

ASX Announcement

6th June 2014

Carnegie Wave Energy is pleased to release a presentation given by Carnegie's Managing Director Dr Michael Ottaviano to an analyst briefing and site visit conducted yesterday afternoon.

For more information:

Dr Michael Ottaviano

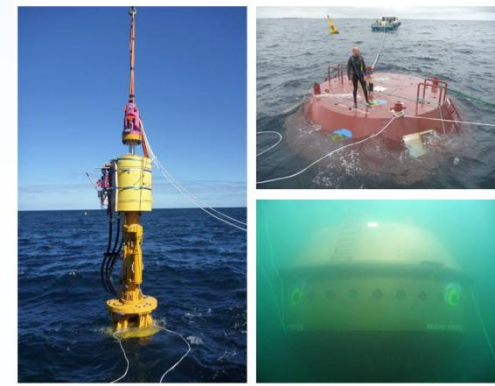
Managing Director

Carnegie Wave Energy Limited

(08) 9486 4466

enquiries@carnegiewave.com

Website: www.carnegiewave.com



CWE Analyst Briefing

June 2014

Dr Michael Ottaviano
Managing Director



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Recent News

- 1MW CETO 6 design unveiled (March)
- \$20m CEFC debt facility for CETO 6 (March)
- \$9.5m capital raise (April)
- Perth Project
 - Offshore foundations installed
 - Pipeline installed
 - Buoyant actuators delivered
 - Assembly & pre-install test phase commence



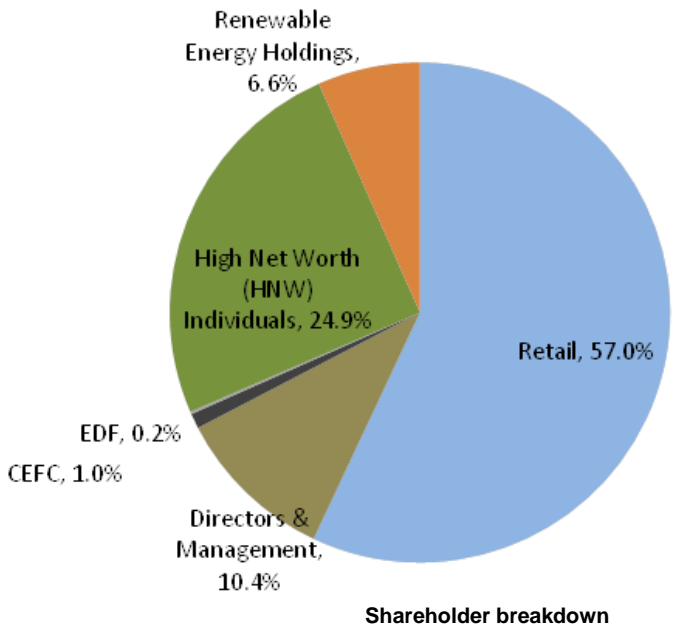
Carnegie Overview

- Owner and developer of “CETO” wave energy technology
- 35 engineering, commercial, administration staff
- ASX listed, based in Fremantle, Western Australia
- Subsidiaries in UK, Ireland and Chile
- 120 Patents or patents pending globally
- \$100m spent to date on CETO
- EDF (Electricite de France) is a CETO power licensee



Carnegie Trading Snapshot

- Current financials (as at 30/5/14)
 - \$17m cash and receivables
 - \$7.9m undrawn grants
 - \$20m undrawn loan facility
 - \$1m royalty



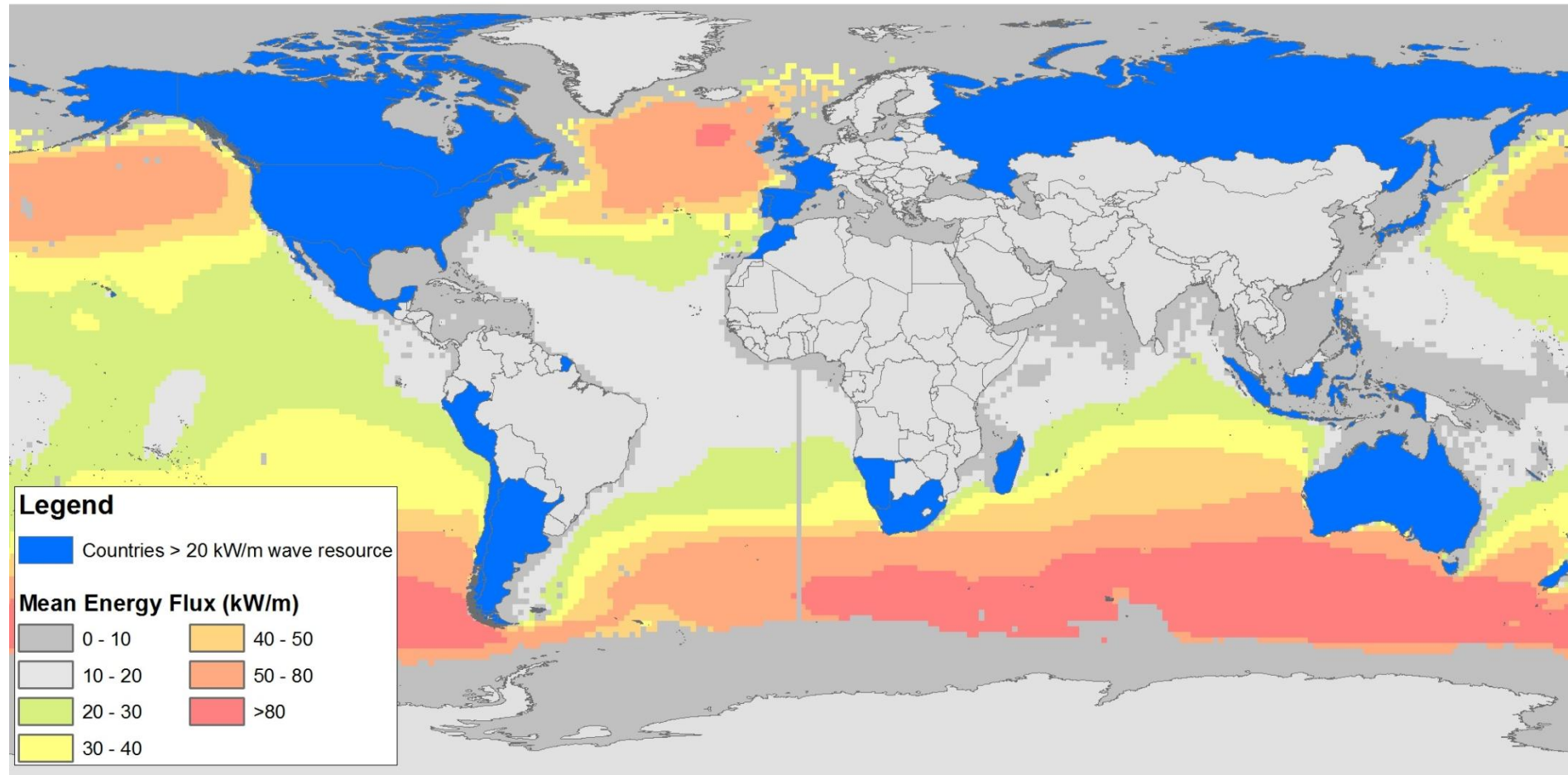
1 year share price snapshot

Carnegie Board of Directors



(L-R: Kieran O'Brien, Mike Fitzpatrick, John Leggate, Jeffrey Harding, Michael Ottaviano, Grant Mooney)

Global wave resource > current global power use



- Market is global, large and co-located with demand centres
- Resource is more predictable, consistent and available than wind or solar
- Total resource potential = >200TW (200 million MW)

Strategic Transactions Examples



- **Tidal Energy - Valuation \$250m**
 - Source: DCNS takeover of Open Hydro tidal, (2013)



- **Tidal Energy – Valuation (undisclosed)**
 - Source: Siemens takeover of MCT (2012)

Morgan Stanley



- **Tidal Energy – Valuation \$120m**
 - Source: \$20 million raised via AIM IPO, Q1 2014. Morgan Stanley own 46% stake.



- **Tidal Energy – Valuation (undisclosed)**
 - Source: Alstom acquisition of TGL tidal from Rolls Royce, (2009)



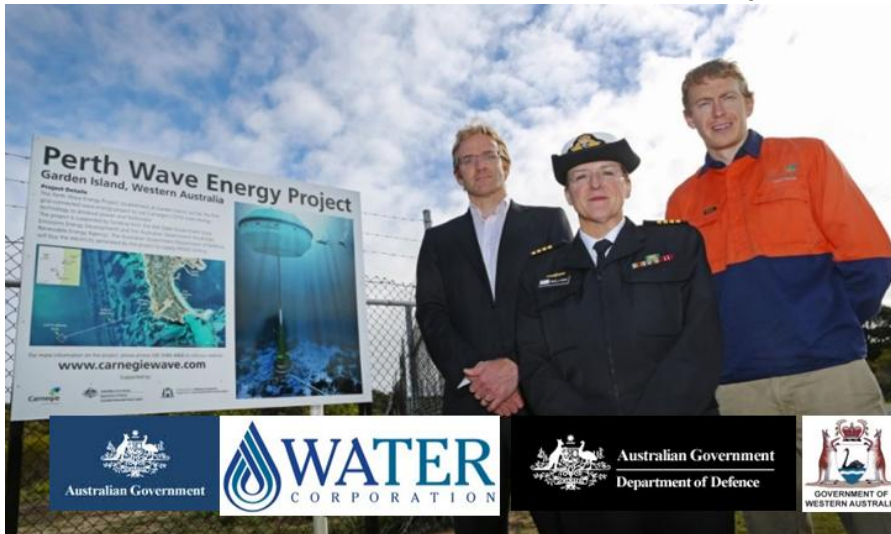
- **Wave Energy – Valuation (undisclosed)**
 - Source: Alstom acquisition of 40% equity stake (2011)



- **Wave Energy – Valuation \$90m**
 - Source: \$13 million raised from ABB for 14% share, (2010)

Perth Wave Energy Project

- World's only multiple wave unit array
- 3 x 240kW CETO 5 units
- 100NB, 3000psi flexible pipeline 3.2km ashore
- Onshore power plant and grid connection
- Onshore reverse osmosis desalination pilot plant
- \$22m in Government grant funding
- Design, approvals, construction, equipment supply complete. Final assembly and testing being completed. Installation and commissioning to follow.
- Power & Water Offtake to Australian Department of Defence (HMAS Stirling)



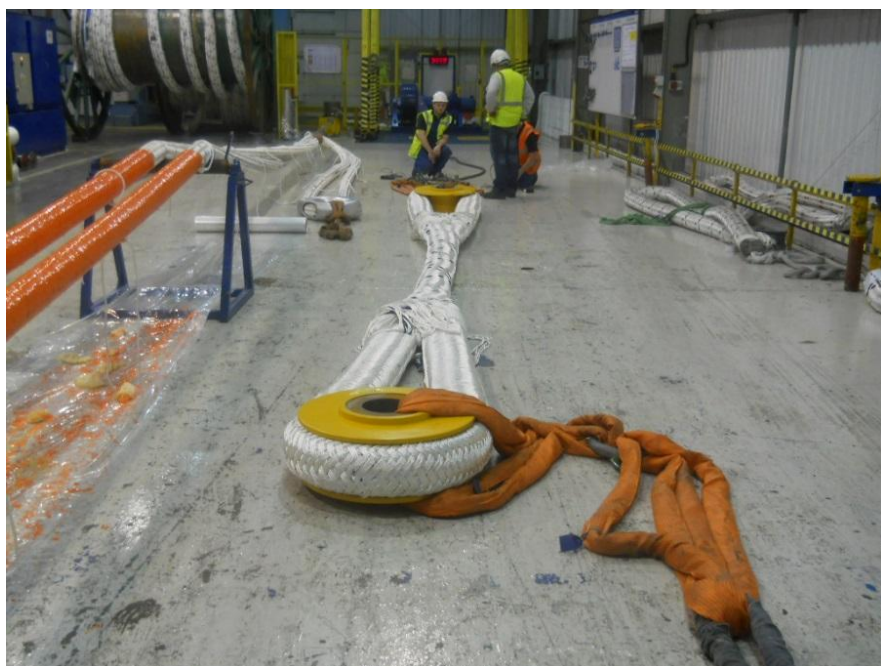
Perth Wave Energy Project – offshore foundations



Perth Wave Energy Project – pipeline installation



Perth Wave Energy Project – pumps, pods, tethers, attachments



Perth Wave Energy Project – onshore plant, desalination



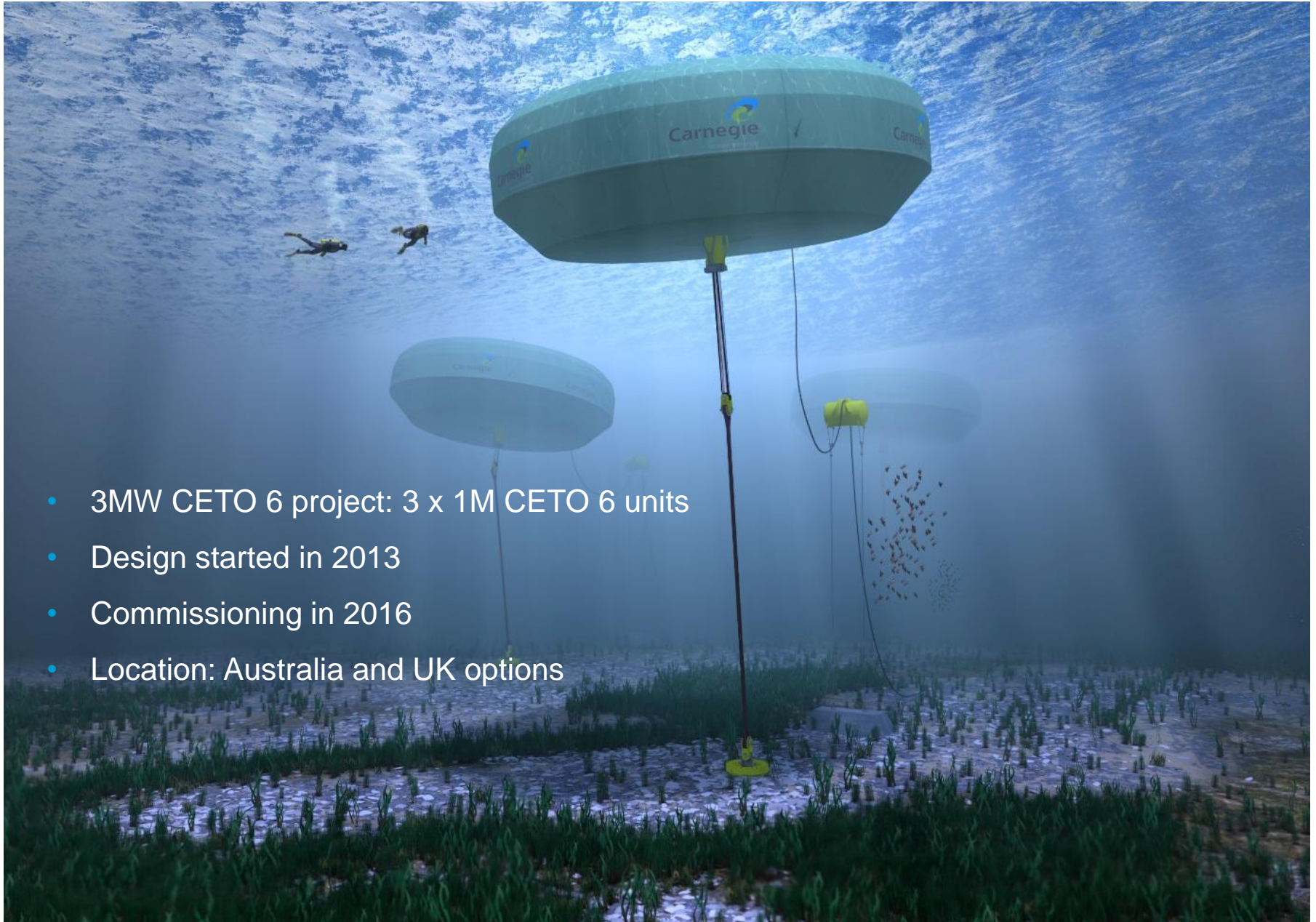
Perth Wave Energy Project – buoyant actuators



Perth Wave Energy Project – onshore assembly & test



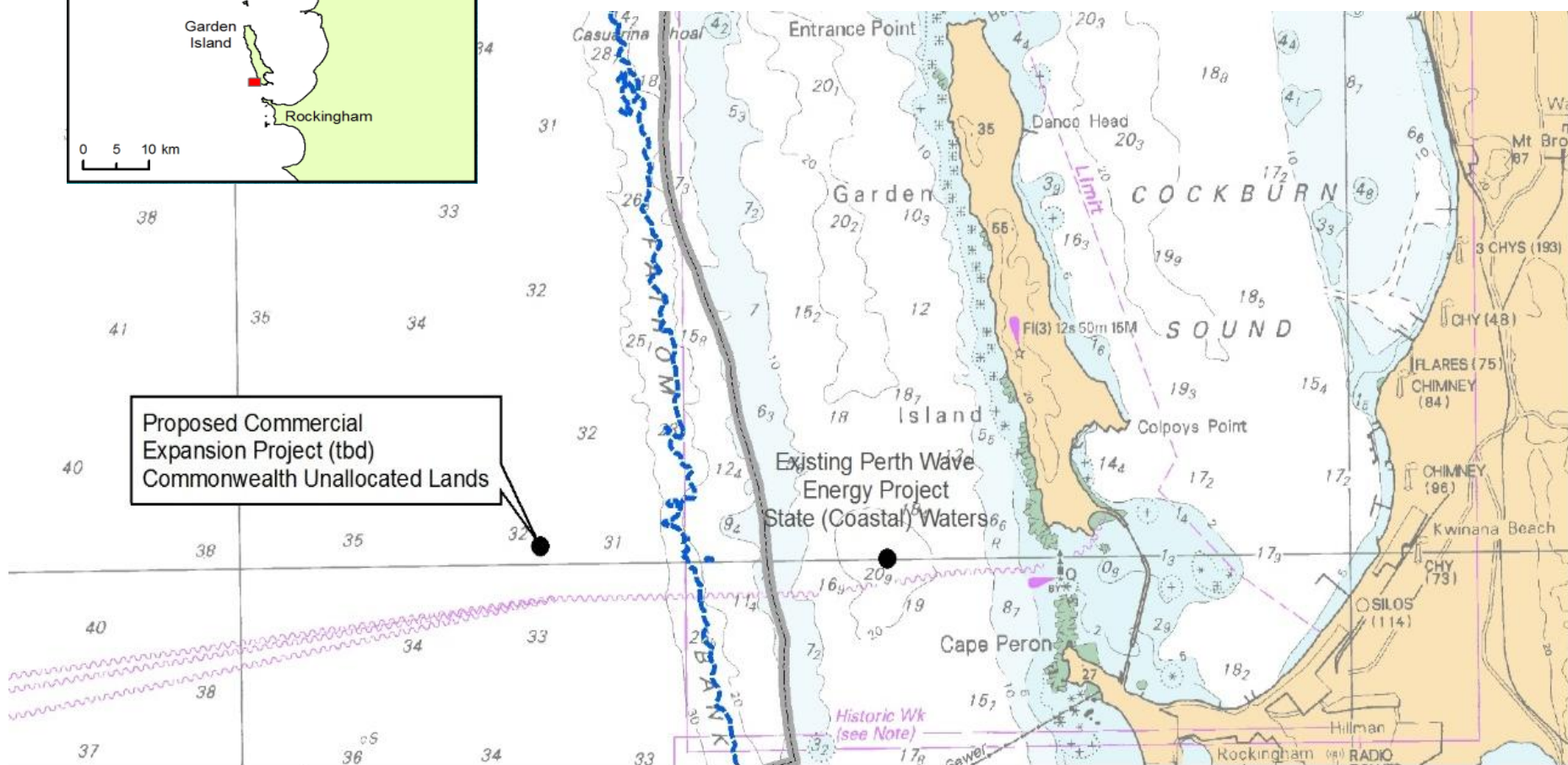
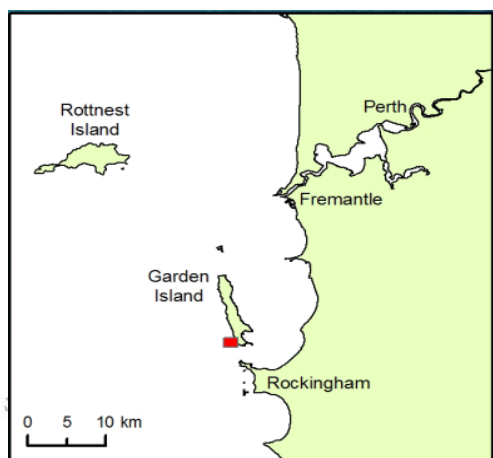
CETO 6 Demonstration Array Project



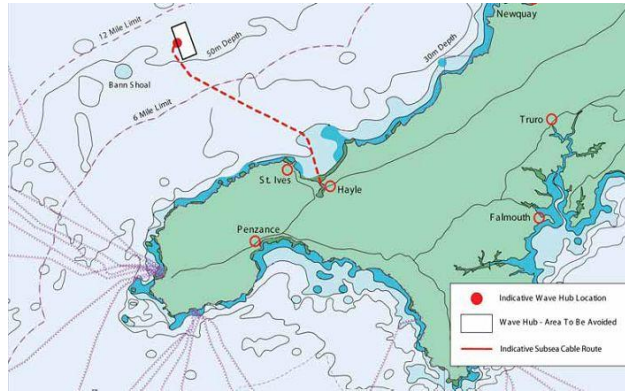
- 3MW CETO 6 project: 3 x 1M CETO 6 units
- Design started in 2013
- Commissioning in 2016
- Location: Australia and UK options

Australian CETO 6: expansion of Perth Project off Garden Island

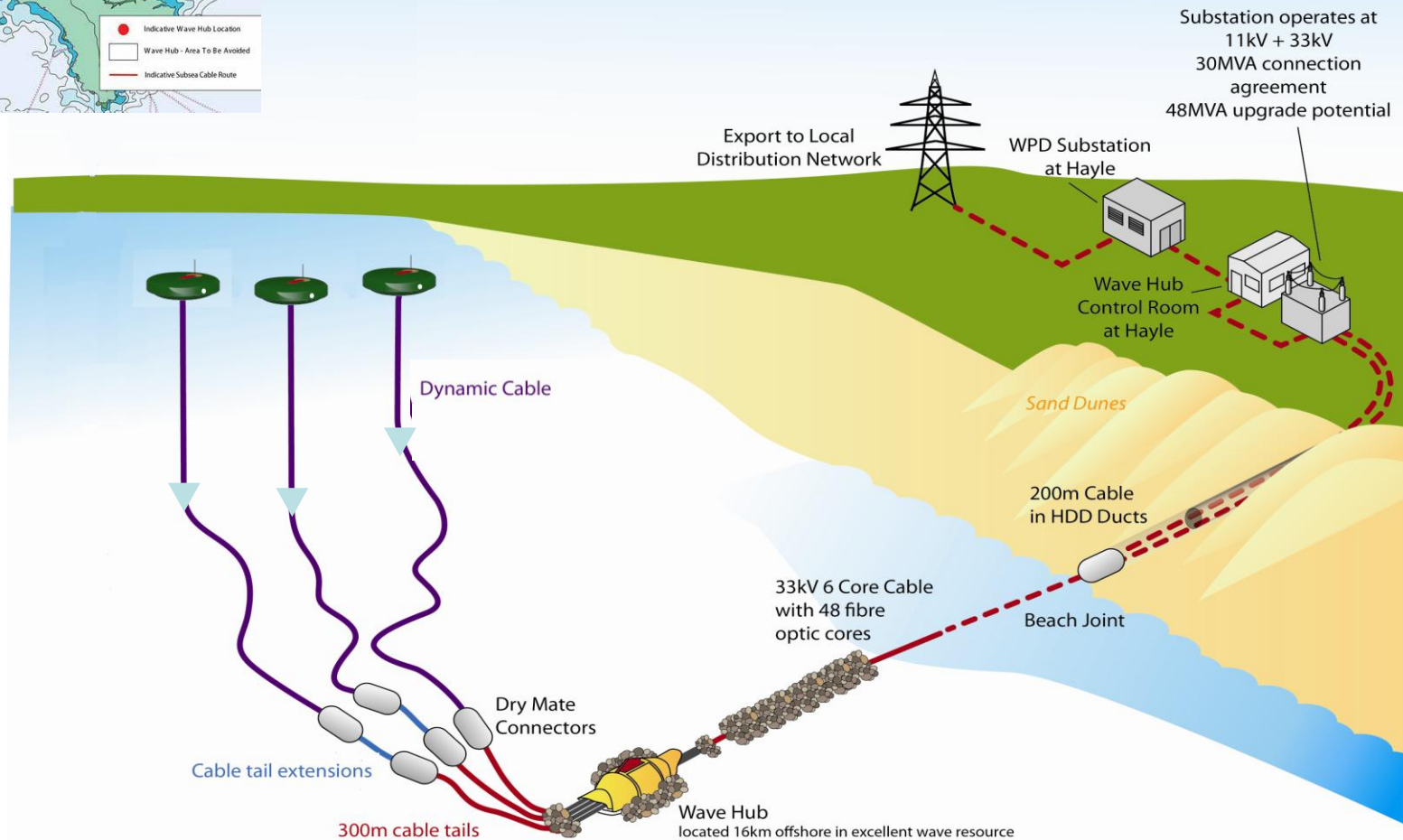
- Further offshore (deeper water, higher energy waves)
- Uses easements, onshore infrastructure and Defence agreement
- Supported by CEFC loan. Government grant potential.



UK CETO 6 – Wave Hub, Cornwall

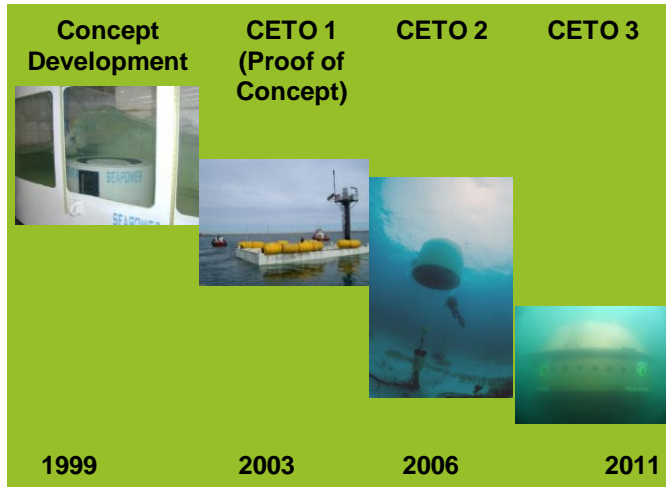


- \$50m+ spent by UK Govt
- Existing power infrastructure and grid connection
- Supported by \$500/MWh feed in tariff. Govt grant potential

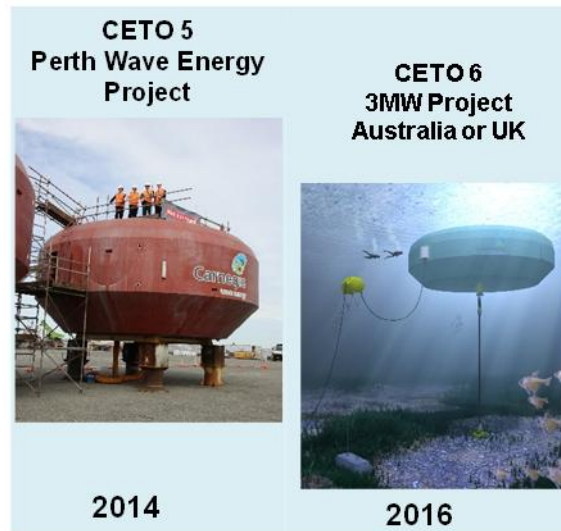


Commercialisation pathway

Completed



In Progress



Commercial Projects



Development capital

3rd party funding/finance

Revenues



- 2011-13:
 - ✓ Single unit test (CETO 3) at project site
 - ✓ Power offtake with Dept of Defence
 - ✓ \$22m in Government grants secured
 - ✓ Design & approvals of Perth Project
- **2014:**
 - ✓ Start construction of Perth Project
 - Power and water production from Perth project
 - CETO 6 project design, location and funding
- 2016:
 - Commissioning of 3MW CETO 6 project
- 2018:
 - First commercial sales