

ASX Announcement

Monday, 3rd August, 2015

\$4m Scottish Government Grant

- **\$4.3m (£2m) grant awarded by Wave Energy Scotland for the development of a wave energy power conversion system “WavePOD”**
- **Development will feed into Carnegie’s first UK CETO project in 2018**
- **Consortium includes Bosch Rexroth and Aquamarine Power**

Wave energy developer Carnegie Wave Energy Limited (ASX: CWE) is pleased to announce the award of a £2m grant from the Scottish Government’s Wave Energy Scotland (WES) for the development of a universal Power Take Off system to convert mechanical energy to electricity.

The ‘WavePOD’ project will deliver a fully tested and robust hydraulic Power Take Off (PTO) prototype system together with the design and specification for a full-scale system for subsequent integration into a full scale CETO device. The project will take 18 months to design, deliver and test a 1/10th scale prototype plus the full scale system design and specification and is fully funded by WES. Carnegie’s 100% owned subsidiary, CWE UK, will develop the system along with Scottish wave developer Aquamarine Power and with global drive and control manufacturer Bosch Rexroth.

The “Power Take Off” is a conversion system located within the CETO 6 buoy that converts the hydraulic and mechanical energy from the CETO hydraulic cylinder into electricity for export back ashore to the electrical grid. The full scale WavePOD system will be targeted for use in Carnegie’s first UK project due for operation in 2018, following the delivery of Carnegie’s CETO 6 Project off Garden Island in Western Australia.

Fergus Ewing, Minister for Energy, the Scottish Government commented,

“This is a hugely significant day for Wave Energy Scotland (WES). I am delighted to see the first contracts being awarded to technology developers. The Scottish Government is committed to supporting this important sector and we are confident that Scotland will continue to hold its world class status as a thriving country for wave energy technology development.”

Carnegie’s Chief Technology Officer, Jonathan Fiévez, said,

“We see this project as a unique initiative to bring together two major wave energy developers and the experience of Bosch in order to boost efficiency, improve reliability and reduce the cost of this critical element. The ultimate goal of WavePOD is to have a Power Take Off with manufacturer guaranteed performance delivered to Carnegie ready to load directly into our CETO Unit. The WavePOD project complements Carnegie’s existing Power Take Off development for the CETO 6 Garden Island project already underway with Bosch Rexroth. It will provide a system that can be integrated into Carnegie’s first UK projects.”

Wave Energy Scotland (WES) was set up as a subsidiary of Highlands and Islands Enterprise (HIE) and is funded by the Scottish Government. WES is focused on the development of low cost, efficient and reliable components and subsystems for the wave energy industry. It's Power Take Off funding round received 42 eligible proposals, awarding a total of £7m to 16 consortia ranging from £78,000 for concept optimisation, up to £2M for later stage prototype development. Each successful project has been awarded 100% financial support.

The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

About Carnegie

[Carnegie Wave Energy Limited](#) is an Australian, ASX-listed (ASX:CWE) wave energy technology developer. Carnegie is the 100% owner and developer of the CETO Wave Energy Technology intellectual property. Carnegie is focussed on commercial opportunities in key target markets including UK, Europe and remote islands.

About CWE UK

CWE UK is the 100% owned UK subsidiary of Carnegie Wave Energy Limited established in 2013 to develop commercial and pre-commercial projects in the United Kingdom.

About CETO

The CETO system is different from other wave energy devices as it operates under water where it is safer from large storms and invisible from the shore. CETO technology characteristics include:

- Converts ocean wave energy into zero-emission electricity and desalinated water.
- Environmentally friendly, has minimal visual impact and attracts marine life.
- Fully-submerged in deep water, away from breaking waves and beachgoers.

CETO 6 Project Fact File

The CETO 6 unit has a targeted 1MW (1000kW) power capacity, some four times of the current CETO 5 generation being used in the Perth Project. It will have a superior efficiency, lower capital and maintenance costs than any CETO product generation developed to date. The CETO 6 Project is supported by \$11m in Australian Government grant funding through the Australian Renewable Energy Agency's Emerging Renewables Program and a five year \$20 million loan facility from the Australian Clean Energy Finance Corporation. The clean, renewable energy generated by the Project will be sold to the Australian Department of Defence at Australia's largest naval base, HMAS Stirling, on Garden Island in Western Australia.

About Aquamarine Power

Aquamarine Power are the Scottish based developer of the near shore Oyster wave convertor technology. Its Oyster 800 device survived at sea for three years, including major storms, and thousands of hours of operation.

About Bosch Rexroth

Bosch Rexroth is a major European original manufacturer of drive and control equipment mobile and machinery applications, factory automation and renewable energy. Bosch Rexroth offers its customers hydraulics, electric drives and controls, gear technology, and linear motion and assembly technology from a single source.

For more information:

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