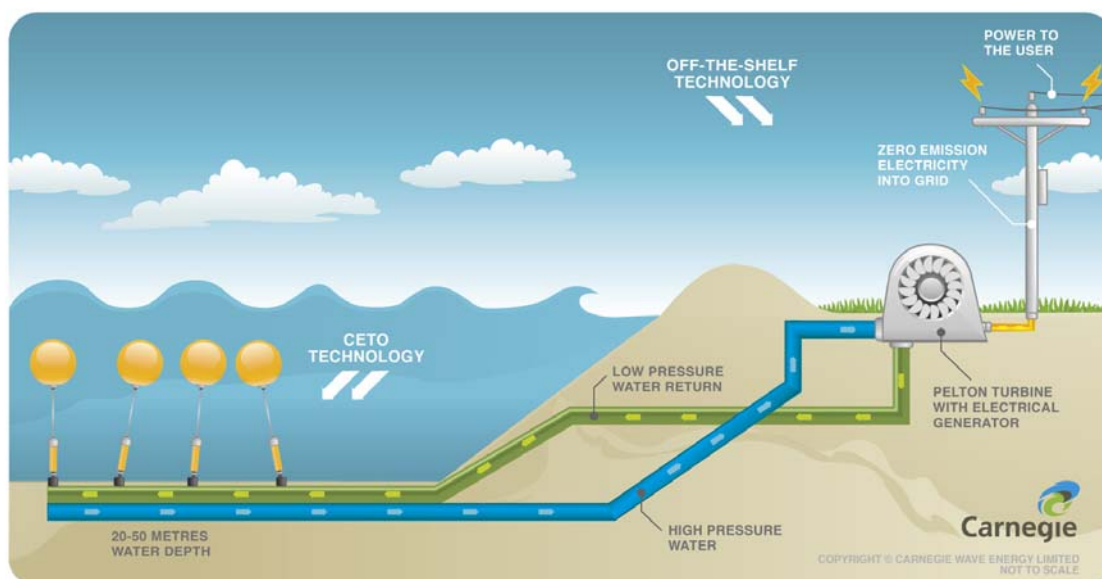
Wave energy developer Carnegie Wave Energy Limited (ASX: CWE) is pleased to advise that it has executed the financial assistance agreement with the State of Western Australian Government for funding under the Low Emissions Energy Development (“LEED”) fund.

Execution of the agreement formalises the State Government’s \$12.5 million support for Carnegie’s 5MW commercial demonstration project. Activities associated with the deployment of the first commercial scale, autonomous CETO unit are now well advanced with physical deployment activities commencing in December 2009 and, as such, completion of activities for the first milestone payment claim are also well advanced. This will be the first commercial scale wave energy unit to be deployed in Australia.

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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