



ASX Announcement

17th November 2010

Please find attached the presentation delivered by Carnegie Wave Energy Limited's Chief Executive Officer Dr Michael Ottaviano at the Jefferies 10th Global Clean Technology Conference yesterday in London.

For more information:

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16th November 2010

Jefferies Cleantech Conference

Dr Michael Ottaviano – CEO & MD



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Carnegie (CWE) – snapshot

Australian Stock Exchange (ASX) - CWE

Shares on issue	800m
Share price	11c
12-month share price range	8c – 24c
3-month average daily volume	\$50,000
Market capitalization	\$90m
Debt	Nil
Net Cash	\$4m (+\$5m*)



- Global owner and developer of **proprietary wave energy technology** ("CETO")
 - Capable of producing **zero-emission renewable power** and **desalinated freshwater** from the ocean's waves
 - 67 patents or patent applications
- 25 engineering, commercial, and administration staff
- Headquarters in Perth, Western Australia ("WA")
- Dedicated private **wave energy research facility** in Fremantle, WA

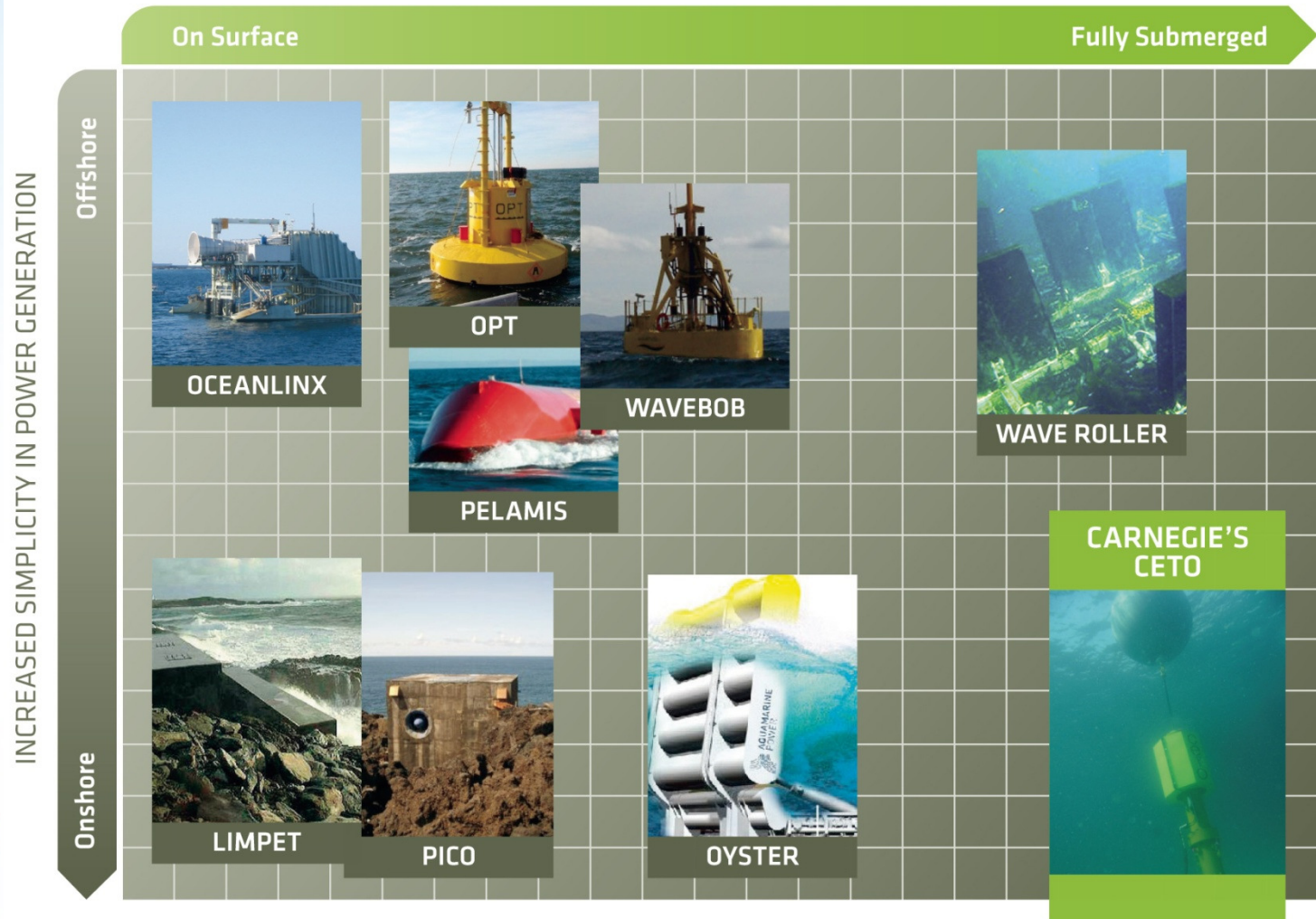
All figures in \$ Australian (AUD = 0.90 USD)

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*\$5m underwritten capital raise in progress

CETO is Unique in the Wave Energy Industry

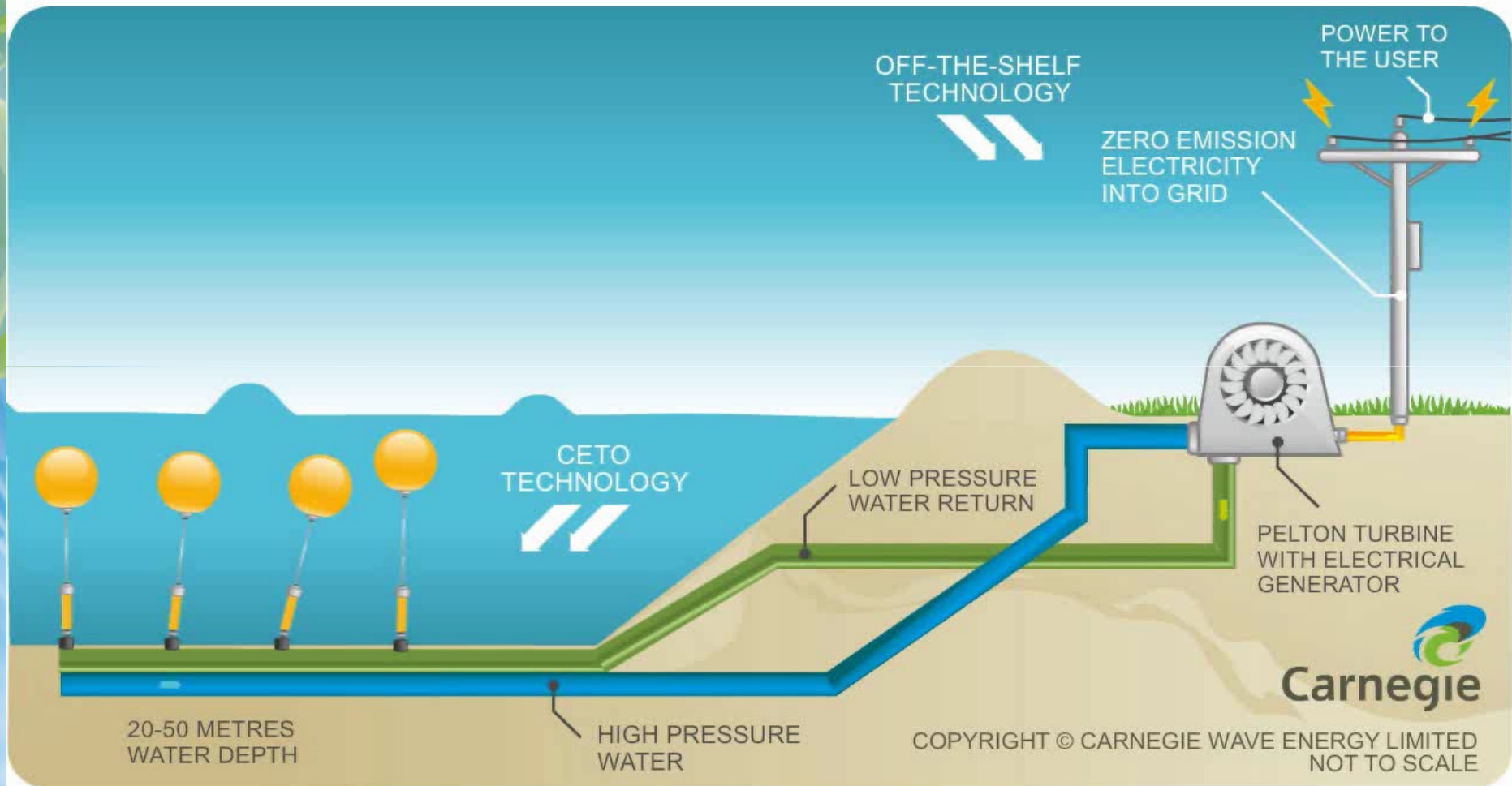
DECREASED EXPOSURE TO LARGE STORMS



Wave Power Generation

Examples of different wave technologies, their location and mode of power generation

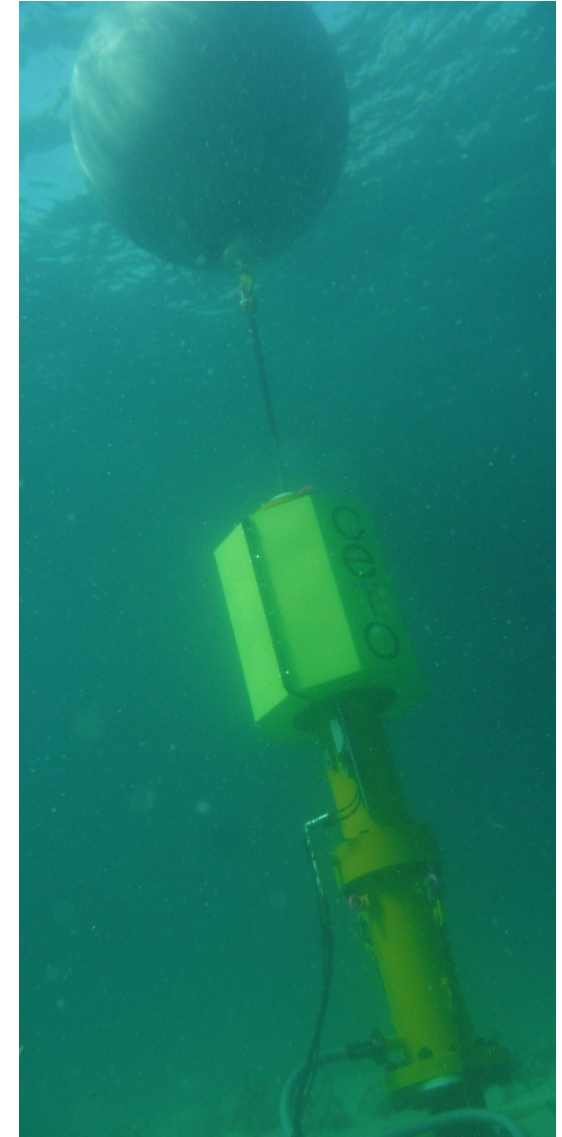
CETO Simplifies Sub-Sea Equipment & Utilises "Off The Shelf" Technology



Wave-driven pumps → *deliver high pressure water ashore* → *driving proven hydroelectric generators*

CETO Wave Technology Advantages

- **Simple**
pumping system, electrical generation onshore
- **Flexible**
variety of water depths, swell directions, tides & seafloor conditions
- **Storm survivability**
energy management systems & fully submerged
- **Minimal environmental impact**
no visual impact, attracts marine life
- **Scalable**
modular array design, EDF EN interested in large scale only
- **Proven at scale in-ocean**
developed over 10 years, in ocean at 1/3rd scale
- **Direct desalination**
zero-emission freshwater co-production

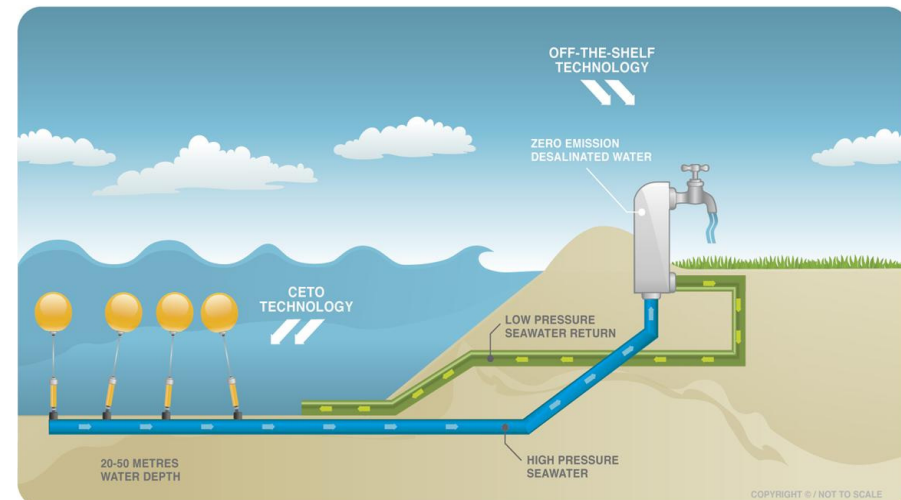


CETO Ideally Suited for Desalination, Government-Funded R&D Project Underway

- Research project with National Centre for Excellence in Desalination, including government funding
- Only wave energy company in the world to have produced desalinated water from wave energy technology
- Rapid increase in desalination plant usage and increasingly mandated to be 100% renewable
- Geographical alignment of wave resources and desalination markets



Former Australian Prime Minister John Howard, Fremantle Wave Energy Facility



Carnegie's World Class Relationships



- Grant of \$12.5 million for Perth project



- MoU for Perth project collaboration and offtake
- Feasibility study for U.S. Naval Communications base



- Collaboration agreement to build a 5MW Irish CETO project



- Northern Hemisphere licensee & JV development partner
- \$5m French Govt. funding for Stage 1 Reunion Island project



- Northern Hemisphere EPCM partner



- Grant of \$2 million for Canadian project



- Desalination research project with funding



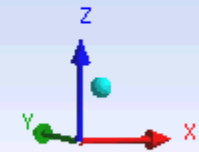
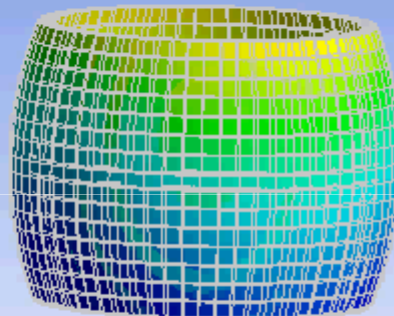
- MoU to negotiate power purchase from Perth project

Computational Simulation before Ocean Testing

ANSYS
v12

Pressures and Motions

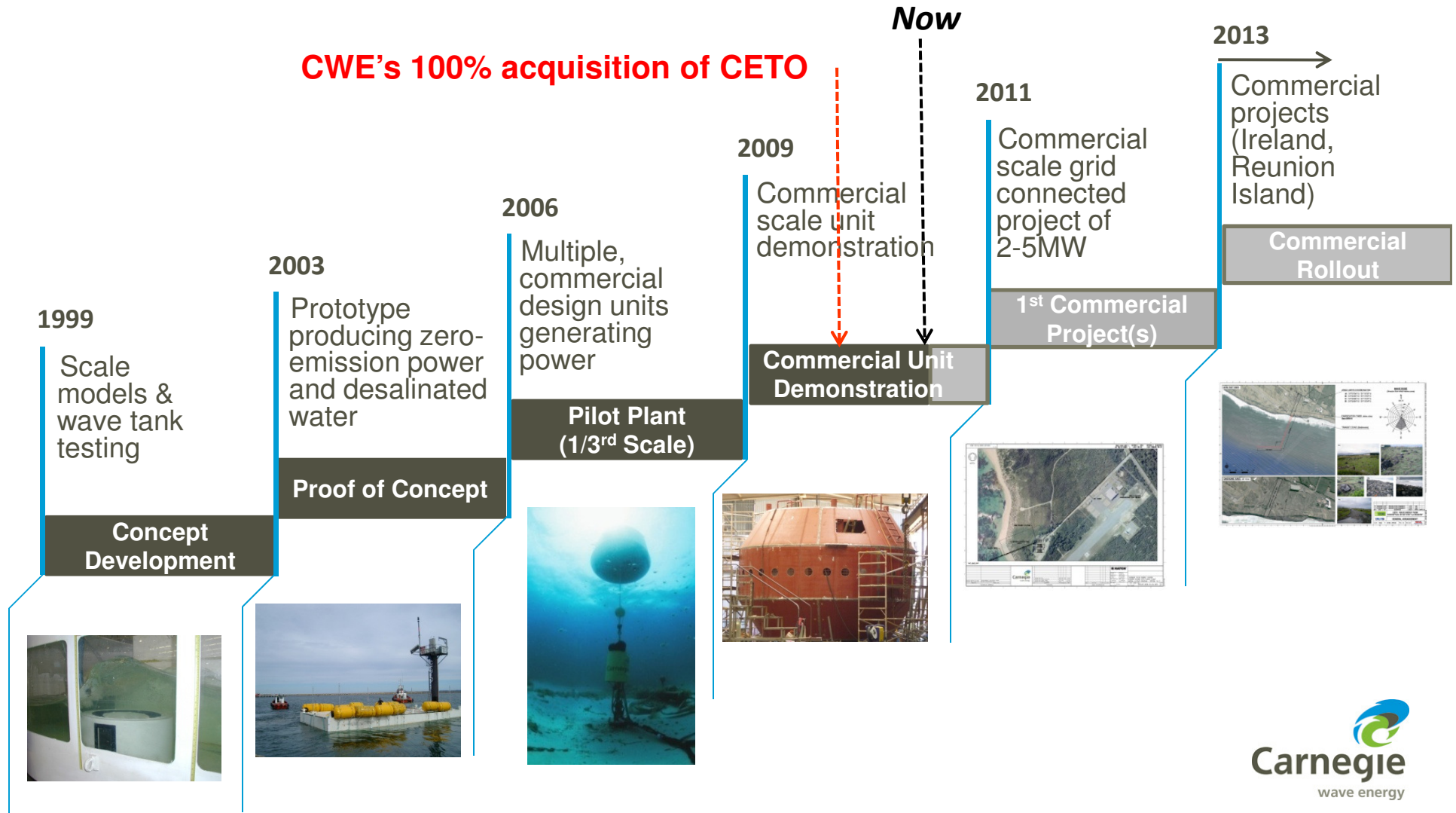
Structures: All, Contouring: Panel Pressure as Head of Water in m
Freq: 1.059 rad/s, Dir: 0 rad, t/T: 0.967
Wave Comp: IDRHS, Amp: 2
4/02/2010 9:25 AM



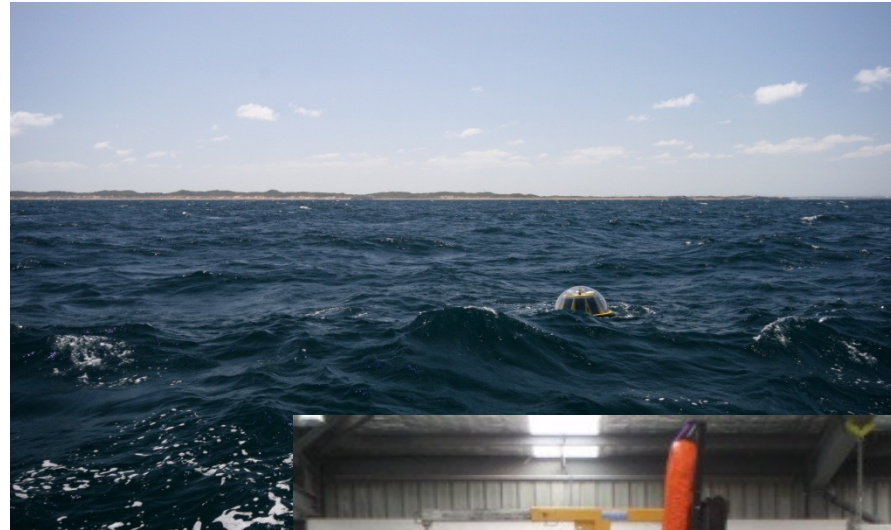
Advanced computational fluid dynamic modeling is undertaken in-house for product design and performance prediction and analysis

Significant De-risking Over Last 4 Years & Major Milestones in Next 18 Months

CWE's 100% acquisition of CETO



CETO Commercial Scale Demonstration



CETO Commercial Scale Demonstration



CETO Commercial Scale Demonstration



Commercial Scale Test Program

Oct 2010

Q 1, 2011

Component Test (FAT)

Results

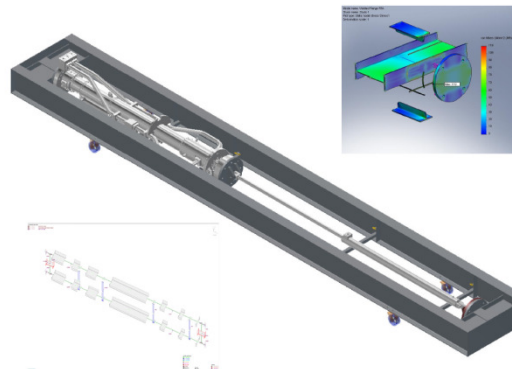
- manufacturability of design
- design specification met
- components delivered



Onshore Testing

Results

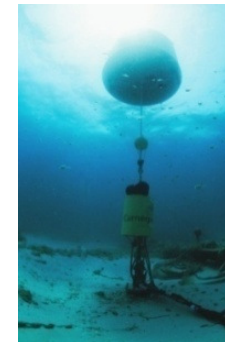
- hydraulic system assembly & commission
- verify hydraulic system performance
- mobilised for deployment



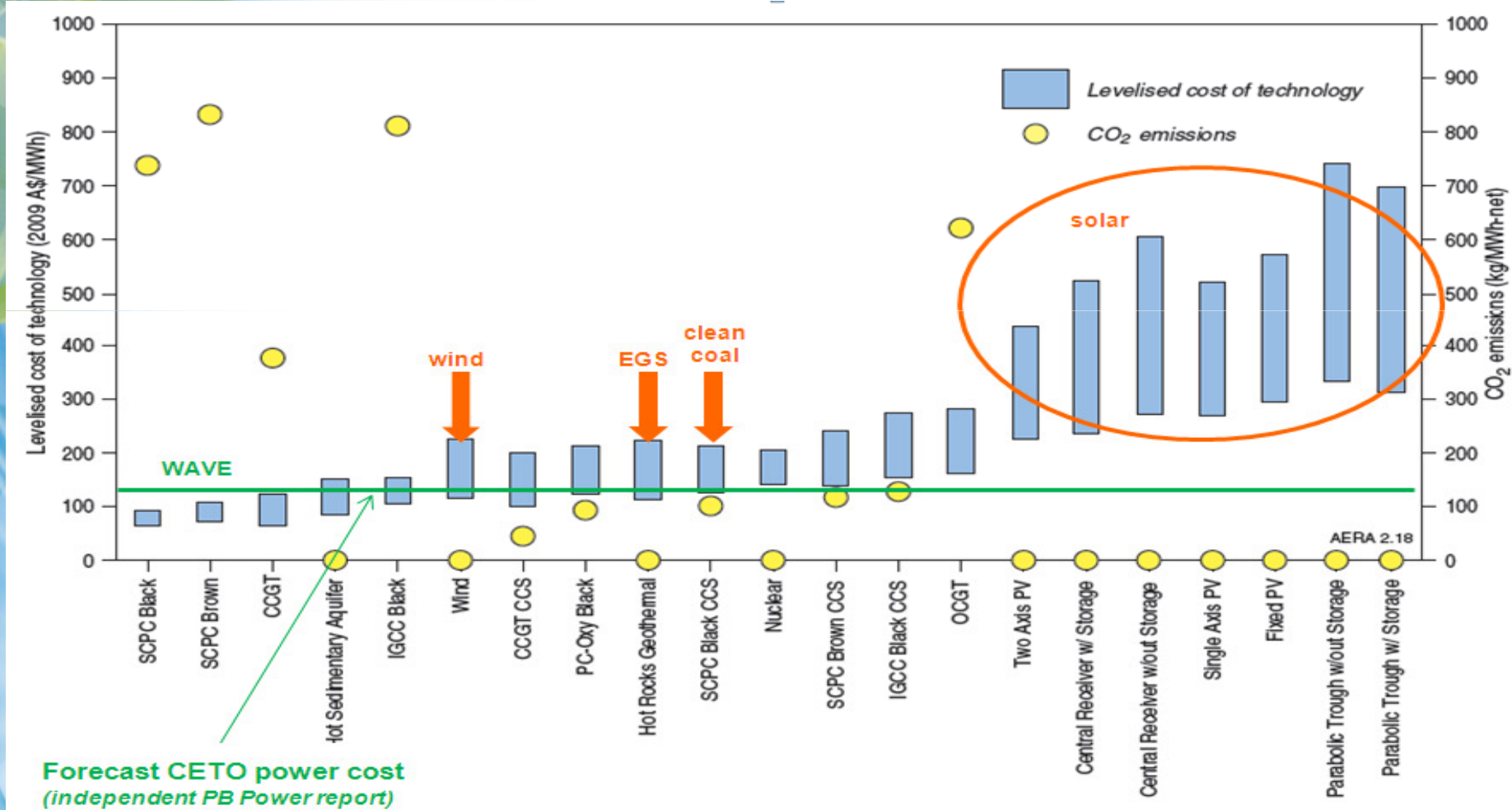
Offshore Testing

Results

- offshore deployment & retrieval
- successful functional operation
- validate CETO capacity

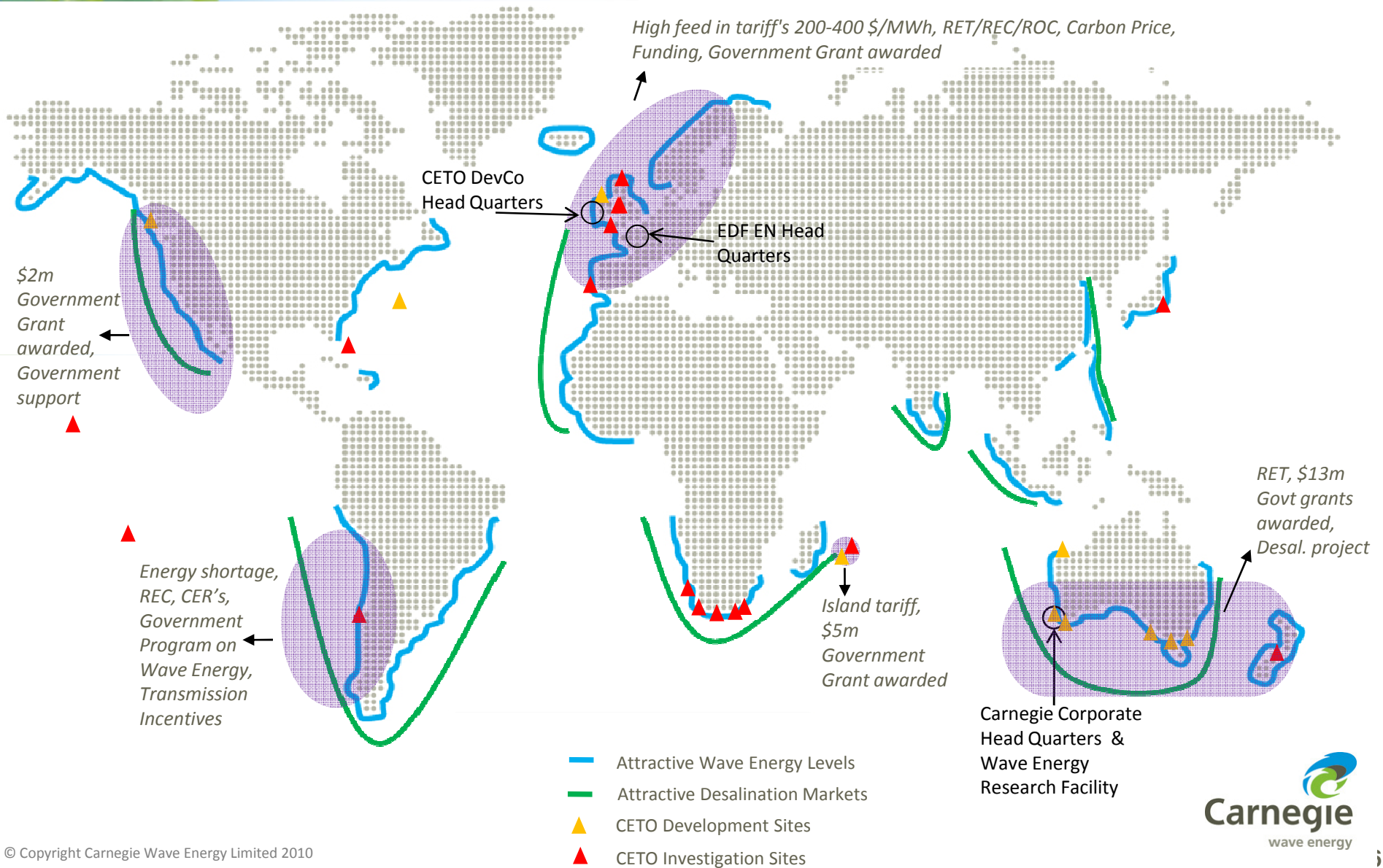


CETO is Independently Shown to be Cost Competitive at Scale (2015 forecast)



PB POWER * Independently prepared by the Electric Power Research Institute. Assumes no carbon price

Carnegie has Developed a Targeted Global Project Pipeline



Summary

- ✓ **Differentiated Technology:** Proprietary wave energy technology with significant competitive advantages. 10 years & \$35 million
- ✓ **Partnerships:** Key relationships and alliances in place with leading corporate partners and governments throughout the world
- ✓ **Addressable Market Size:** Global & untapped markets with an abundant, high capacity, predictable resource
- ✓ **Business Model:** Multiple revenue sources and significant IP barriers to entry
- ✓ **Demonstrated Progress:** Experienced management team with proven track record in achieving CETO milestones

