

ASX Announcement

8 February 2013

Share Purchase Plan

Wave energy developer, Carnegie Wave Energy Limited (ASX: CWE), is pleased to announce a capital raising via a Share Purchase Plan (SPP) to raise up to \$6 million.

The SPP will allow all eligible Carnegie shareholders to purchase between \$3,000 and \$15,000 worth of shares in Carnegie at 3.2 cents per share. Based on the share price at the close of trading on 7 February 2013, the offer price equates approximately to a 20% discount to the 5 day average share price. This is the maximum discount allowable under the ASX listing rules.

Carnegie's Managing Director, Dr Michael Ottaviano, said:

"The continued commercialization of CETO and the successful delivery of Carnegie's "wave to wire" demonstration project will position Carnegie at the forefront of the emerging wave energy industry and unlock a global, untapped market."

The offer opens on 11 February 2013 and will close on 13 March 2013. Eligible shareholders are those who are registered holders of shares in Carnegie on 7 February 2013. The Company reserves the right to accept oversubscriptions of shares in the SPP. Full details of the SPP including offer and acceptance forms will be sent to all shareholders in the coming days.

The funds raised in the SPP will be used to fund the activities associated with the commercialization of the CETO wave energy technology including the delivery of Carnegie's first "wave to wire" commercial demonstration project and for general working capital purposes.

Dr Michael Ottaviano also said:

"With this offer we are also providing our existing shareholders the opportunity to invest in Carnegie at a significant discount to the current share price and for the Company to use these funds in preference to drawing down on its existing equity financing facility which would negatively impact the share price in the absence of higher trading volumes."

Carnegie has made exceptional progress in developing its Garden Island site in Western Australia for this project including working closely with key stakeholder, the Australia Department of Defense, who acts as both landowner and power purchaser, and securing significant funding support from the Australian Commonwealth and Western Australian State Governments. The company has also obtained environmental and maritime safety approvals for the project. As recently announced the design for the project is complete and Carnegie is now in commercial discussions with suppliers to finalise project cost and place orders for components and work packages. This process is due for completion in the current quarter with manufacturing and construction expected to take 12 months.

A Company update will also be released shortly.

Perth Wave Energy Project ('PWEF') Fact File

- Upon completion, PWEF will be Australia's first commercial-scale CETO grid-connected wave energy project.
- The Project received funding from the Australian Government as part of the Australian Centre for Renewable Energy's Emerging Renewables Program.
- PWEF is supported by \$7.76 million from the Government of Western Australia's Low Emissions Energy Development (LEED) Fund. This is part of a larger \$10.45 million LEED grant, awarded to Carnegie by the WA Government, to support the development of the CETO technology from concept through to completion of PWEF.
- Government grant funding slightly more than 50% of overall Project costs.
- Utilising Carnegie's fully submerged and commercial proven CETO wave energy device.
- Providing clean, renewable energy to Australia's largest naval base, HMAS Stirling, on Garden Island in Western Australia.

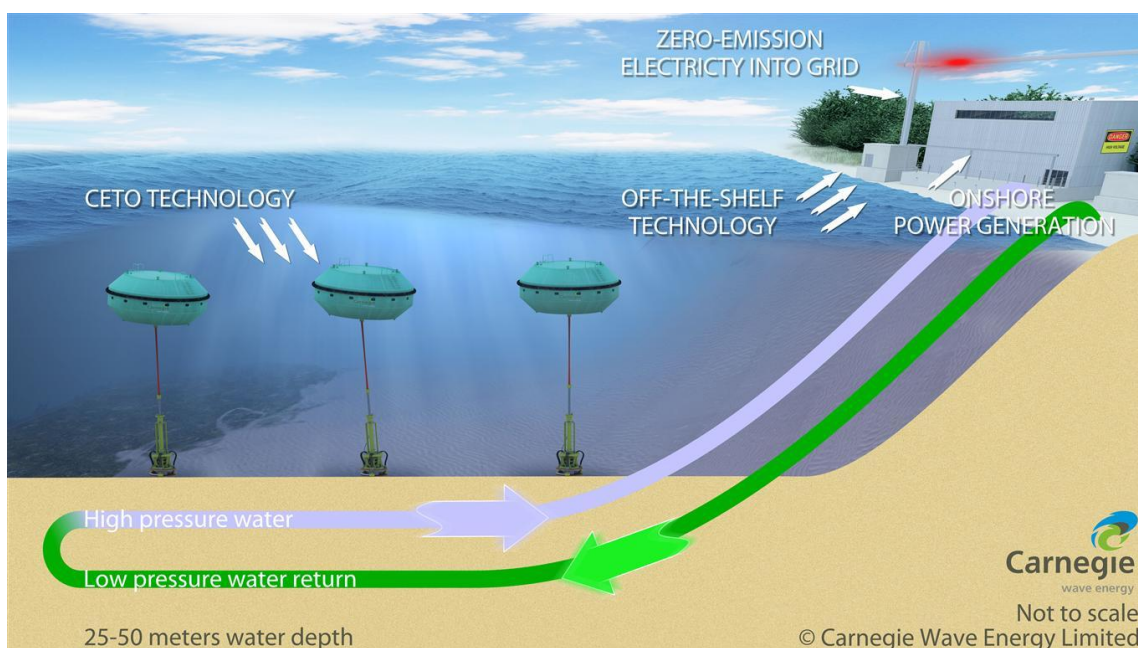
About Carnegie

[Carnegie Wave Energy Limited](#) is an Australian, ASX-listed (CWE) wave energy technology developer. Carnegie is the 100% owner and developer of the CETO Wave Energy Technology intellectual property.

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 fully 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.

On shore, 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 ocean wave energy into zero-emission electricity and desalinated water.
- CETO is environmentally friendly, has minimal visual impact and attracts marine life.
- CETO is fully submerged in deep water away from breaking waves, beachgoers and where it is safe from storms.

For more information:

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